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ZIMBABWE

THE 2027 NATIONAL BUDGET

"Accelerating Economic Transformation and Building Resilience to Climate and Global Shocks"

Presented to the Parliament of Zimbabwe

by

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MINISTER OF FINANCE

On

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INTRODUCTION

1. The 2027 National Budget is presented at a defining and watershed period in the country's economic growth trajectory, as Zimbabwe makes progress in implementing the National Development Strategy 2 (NDS2, 2026–2030), towards the realisation of our collective national vision, ***"Towards a Prosperous and Empowered Upper-Middle-Income Society by 2030".*** The vision is by the people of Zimbabwe and for the people of Zimbabwe; our national resolve, galvanising our collective energies and wisdom towards a national objective to uplift the living standards of all Zimbabweans, ending poverty, *leaving no one and no* place *behind.*

2. Building on the foundations of macroeconomic stability, the 2027 National Budget will expand the frontiers for broad-based and inclusive economic growth and transformation. These milestones reflect the notable progress made by the Second Republic under the visionary leadership of His Excellency, the President Dr. E. D. Mnangagwa.

3. Zimbabwe is making remarkable progress, increasingly demonstrating visible outcomes following sustained implementation of structural, sectoral and macroeconomic reforms as integral to the broader inclusive growth and transformation agenda. Significantly, Zimbabwe has achieved much progress over the past eight years, with fairly limited outside financial help, given the overarching coercive measures, which have been an albatross and upon Zimbabwe for decades.

4. Headline inflation, the bane of our macroeconomic conditions for decades has stabilised, achieving single digit levels in January this year and has averaged 4.0% over the past ten months. We are determined to stay in single digit levels now and forever. The introduction of the local currency Zimbabwe Gold (ZiG) has provided the country with its own domestic currency and public confidence in the ZiG is steadily growing and gaining traction.

5. Currency and exchange rate volatility fuelling highly variable inflation is now truly behind us and the economy continues along the "Stability and Growth" path, a continuum of growth and endless possibilities beyond the near term. Sekou Toure's famous 1963 speech on the

founding of the Organisation of African Unity (OAU) alluded to Africa's endless possibilities, "*The life of a* man *is counted in decades, the life of Africa is endless*". Our founding fathers had a vision for African unity, ours is a vision for inclusive growth and transformation of Zimbabwe and creating an economy that confers equal opportunities for all, through unity of purpose, hard work and integrity.

6. The country's external position continues to strengthen, with gold and foreign currency reserves increasing to two months of import cover and building foreign currency reserves will be sustained in 2027 and beyond. These developments are important in reinforcing confidence, supporting, currency, exchange rate and price stability, and strengthening the economy's capacity to withstand external shocks.

7. Further recognition of the country's progress is reflected in Zimbabwe's removal, with effect from 1 July 2026, from the World Bank Group's fragility classifications. Zimbabwe has also advanced its engagement with the New Development Bank, having been admitted as a prospective member and also elected as a non-permanent member of the United Nations Security Council for 2027-2028. Taken together, these developments demonstrate that Zimbabwe is not merely pursuing transformation as an aspiration, but is making measurable progress towards a more stable, resilient and competitive economy.

8. Themed ***"Accelerating Economic Transformation and Building Resilience to Climate and Global Shocks"***, the 2027 National Budget articulates the fiscal policy strategy for the coming year and the medium term. The Budget recognises that durable macroeconomic stability is the fulcrum upon which effective economic policies can be implemented to achieve structural transformation, inclusive growth and climate resilience.

9. Accordingly, the Budget will focus on broadening participation in the economy, expanding business frontiers and creating decent employment opportunities, particularly for the youth and women. This will be anchored on technology, artificial intelligence, innovation, enterprise development and progression financial inclusion, including support for emerging sectors such as fintech and other technology-based enterprises.

10. The country has made significant progress towards economic transformation, but more is required. Hence, structural transformation, underpinned by value addition and beneficiation of the nation's rich mineral endowments, agro-processing, infrastructure modernisation and digital transformation, including artificial intelligence and technology, will remain priority areas for 2027 and the medium term.

11. Government will also focus on investment in human capital development, recognising that a skilled and capable civil service is the bedrock for efficiency gains, productivity and delivery. Further, the Government will prioritise building a competitive economy that is able to take advantage of opportunities arising from the African Continental Free Trade Area (AfCFTA) and other regional trading arrangements.

12. The 2027 National Budget will also consolidate the fundamental principles of fiscal prudence, value for money, expenditure restraint and the optimum deployment of scarce financial resources. Government will continue to broaden the tax base and improve tax efficiency and compliance, while providing relief to vulnerable households and those at the lower end of the income pyramid. The Budget will also contain fiscal risks and guard against the accumulation of new domestic and external arrears, thereby safeguarding the gains made in macroeconomic stability

13. Zimbabwe's economic blueprint, NDS2, anchors the current broader national development architecture and is aligned with regional and international development frameworks, including the United Nations 2030 Agenda for Sustainable Development and its Sustainable Development Goals, the African Union's Agenda 2063: *The Africa We Want*, and the SADC Regional Indicative Strategic Development Plan (RISDP 2020–2030) and Vision 2050. These frameworks share the Budget's emphasis on durable macroeconomic stability, structural transformation, climate resilience and adaptation, and provide a common basis for advancing national development priorities.

14. The 2027 Budget is being formulated against a challenging global and domestic environment. Climate-related shocks, particularly El Niño-induced drought episodes, affect agricultural production and have cascading effects across the entire economy. These risks

are compounded by geopolitical tensions, tighter external financing conditions, global fragmentation and trade disruptions.

15. Building resilience is therefore a national imperative. The 2027 National Budget will, therefore, prioritise climate-smart agriculture, climate-proofing of agricultural production, expanded irrigation infrastructure and strategic buffers to safeguard food and nutrition security against drought and other climate-related shocks.

16. The 2027 National Budget is, therefore, a clarion call for all stakeholders to work with Government as part of a "Growth Coalition" to consolidate macroeconomic stability, accelerate inclusive economic growth and deepen the transformation of the economy towards Vision 2030. It is a product of extensive national consultations involving business, labour, agriculture, civil society, academia, development partners and citizens across Zimbabwe.

17. The Budget presents the macroeconomic and fiscal framework for 2027 and sets out the underpinning policy measures, sectoral priorities, and revenue and expenditure proposals that will guide the country's development agenda.

ECONOMIC DEVELOPMENTS

18. The 2027 National Budget has been framed against a challenging global environment, characterised by moderating global growth, geopolitical tensions and elevated energy and food prices. Despite these headwinds and the projected super El Niño, the domestic economy is expected to remain resilient anchored on macroeconomic stability and supportive fiscal and monetary policies.

Global Economic Outlook

19. The latest IMF forecasts through the World Economic Outlook (WEO) is projecting a global economy moderation to 3.1% in 2026, before recovering to 3.4% in 2027, on account of sustained investment momentum in artificial intelligence (AI), offsetting disruptions related

to the Middle East conflict. Nevertheless, risks to the outlook remain on account of prospects of a prolonged or wider conflict, further deepening of geopolitical fragmentation and weaker than expected returns on AI investment, which could trigger a correction in asset prices, in addition to tighter global financial conditions.

20. Growth in advanced economies is projected to moderate to 1.8% in 2027, from 2.1% in 2026. The spillovers from the Middle East conflict are expected to remain contained.

Table 1: Global Growth Estimates and Projections

	2025	2026 Proj.	2027 Proj.
World	**3.5**	**3.1**	**3.4**
Advanced economies	**2.0**	**2.1**	**1.8**
United States	*2.3*	*2.3*	*2.3*
Euro Area	*1.2*	*1.1*	*1.2*
United Kingdom	*1.2*	*1.3*	*1.2*
Germany	*0.2*	*1.3*	*1.1*
Emerging markets	**4.5**	**3.7**	**4.4**
China	*5.0*	*4.5*	*4.0*
India	*7.8*	*7.0*	*7.0*

Source: IMF World Economic Outlook July 2026

21. Similarly, GDP growth in emerging markets is projected to slow to 3.7% in 2026, before rebounding to 4.4% in 2027. The impact of the Middle East conflict across the Emerging Markets is uneven, reflecting differences in geographic proximity, exposure to capital flows and remittances, as well as dependence on energy imports.

22. In China, growth is projected to moderate to 4% in 2027, reflecting fairly pronounced structural headwinds. These include a protracted property sector adjustment, a shrinking labour force, diminishing returns on investment and slowing productivity growth. India, by contrast, remains a key engine for global economic growth, with output projected to expand by 7% in 2026 and 2027.

Sub-Saharan Africa

23. The Sub-Saharan Africa region is projected to record a growth of 4.5% in both 2026 and 2027. However, the outlook has also been clouded by the conflict in the Middle East, which has triggered a sharp rise in fuel and fertilizer prices. This, has been compounded by

declining official development assistance and rising food prices and has implications for the health sector, poverty reduction, food security and broader social outcomes.

Table 2: Selected Sub-Saharan African Economies GDP Growth (%)

	2025 Est.	2026 Proj.	2027 Proj.
Sub-Saharan	**4.5**	**4.5**	**4.5**
Fuel Exporters	**4.0**	**4.2**	**4.1**
Nigeria	*4.0*	*4.2*	*4.3*
Angola	*3.1*	*4.4*	*3.3*
Middle-Income Countries	**3.5**	**3.3**	**3.4**
South Africa	*1.1*	*1.0*	*1.3*
Mauritius	*3.2*	*2.7*	*3.2*
Zambia	*3.8*	*5.6*	*4.9*
Low-Income Countries	**6.7**	**6.4**	**6.4**
Ethiopia	*9.2*	*9.2*	*7.8*
Tanzania	*5.9*	*6.0*	*5.9*
Uganda	*6.7*	*6.2*	*9.9*

Source: IMF Regional Economic Outlook October 2026

24. The SADC region growth outlook remains vulnerable despite underlying resilience. Real GDP growth in the region is projected at 3.2% in 2026, declining to 3.1% in 2027.

Table 3: Selected SADC Countries GDP Growth Projections (%)

	2025 Est.	2026 Proj.	2027 Proj.
SADC	**3.0**	**3.2**	**3.1**
Angola	*3.1*	*4.4*	*3.3*
Botswana	*-0.7*	*4.4*	*2.2*
Lesotho	*4.9*	*3.7*	*3.4*
Madagascar	*1.5*	*1.1*	*0.8*
Mozambique	*3.1*	*3.8*	*4.5*
Namibia	*-0.2*	*1.0*	*2.0*
Eswatini	*1.7*	*2.0*	*2.7*
Tanzania	*5.9*	*6.0*	*5.9*
South Africa	*1.1*	*1.0*	*1.3*
Zambia	*3.8*	*5.6*	*4.9*
*Zimbabwe***	*8.3*	*5.0*	*3.5*

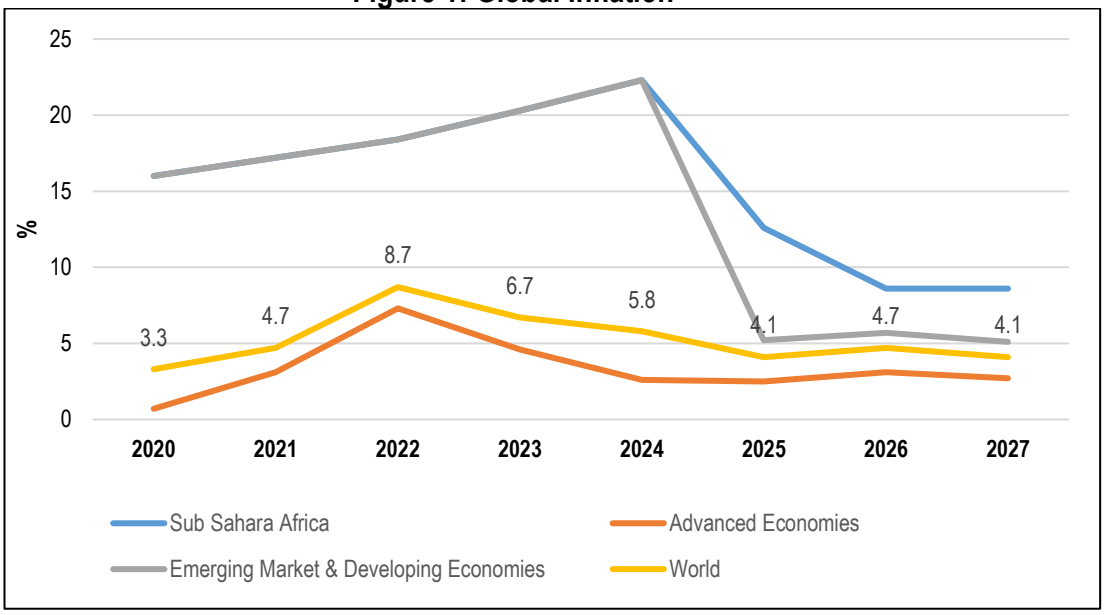
Source: IMF Regional Economic Outlook October 2026

25. Climate shocks, elevated input costs, declining Official Development Assistance (ODA), and financing constraints continue to weigh on SADC's growth outlook, underscoring the need for deeper regional integration, energy trade, and structural reforms to strengthen domestic resource mobilisation.

Global Inflation

26. Global headline inflation, which had generally been on a downward trajectory following the easing of earlier supply-side pressures, is projected to increase to 4.7% in 2026, before moderating to 4.1% in 2027. The increase in 2026 reflects elevated energy and food prices, driven by geopolitical tensions, particularly the conflict in the Middle East and supply chain disruptions.

Figure 1: Global Inflation



Source: IMF World Economic Outlook October 2026

27. The global inflation outlook remains subject to risks related to geopolitical tensions and volatility in international commodity prices, particularly food and energy. These developments could sustain imported inflationary pressures, increase production and transportation costs and exert pressure on the exchange rate, particularly in small open economies.

International Commodity Prices

28. Global commodity prices are projected to rise by 23% in 2026, reaching their second-highest level since 2013, led by a 32% surge in energy prices, alongside higher food and metal prices before declining by 7% in 2027. Super El Niño and geopolitical tensions are

expected to raise some food commodity prices, while strong demand from the energy transition and data centres is likely to keep base metal prices elevated.

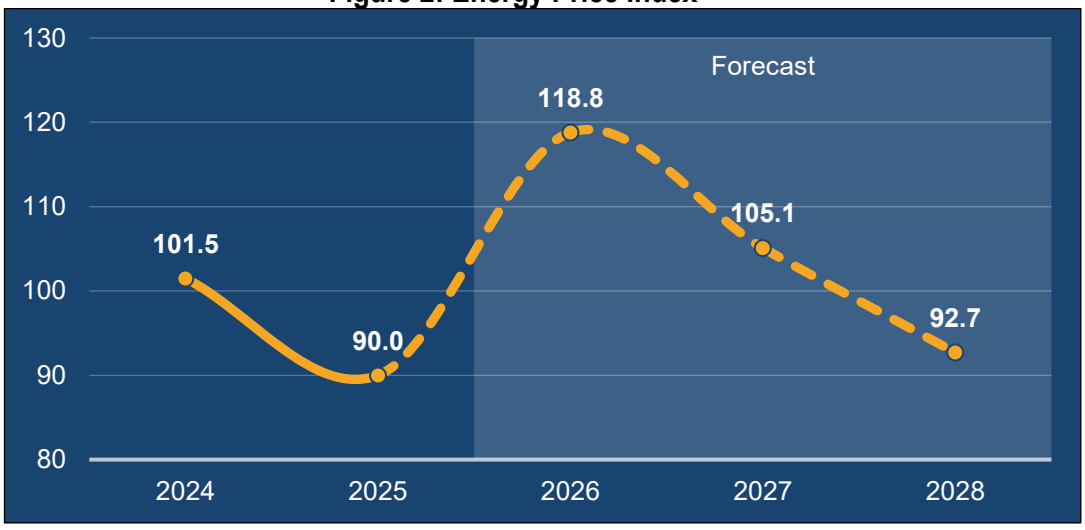
Table 4: International Commodity Price Outlook

	2024	2025	2026 Proj.	2027 Proj.	2028 Proj.
Energy	**101.5**	**90.0**	**118.8**	**105.1**	**92.7**
Crude oil, Brent ($/bbl.)	*80.7*	*69*	*91*	*79*	*70*
Agriculture	**115.0**	**115.7**	**117.3**	**123.5**	**119.3**
Beverages	*176.4*	*207.3*	*157.7*	*162.7*	*161.3*
Food	*115.8*	*109.2*	*120.4*	*129.1*	*122.4*
Grains	*112.9*	*101.3*	*115.6*	*126.4*	*114.8*
Fertilisers	*117.6*	*138.7*	*158.6*	*138.9*	*127.5*
Base metals	**114.1**	**122.3**	**156.5**	**151.4**	**145.5**
Precious metals	**180.2**	**258.6**	**361.9**	**331.8**	**311.8**
Gold ($/toz)	*2388*	*3442*	*4600*	*4250*	*4000*
Platinum ($/toz)	*955*	*1278*	*1950*	*1750*	*1610*

Source: World Bank, Commodity Markets Outlook, October 2026

29. Global energy prices are projected to increase by 32% in 2026 to a four-year high, with Brent crude oil averaging US$91 per barrel. In 2027, brent crude oil prices are, however, expected to decline by about 12% to US$79 per barrel and to ease further to US$70 per barrel in 2028.

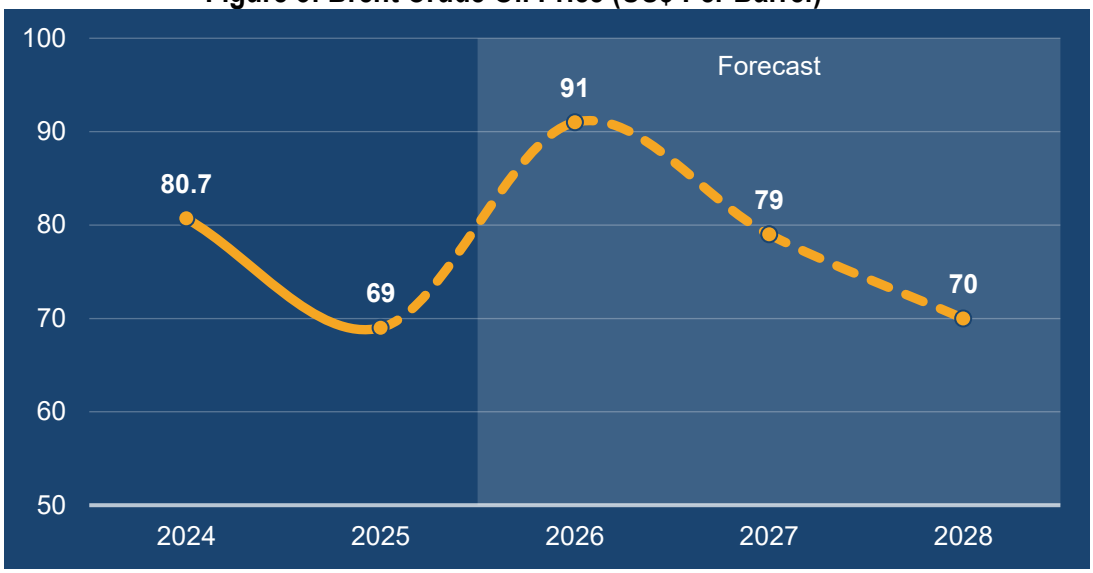
Figure 2: Energy Price Index



Source: World Bank, Commodity Markets Outlook, October 2026.

30. The decline reflects an anticipated gradual recovery in Middle East crude oil exports through expanded pipeline flows and alternative shipping routes that mitigate disruptions in the Strait of Hormuz.

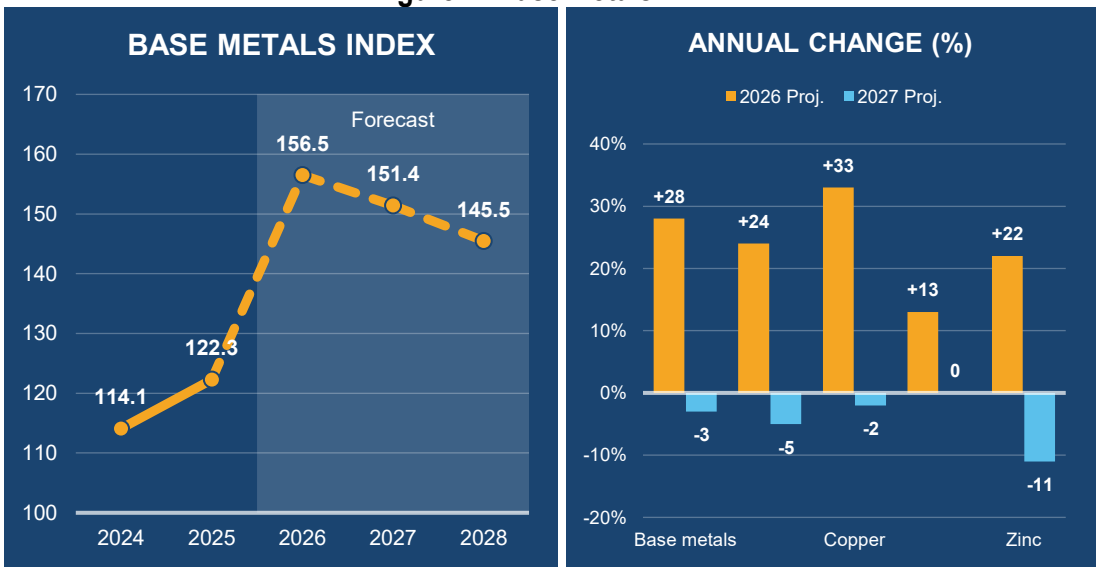
Figure 3: Brent Crude Oil Price (US$ Per Barrel)



Source: World Bank, Commodity Markets Outlook, October 2026.

31. Base metal prices are projected to rise by 28% in 2026 before easing by 3% in 2027. They are expected to remain elevated, supported by strong demand from electric vehicles, renewable energy, power grids and data centres.

Figure 4: Base Metals

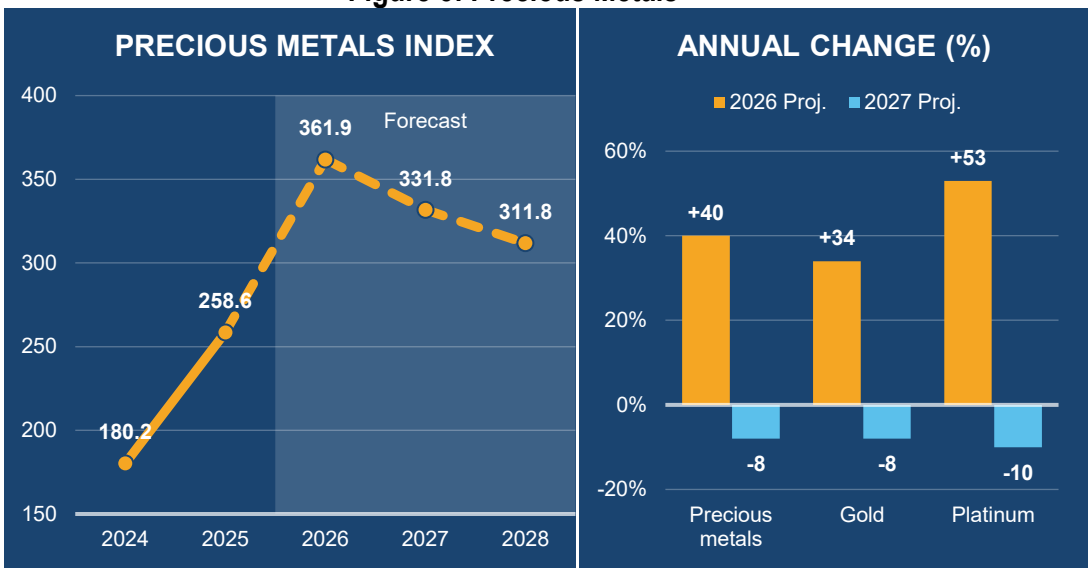


Source: World Bank, Commodity Markets Outlook, October 2026.

32. Aluminium prices are estimated to average a record US$3 250 per metric ton in 2026, 24% higher than in 2025, before easing by 5% in 2027, as production recovers and new capacity comes online. Copper prices are projected to rise by 33% in 2026 to a record high, before easing by 2% in 2027 as supply conditions improve. In 2026, nickel prices are projected to increase by 13% and to remain flat in 2027 as market conditions re-balance.

33. The World Bank projects precious metals prices to increase by 40% in 2026 before declining by 8% in 2027, as investor demand moderates from exceptionally high levels. Gold prices are projected to rise by 34% in 2026 to US$4 600 per troy ounce, before easing by 8% in 2027 to US$4 250 per troy ounce. Despite the moderation, prices are expected to remain more than 75% above their 2021–25 average, supported by strong investment demand, central bank purchases and geopolitical uncertainty.

Figure 5: Precious Metals



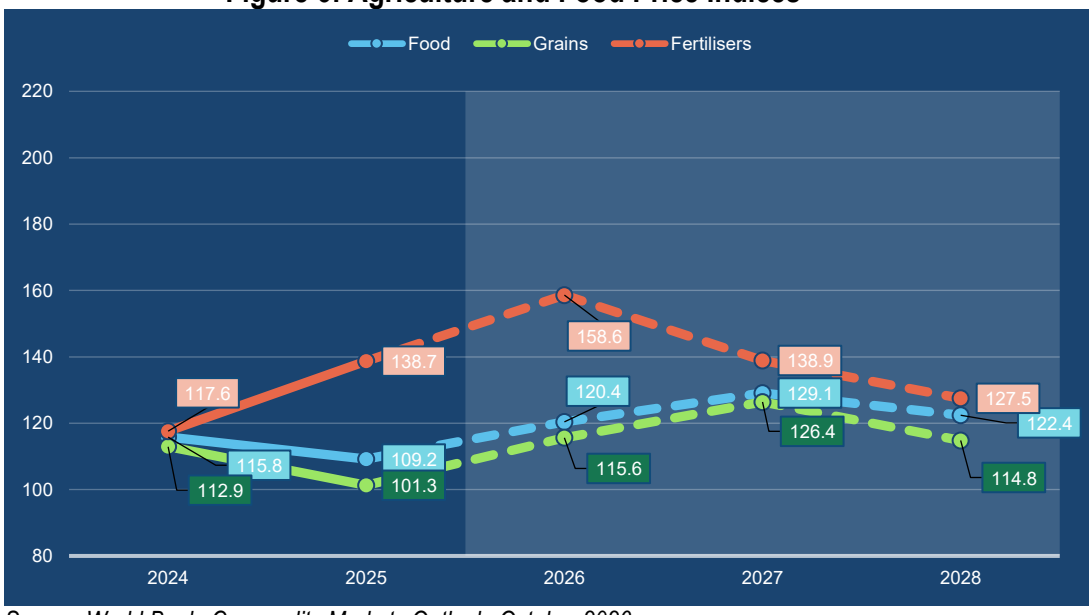
Source: World Bank, Commodity Markets Outlook, October 2026.

34. Platinum prices are projected to increase by 53% in 2026 to a record annual high before declining by 10% in 2027 as supply conditions improve and investment demand moderates. Despite the expected correction, demand is likely to remain strong, supported by a recovery in jewellery consumption and steady industrial demand.

35. The agriculture price index is projected to increase by 1% in 2026 and by a further 5% in 2027. Food prices are projected to rise by 10% in 2026, followed by a 7% increase in 2027,

driven by Black Sea trade disruptions and super El Niño-related weather shocks that are expected to reduce rice, palm oil and wheat harvests. Fertiliser prices are projected to rise by 14% in 2026 before easing by 12% in 2027, while beverage prices are expected to fall by 24% in 2026 from their 2025 peak.

Figure 6: Agriculture and Food Price Indices



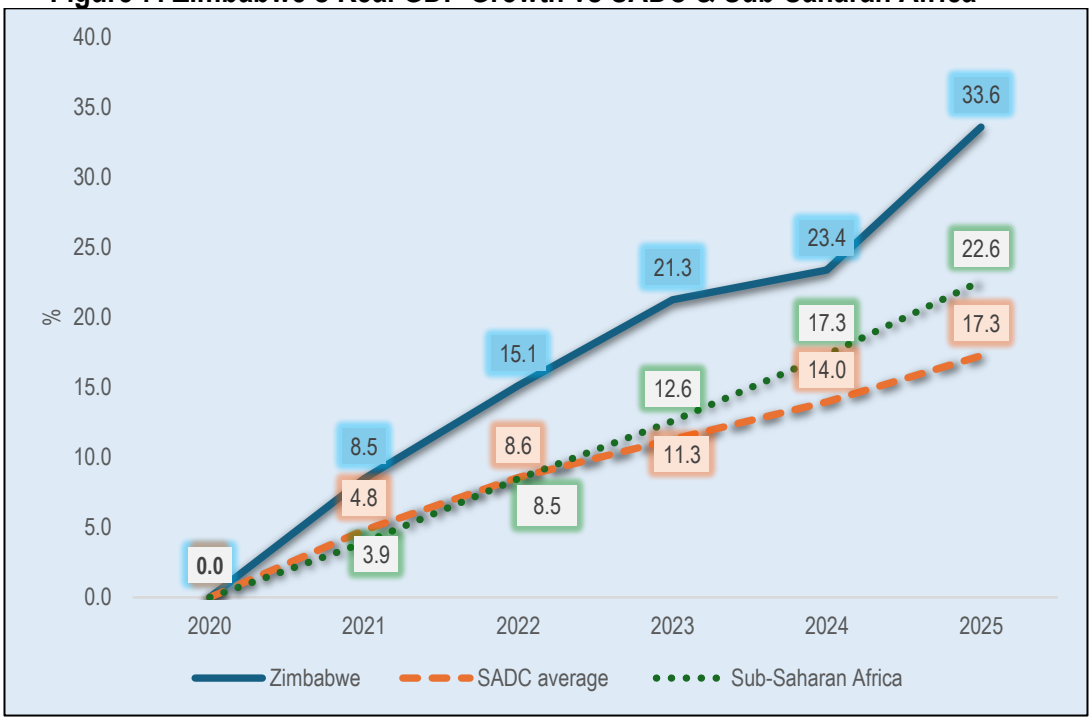
Source: World Bank, Commodity Markets Outlook, October 2026.

36. Food price escalation risks remain, largely reflecting the potential for escalation of conflicts in the Middle East and the Black Sea, as well as persistent supply constraints in the energy and food markets. These shocks could reinforce each other, resulting in higher oil, food and base metal prices than projected, while increased trade restrictions could further worsen market disruptions. Conversely, weaker global growth or a durable easing of geopolitical tensions could lead to lower commodity prices.

Domestic Economic Developments and Outlook

37. Post COVID-19, the domestic economy has registered a cumulative growth of 33.6% by 2025, significantly above SADC region average of 17.3%. The country is on the path to achieve Vision 2030. The challenge is to maintain the growth momentum, through sustaining macroeconomic stability, implementation of structural reforms and investment in enablers.

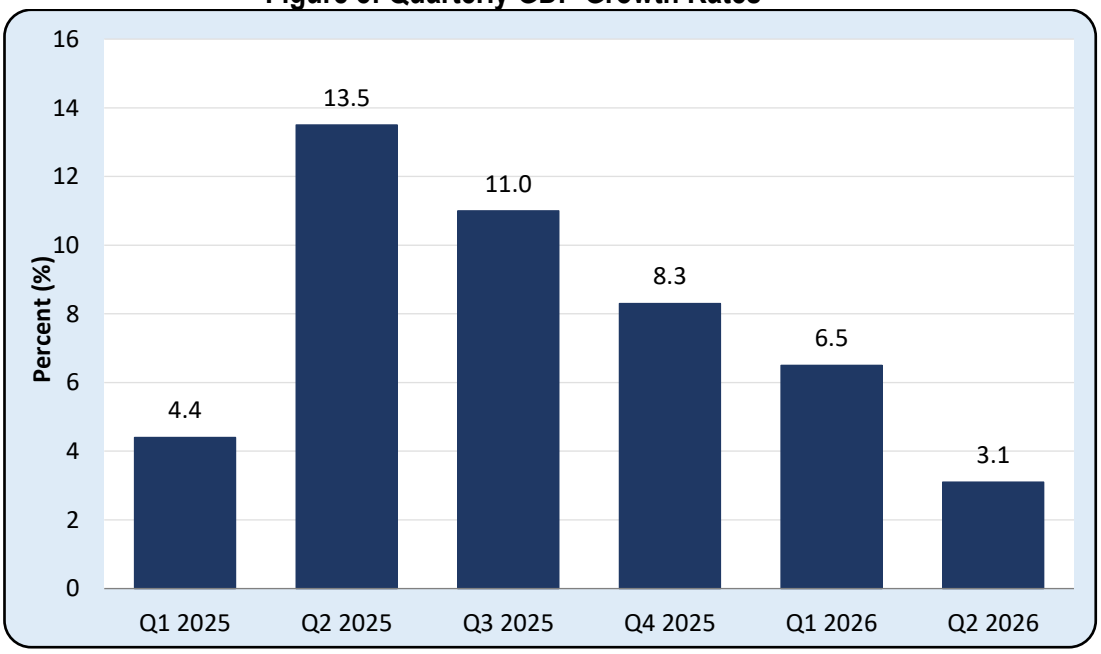
Figure 7: Zimbabwe's Real GDP Growth vs SADC & Sub-Saharan Africa



Source: MoF, 2026

38. During the first nine months of the year 2026, the economy is estimated to have recorded robust economic growth. This is evidenced by an estimated annualised half year GDP growth of 4.8%, mainly driven by agriculture, manufacturing and wholesale and retail trade.

Figure 8: Quarterly GDP Growth Rates



Source: ZIMSTAT, 2026

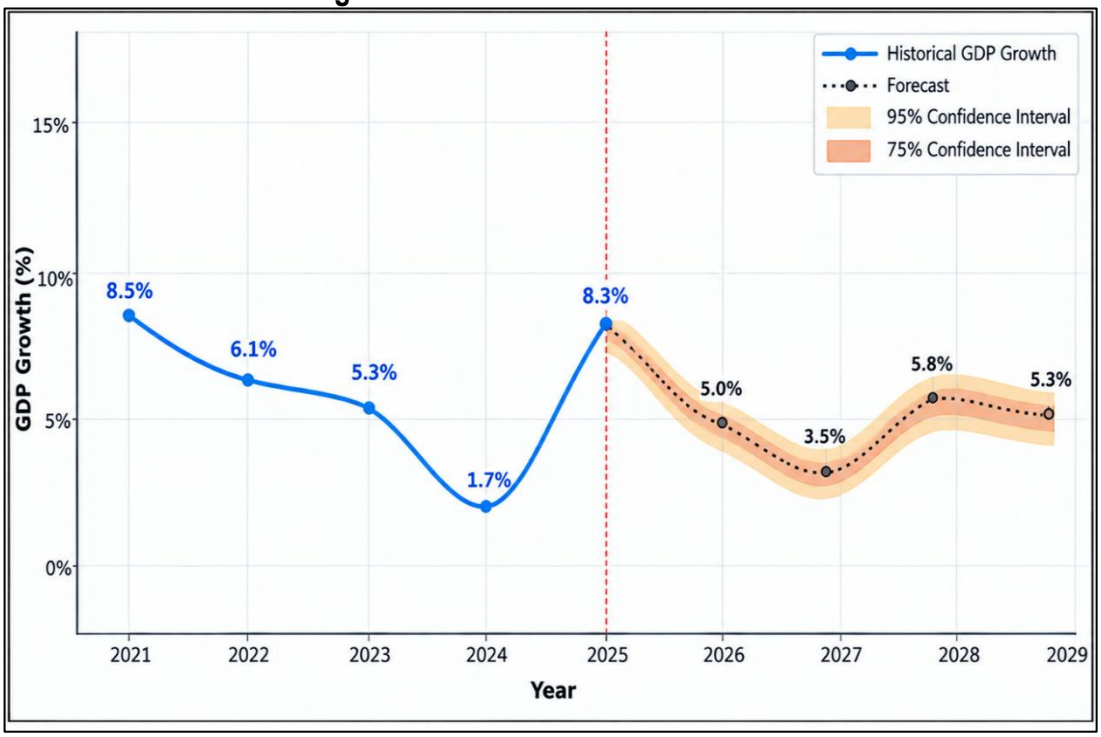
39. This momentum is expected to be sustained during the remainder of the year, to achieve the growth target of 5%, anchored on robust performance across all sectors.

40. In 2027, economic growth is projected to moderate to 3.5%, largely reflecting the anticipated impact of a super El Niño and the drought associated risks. Notwithstanding these headwinds, the economy is expected to register positive growth premised on the following key assumptions:

- Entrenched macroeconomic stability, underpinned by prudent fiscal and monetary policies;
- Sustained mineral output performance and beneficiation, supported by ongoing investments in the sector;
- Continued implementation of ease of doing business reforms to enhance the investment climate and crowd in private sector activity; and
- Implementation of agricultural resilience initiatives including expanded irrigation and climate-smart agricultural practices to mitigate drought-related risks.

41. Economic growth will be mainly underpinned by construction sector growth (5.5%), manufacturing (5.2%), mining and quarrying (5.1%), as well as wholesale and retail trade (4.7%). Agriculture will likely be moderated by the super El Niño, however, Government's mitigation Strategy through accelerated expansion of irrigation infrastructure, alongside other climate-resilience measures are expected to cushion the sector, safeguard food security and contain the impact of drought on livelihoods.

Figure 9: GDP Growth Forecast



Source: MOF, RBZ and ZIMSTAT 2026

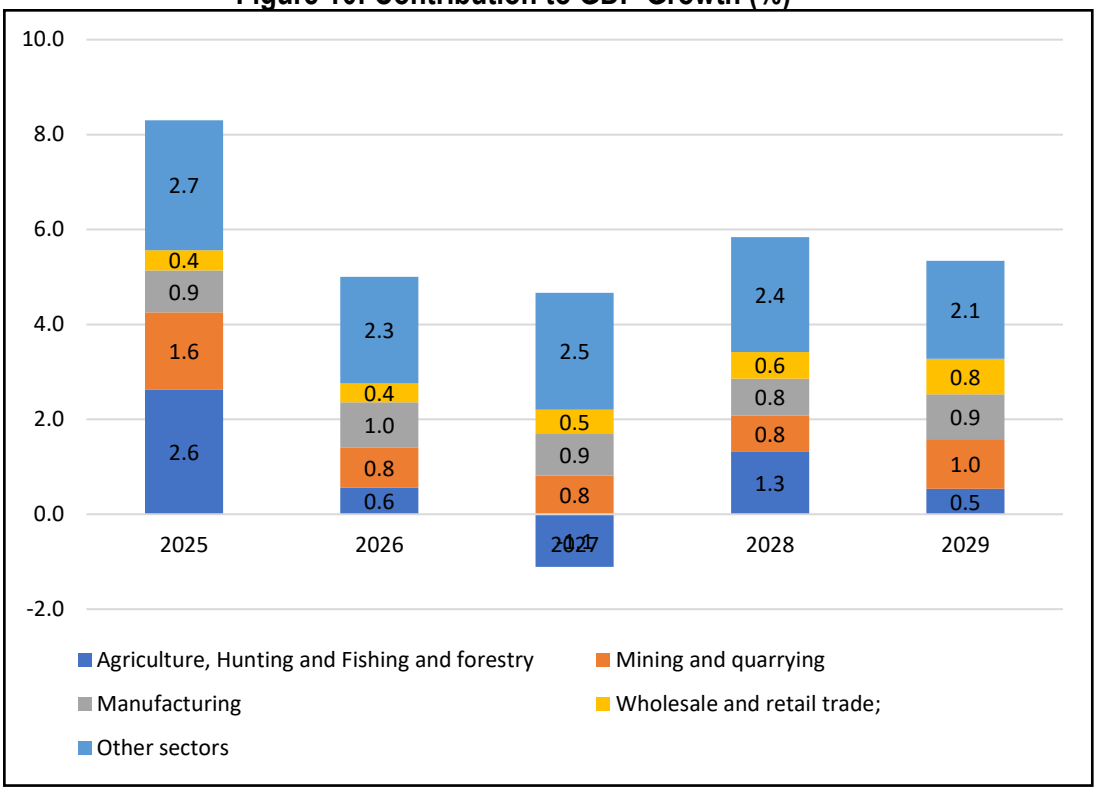
42. Over the medium term, the economy is projected to grow by a minimum of 5% annually to 2030, underpinned by the expansion in domestic production capacity, value addition and beneficiation, as well as deepening of the service sectors.

Drivers of Economic Growth

43. In terms of contribution to GDP growth, the manufacturing sector remains the leading driver of economic activity in 2026, contributing 1.0 percentage points to overall growth, followed by mining at 0.8 percentage points, agriculture at 0.6 percentage points and wholesale/retail trade at 0.4 percentage points.

44. Evidently, economic growth is being driven by the productive sectors of the economy, especially manufacturing sector, indicating that the economy is gradually transforming structurally, although primary industries remain dominant.

Figure 10: Contribution to GDP Growth (%)



Source: MOF, RBZ and ZIMSTAT 2026

45. In 2027, the manufacturing sector is expected to remain the major driver of economic growth as Government intensifies efforts to accelerate economic transformation to enhance resilience, create decent jobs and economic diversification.

Expenditure Approach

46. The expenditure approach shows that economic growth in 2026 will remain broad-based, supported by domestic demand, investment and external trade. Private consumption growth is projected at 5.9%, while public consumption and gross fixed capital investment are expected to increase by 4.2% and 2.9%, respectively. Exports growth is projected at 4.7%, largely driven by minerals and agriculture products.

Table 5: GDP by Expenditure

	2025	2026f	2027f	2028f	2029f	2030f
Real GDP growth	**8.3**	**5.0**	**3.5**	**5.8**	**5.3**	**5.0**
Total consumption	8.6	5.3	4.0	5.9	5.3	5.0
Household Consumption	12.7	6.0	3.6	6.5	5.4	5.1
NPISH	-52.7	-11.6	-0.4	-0.1	1.0	1.2
Government Consumption	15.1	4.2	7.1	3.7	4.8	4.9
Gross Fixed Capital Investment	8.3	2.9	1.7	4.6	5.8	5.9
Exports, Goods and Services	14.6	4.7	2.2	5.9	5.7	4.7
Imports, Goods and Services	15.9	5.0	3.5	5.8	5.3	5.0

Source: MOF, RBZ and ZIMSTAT (2026)

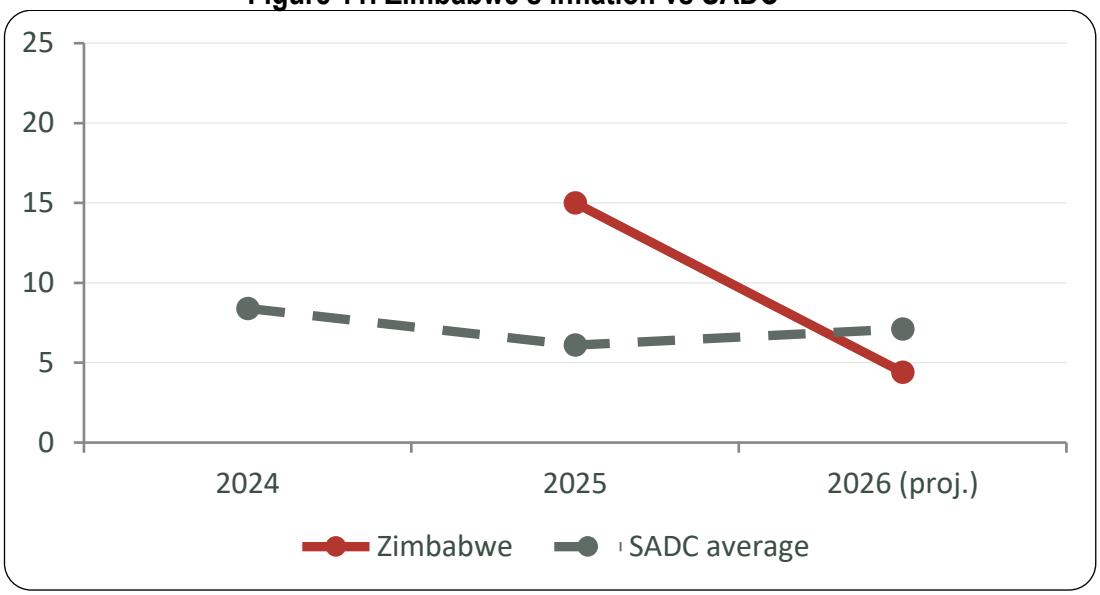
47. In 2027, the expenditure patterns are expected to moderate reflecting the potential negative impact of the super El Niño-induced drought. Private consumption growth is expected to moderate to 3.6%, while public consumption is expected to increase by 7.1%, providing continued support to domestic demand and cushioning the impact of the drought induced consumption decline.

48. Gross fixed capital investment is projected to slow down to 1.7%. The moderation in investment and exports reflects the anticipated pass-through effects of the drought through lower agricultural output and generally weaker activity.

Inflation and Exchange Rate Developments

49. Prudent fiscal and monetary policies have sustained currency, price and exchange rate stability over the past two years, firmly anchoring inflation and exchange rate expectations, despite pressures arising from geopolitical tensions. Consequently, domestic inflation in local currency is now below the average for SADC peers.

Figure 11: Zimbabwe's Inflation vs SADC



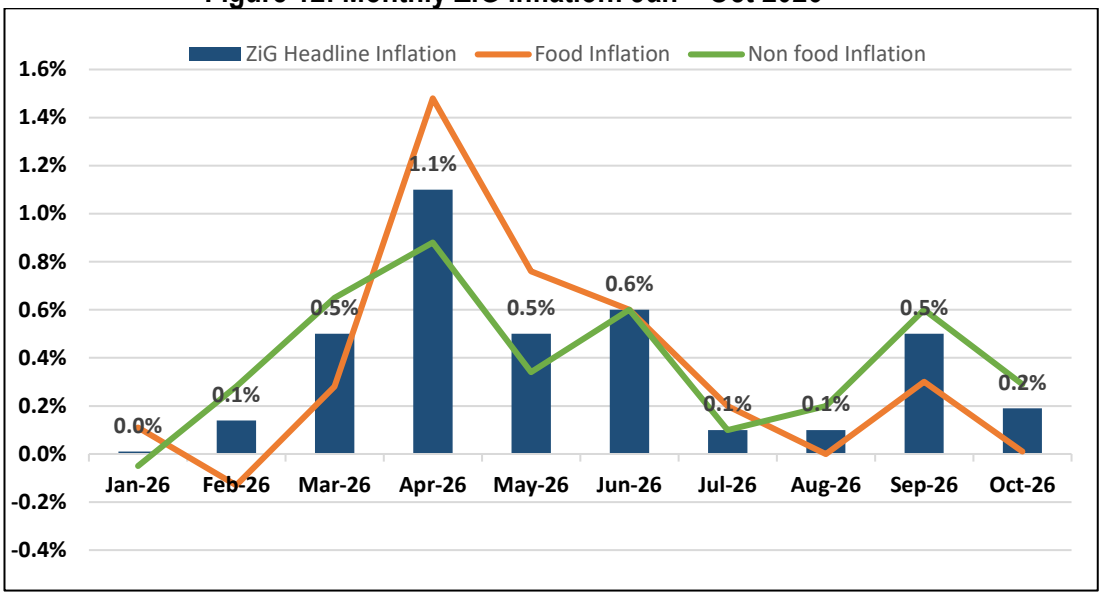
Source: ZIMSTAT and SADC

50. This underscores the robustness of the macroeconomic stability and the effectiveness of the current policy framework in anchoring inflation expectations. Low and stable inflation is critical in promoting savings and investment, as well as preservation of purchasing power and wealth. The prevailing macroeconomic stability is expected to be one of the major drivers of economic growth in 2027 and beyond.

Local Currency (ZiG) Inflation

51. Monthly ZiG inflation remained low and stable, averaging 0.4% between January and October 2026. The Figure below shows trends in monthly ZiG headline, food, and non-food inflation.

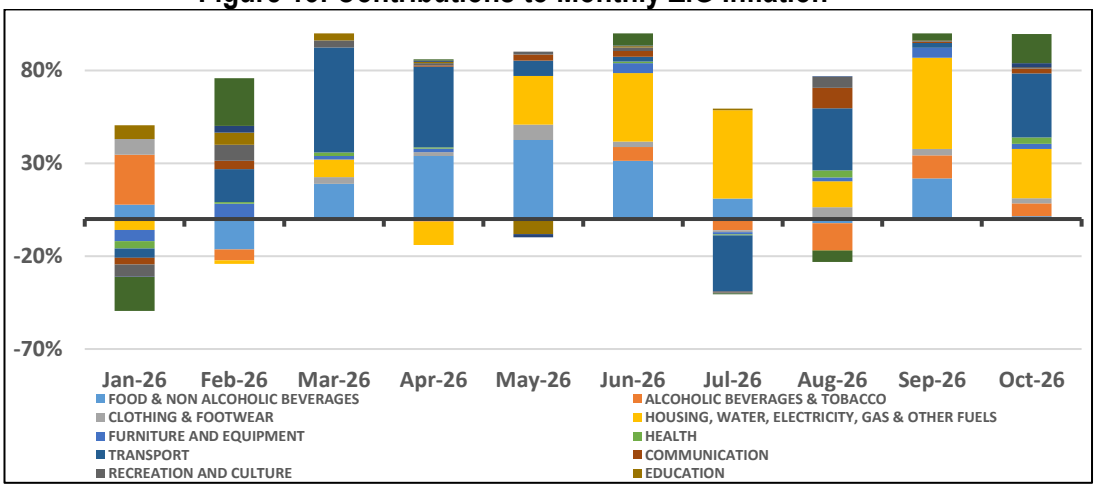
Figure 12: Monthly ZiG Inflation: Jan – Oct 2026



Source: ZIMSTAT, 2026

52. Monthly ZiG inflation was 0.2% in October 2026, from 0.5% recorded in August 2026. The decrease was largely attributable to declining prices in the vegetables, fruits and medical aid contributions categories, as shown in Figure below.

Figure 13: Contributions to Monthly ZiG Inflation

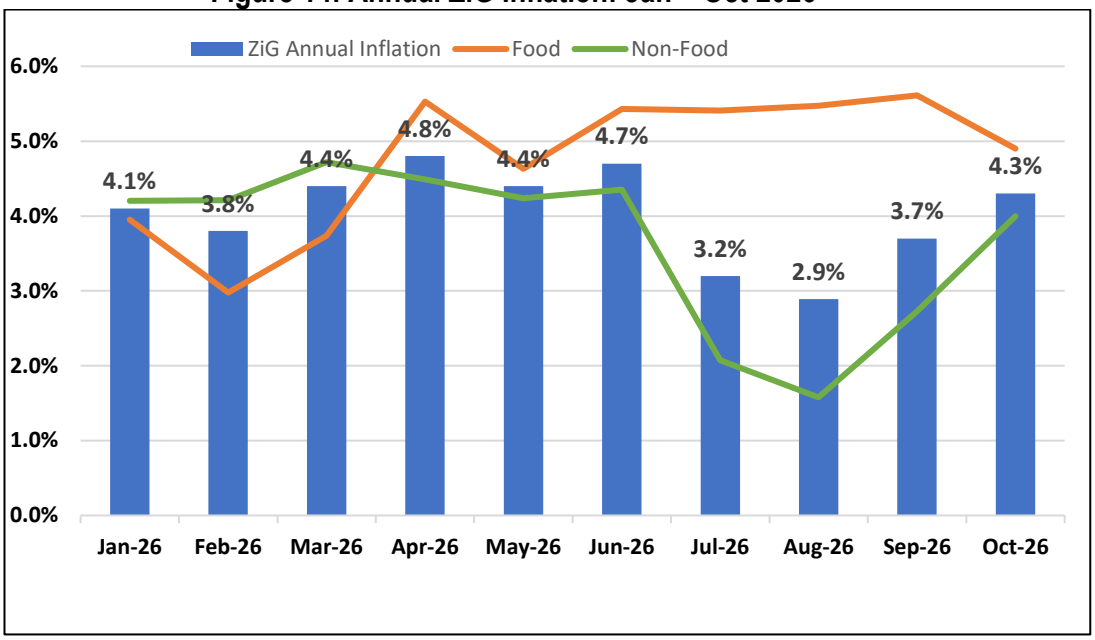


Source: ZIMSTAT, 2026

53. Similarly, the ZiG annual inflation remained low and stable, averaging 4.0% in the first ten months of 2026. In October 2026, annual inflation was 4.3%, compared to 3.7% recorded in September 2026. The recent increase was attributable to a rise in international oil prices, which surged to over US$100 per barrel in September 2026. As a result, domestic fuel

prices rose from US$1.95 per litre for diesel and US$1.96 per litre for petrol to US$2.08 and US$2.06, respectively.

Figure 14: Annual ZiG Inflation: Jan – Oct 2026



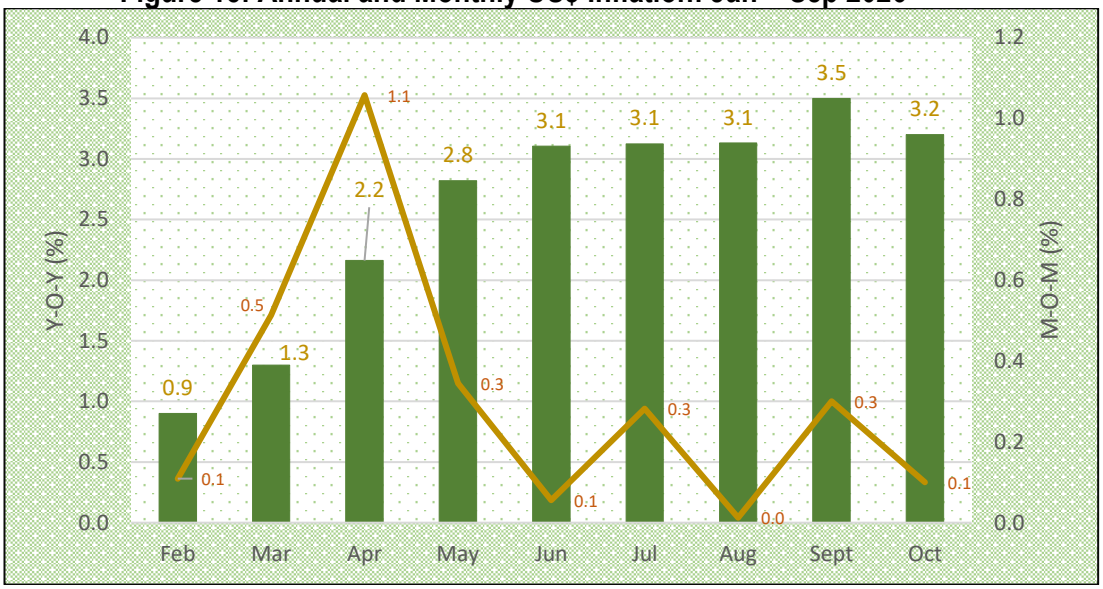
Source: ZIMSTAT, 2026

54. For the remainder of 2026, ZiG inflation is expected to remain low and stable, firmly within single-digit levels. This will be supported by prudent monetary policy, exchange rate stability, disciplined liquidity management and sustained fiscal prudence.

Inflation in US Dollar

55. The month-on-month USD inflation averaged 0.3% between January and September 2026. The annual US dollar inflation increased from 1.0% in January 2026 to 3.5% in September, averaging 2.3% over the nine months of the year. Despite the increase, the relatively low monthly inflation rates point to a broadly stable US dollar domestic price environment.

Figure 15: Annual and Monthly US$ Inflation: Jan – Sep 2026



Source: ZIMSTAT, 2026

56. The annual inflation rate (both ZiG and US dollar) is projected to remain contained within the single-digit levels in 2027, anchored by continued strong fiscal and monetary policy coordination, notwithstanding potential price pressures from the expected El Niño-induced drought and elevated global energy prices.

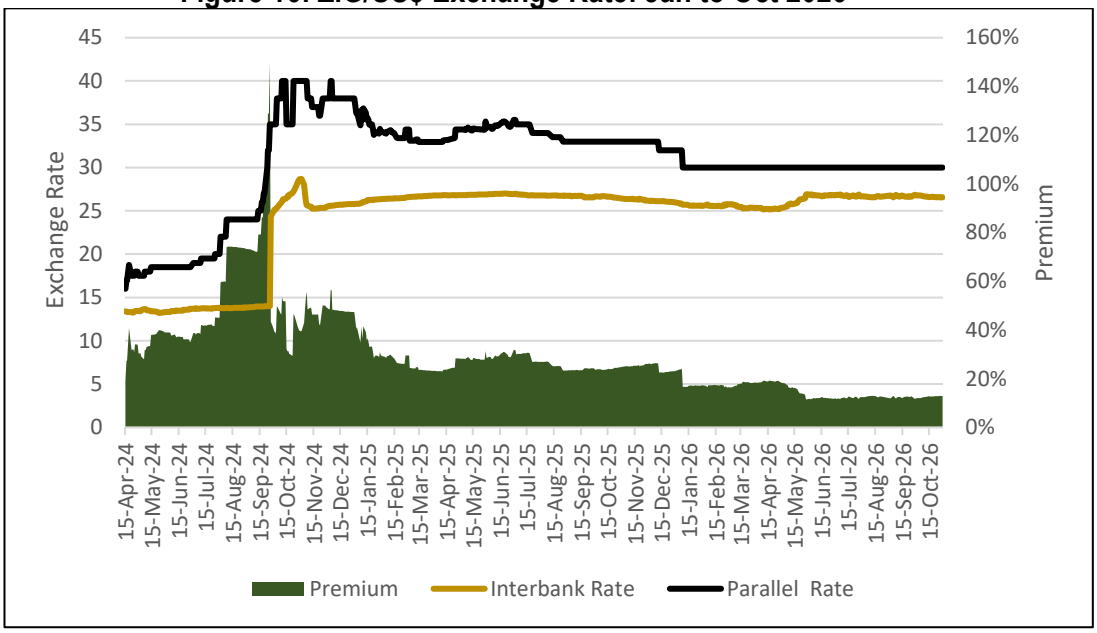
57. The Reserve Bank Monetary Policy Committee will continue to review monetary policy to guarantee macroeconomic stability in 2027 and beyond.

Exchange Rate Developments

58. The exchange rate has remained stable, trading within the range ZiG25 to ZiG27 per US dollar since September 2024, consistent with declining inflation. The parallel market premium has steadily declined to below 20%, reflecting growing market confidence and reduced speculative pressures.

59. Prudent fiscal and monetary policies, supported by improved foreign exchange inflows and growing foreign reserves, have anchored the interbank foreign exchange market, which averaged about ZiG26.17 per US dollar over the first ten months of 2026.

Figure 16: ZiG/US$ Exchange Rate: Jan to Oct 2026



Source: MOF and RBZ, 2026

60. In the outlook, the exchange rate is projected to remain stable, underpinned by consistent prudent fiscal and monetary policies.

Balance of Payments Development and Outlook

61. The favourable international commodity prices, in particular gold, lithium and Platinum Group Metal (PGM) prices, together with expanding domestic economic activity have underpinned the growth of foreign currency inflows, strengthening the country's external position. This is being augmented by steady growth of diaspora remittances inflows and foreign direct investment.

62. The favourable terms of trade and growing remittances during the period January to September 2026, have resulted in foreign currency receipts of US$15.9 billion, 33.7% increase compared to the same period in 2025. Specifically, the increase in foreign exchange inflows was underpinned by strong export performance, robust diaspora remittances, and private sector loans., as shown in the table below.

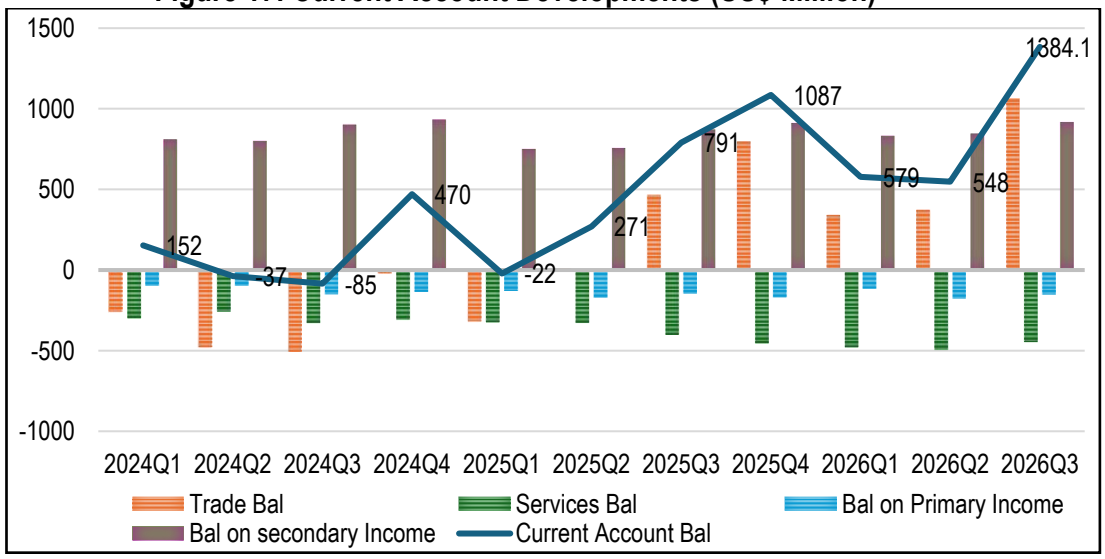
Table 6: Foreign Currency Receipts (US$ Million)

Type		January - September 2026	% Contr	January- September 2025	%Contr	% Change
Export Proceeds		11,023.2	69.36%	7,038.60	59.20%	56.61%
International Remittances	Diaspora Remittances	2,453.2	15.44%	1,754.00	14.75%	39.86%
	NGOs	453.8	2.86%	820.0	6.90%	-44.66%
Loan Proceeds (Private)		1,394.2	8.77%	1,961.00	16.49%	-28.90%
Income receipts		157.3	0.99%	131	1.10%	20.08%
Foreign Investment		409.9	2.58%	184	1.55%	122.77%
TOTAL		**15,891.6**	**100.00%**	**11,888.60**	**100.00%**	**33.67%**

Source: RBZ Estimates

63. As a result, preliminary data indicates that a current account surplus of US$2.4 billion was recorded during the period from January to September 2026, from US$1 billion recorded in the same period in 2025.

Figure 17: Current Account Developments (US$ Million)



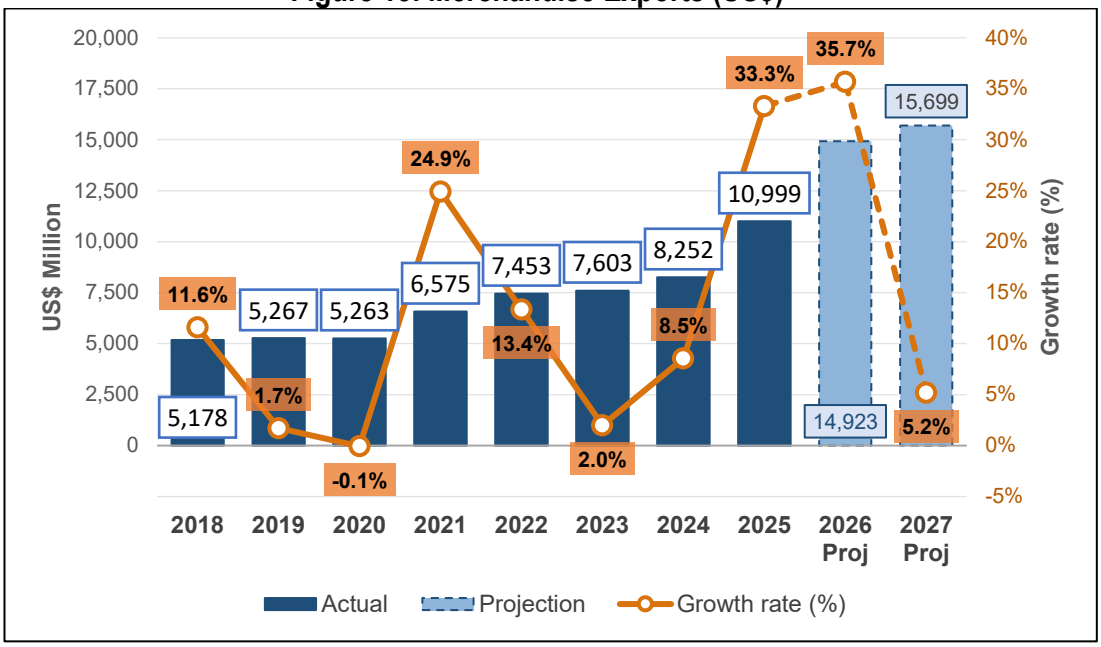
Source: RBZ Estimates

64. To year end, the current account surplus is projected to surpass US$3.5 billion, compared to US$2.1 billion recorded in 2025, representing a staggering 85.7% growth. The surplus is expected to narrow to US$3.4 billion in 2027, weighed down by expected slowdown of exports and higher food imports, as well as moderation of commodity prices.

Merchandise Exports

65. The sustained economic growth together with favourable commodity prices have resulted in substantial growth of exports receipts. The increase in exports receipts from US$5.2 billion in 2018 to about US$15 billion in 2026 represents a 202% growth. The growth in export receipts over the past decade signifies that the economy is on a strong growth path.

Figure 18: Merchandise Exports (US$)



Source: RBZ, MoFEDIP & ZIMSTAT 2026

66. During the first nine months of 2026, the country received significant foreign currency receipts from exports amounting to US$10.4 billion, a 60.5% increase compared to the same period in 2025. The major foreign currency earners were gold, tobacco, PGMs, lithium and steel.

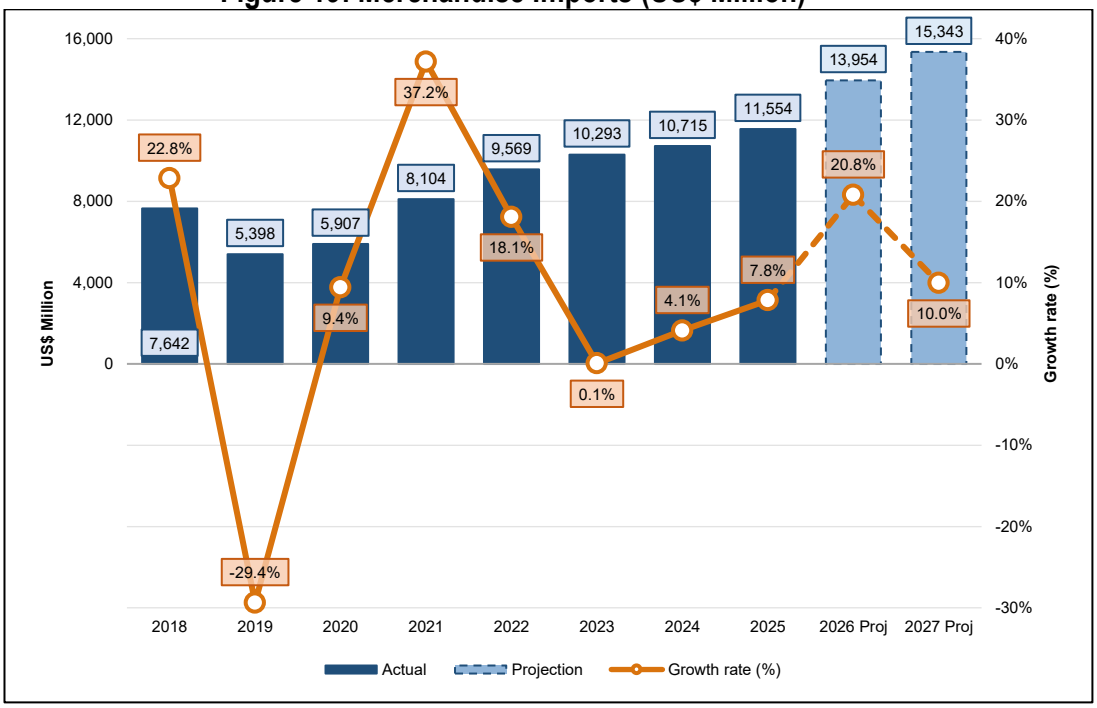
67. Annually, merchandise exports are projected to increase by 37.4% to US$14.9 billion in 2026, increasing further to US$15.7 billion in 2027.

Merchandise Imports

68. Similarly, the country recorded growth of merchandise imports mainly in the form of machinery, consumables and other raw materials necessary for domestic production to

meet the demand of a growing economy. Imports almost tripled between period 2019 and 2026 from US$5.4 billion to about US$14 billion, in tandem with the growth of the economy. Sustained growth in imports over the years further confirms the economy's strong growth path.

Figure 19: Merchandise Imports (US$ Million)



Source: RBZ, MoFEDIP & ZIMSTAT 2026

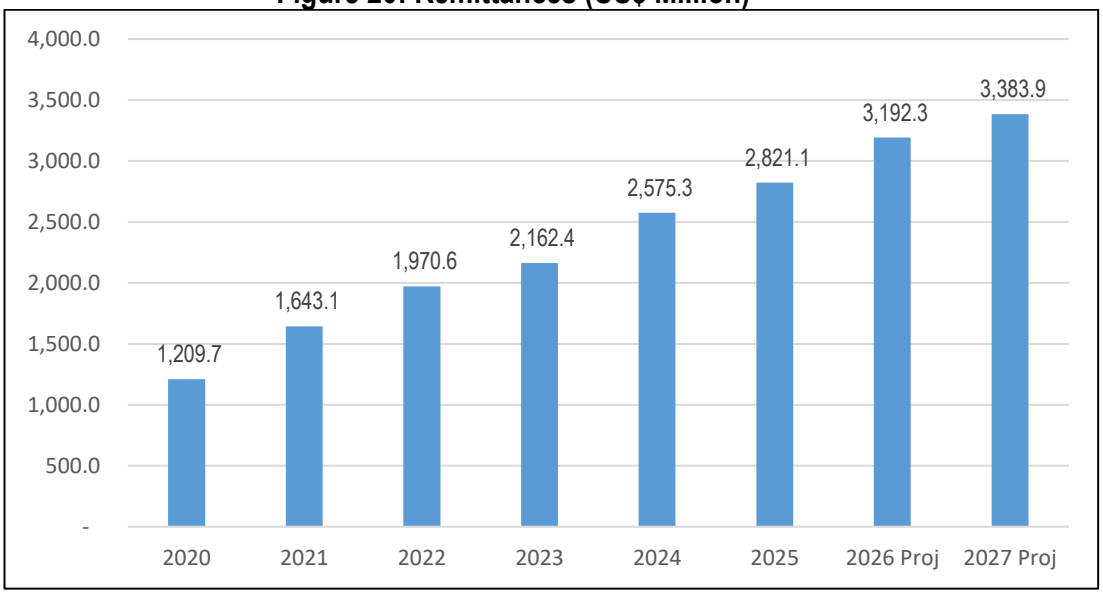
69. Merchandise imports registered a 34.6% growth to US$9.7 billion in the first nine months of 2026, compared to the corresponding period in 2025, mainly driven by demand for fuel, machinery, raw materials, vehicles and chemicals.

70. To year end, merchandise imports are projected at US$14 billion and US$15.3 billion in 2027. Growth will be driven by higher demand for food arising from the anticipated 2026/27 El Niño-induced drought, as well as increased imports of electricity, fuel and machinery.

Remittances

71. Notwithstanding disturbances in South Africa, one of the major sources for remittances, diaspora inflows grew significantly by 39.9% to US$2.5 billion during the first nine months of 2026, from US$1.8 billion recorded in the corresponding period in 2025.

Figure 20: Remittances (US$ Million)



Source: RBZ Estimates

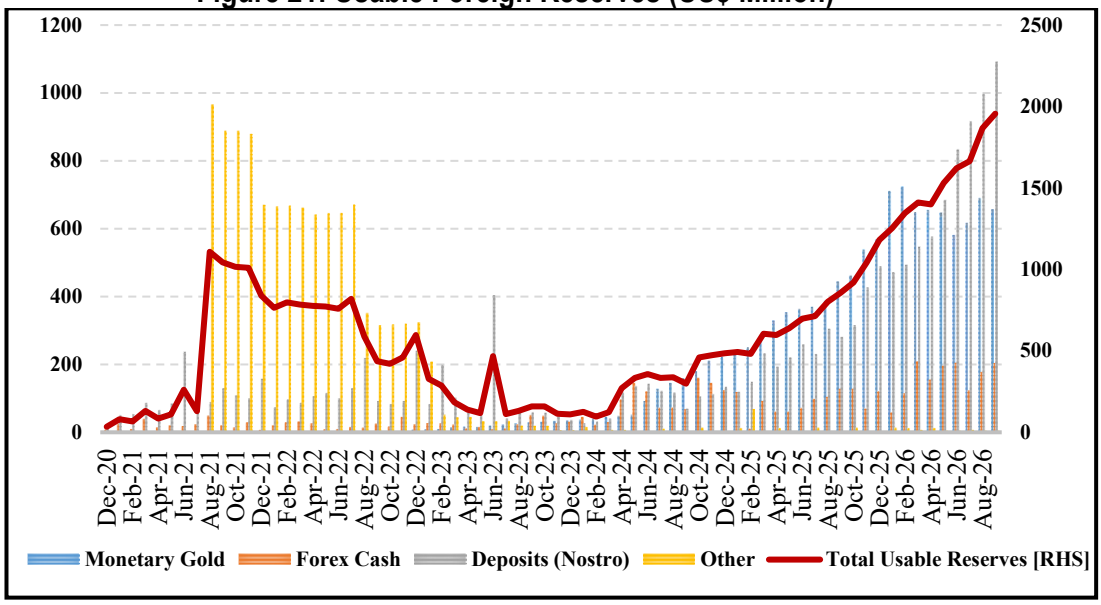
72. Diaspora remittances are projected to surpass US$3.2 billion for the year and increasing to US$3.4 billion in 2027, respectively. Government seeks to sustain the growth of remittances by creating a supportive institutional framework through the Diaspora Policy, currently under review.

Foreign Currency Reserves

73. The country's holdings of gold and foreign reserves increased steadily from US$697 million in June 2025 to US$2 billion as of end September 2026. Therefore, the country's foreign currency reserves now represent 2 months of import cover.

74. This continued accumulation of reserves has strengthened the country's buffer and enhanced the country`s capacity to withstand external shocks.

Figure 21: Usable Foreign Reserves (US$ Million)



*Source: RBZ, 2026 **Other includes SDR holdings and Reserve Tranche*

75. The international usable reserves are projected to increase to approximately US$2.2 billion and US$2.9 billion by end 2026 and 2027, respectively.

Financial Sector Developments

76. The financial sector is safe and sound, on the back of sustained price, currency and exchange-rate stability, which has improved confidence in the banking and financial services sector. In order to entrench the financial sector stability and deepening, Government will implement the Financial Sector Development Strategy (2026–2030) to guide reforms towards achieving a resilient, and inclusive financial system that supports sustainable economic development in line with Vision 2030. The Strategy is anchored on ten strategic pillars, namely:

- Confidence Building in the Financial Sector;
- Banking Sector Deepening and Efficiency;
- Microfinance Sector Development;
- National Payment Systems and Fintech Development;
- Credit & Collateral Registry, and Financial Inclusion;
- Financial Literacy;
- Consumer Protection;

- Insurance and Pensions Sector Development;
- Capital Markets and International Financial Service Centre; and
- Financial System Integrity and Anti-Money Laundering.

77. Government through the Multidisciplinary Financial Stability Committee, comprising of all financial sector regulators, is advancing crisis preparedness and resolution arrangements, thereby strengthening inter-agency coordination and enhancing systemic risk monitoring.

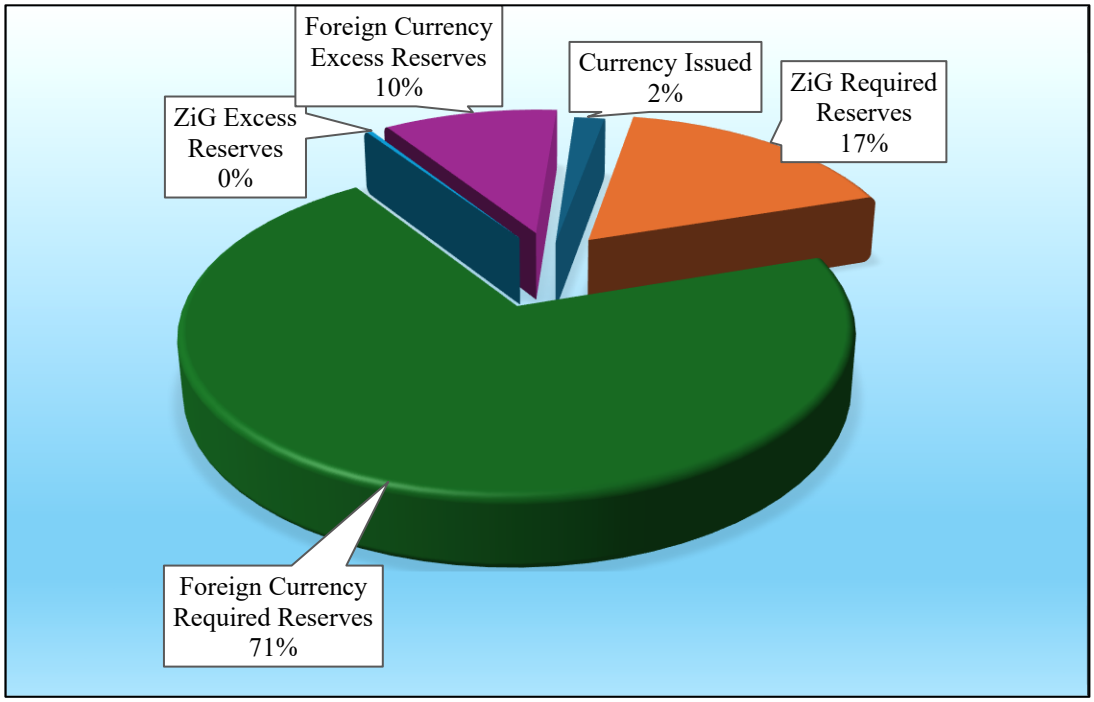
Monetary Developments

78. Monetary developments during the first nine months were in line with the desired path for currency and exchange rate stability, consistent with broad macroeconomic stability and real GDP growth.

Reserve Money

79. The reserve money stock was ZiG39.2 billion as at end September 2026, reflecting an increase of 33.1%, from ZiG29.4 billion recorded in December 2025. The reserve money stock was largely made up of statutory reserves in foreign currency (71%) and foreign currency excess reserves (10%), while local currency statutory reserves, local currency excess reserves and currency issued comprised the remaining 19%, as shown in the figure below.

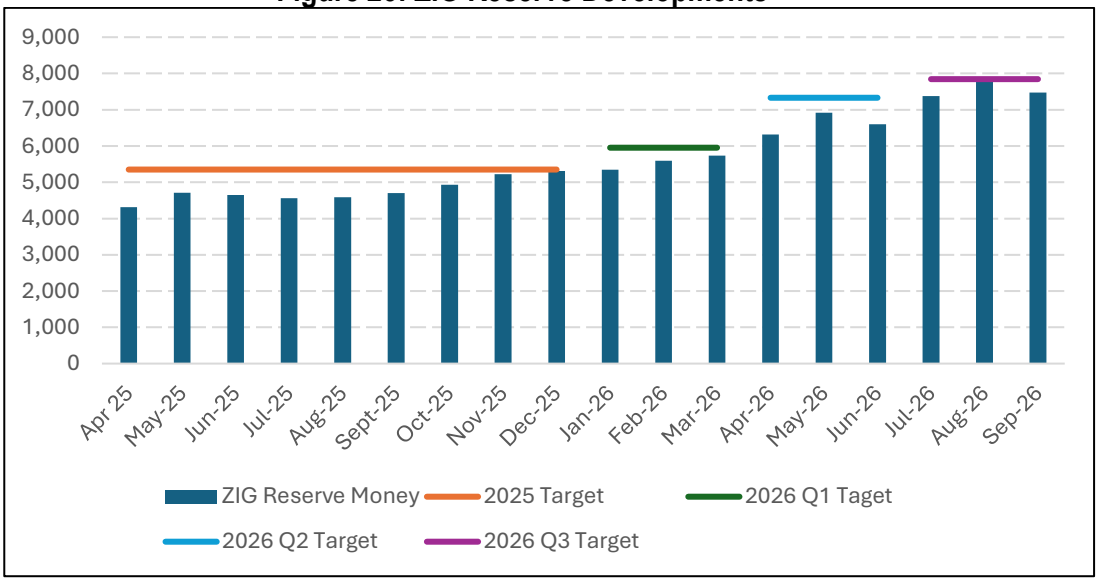
Figure 22: Components of Reserve Money as of September 2026



Source: Reserve Bank of Zimbabwe, 2026

80. The local currency component of reserve money increased by 40.7%, from ZiG5.3 billion recorded in December 2025 to ZiG7.5 billion over the period to September 2026, remaining well within the Q3 reserve money International Monetary Fund (IMF) Staff Monitored Program (SMP) target of ZiG7.8 billion.

Figure 23: ZiG Reserve Developments



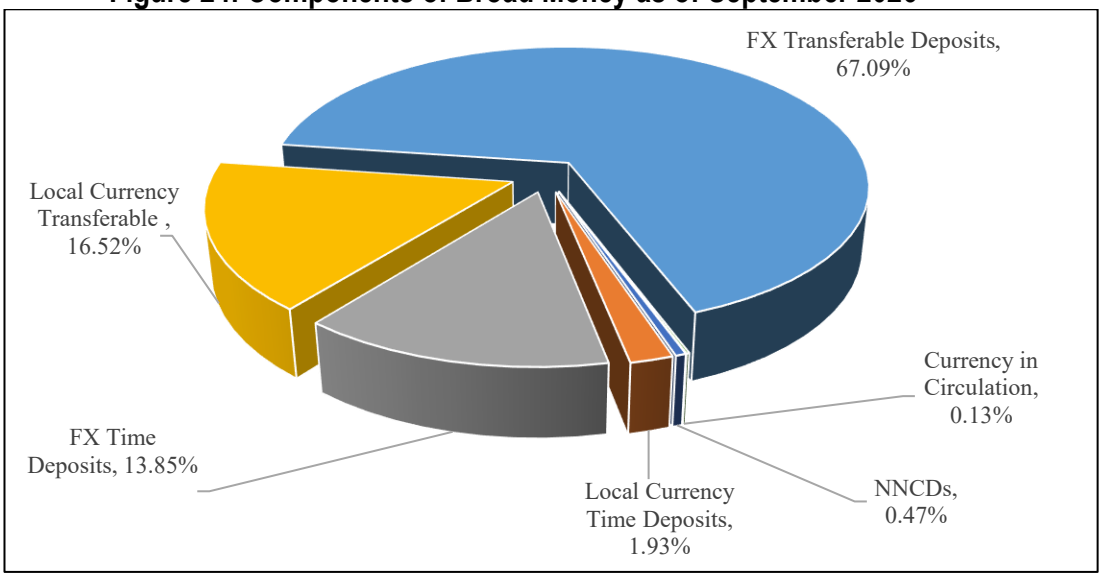
Source: Reserve Bank of Zimbabwe,2026

Broad Money (M3)

81. Broad money amounted to ZiG164.3 billion in September 2026, an increase of 52%, from ZiG108.1 billion recorded in December 2025. This was largely underpinned by a 51.2% expansion in the foreign currency component (moving from ZiG87.9 billion to ZiG133 billion).

82. The broad money stock comprised foreign currency deposits 80.8%, local currency deposits 19%, negotiable certificates of deposits 0.5%, and local currency in circulation 0.1%.

Figure 24: Components of Broad Money as of September 2026

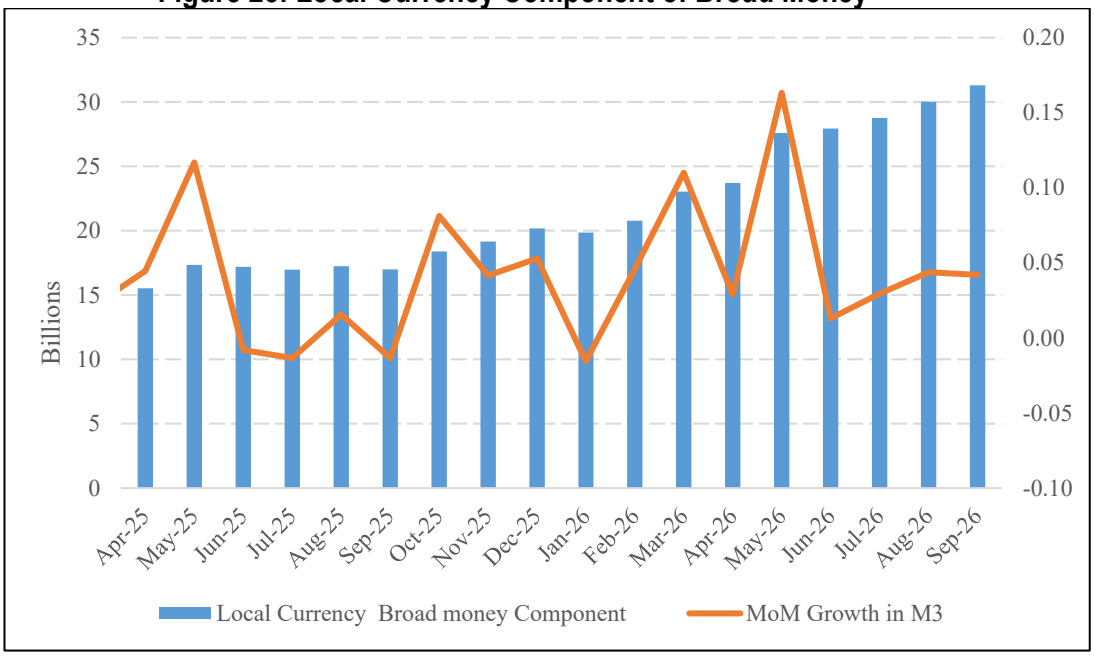


Source Reserve Bank of Zimbabwe, 2026

83. Over the period December 2025 to September 2026, the local currency component of M3 also increased by 55.2%, from ZiG20.2 billion to ZiG31.3 billion.

84. The growth in the local currency component of broad money, together with prevailing exchange rate stability, partly reflects improved confidence in the local currency, as households and firms appear more willing to hold and transact in ZiG-denominated balances rather than immediately converting them into foreign currency.

Figure 25: Local Currency Component of Broad Money



Source: Reserve Bank of Zimbabwe, 2026

85. The growth of the local currency component of broad money remained positive for the eighth consecutive month in September 2026, increasing by 4.2% month-on-month, following a moderation in growth from the 16.3% peak recorded in May 2026. The sustained expansion in broad money, albeit at varying rates, reflects evolving liquidity conditions in the economy.

Banking Sector

86. The banking sector remained safe, sound and inclusive underpinned by a stable macroeconomic environment during the first nine months of 2026. This was further supported by adequate capital and liquidity buffers, sustained growth in deposits and loans, and satisfactory overall asset quality.

87. The banking sector architecture remains diversified, reflecting the broad range of financial intermediation activities within the sector.

Figure 26: Banking Sector Architecture as September 2026



Source: Reserve Bank of Zimbabwe, 2026

Capitalisation of the Banking Sector

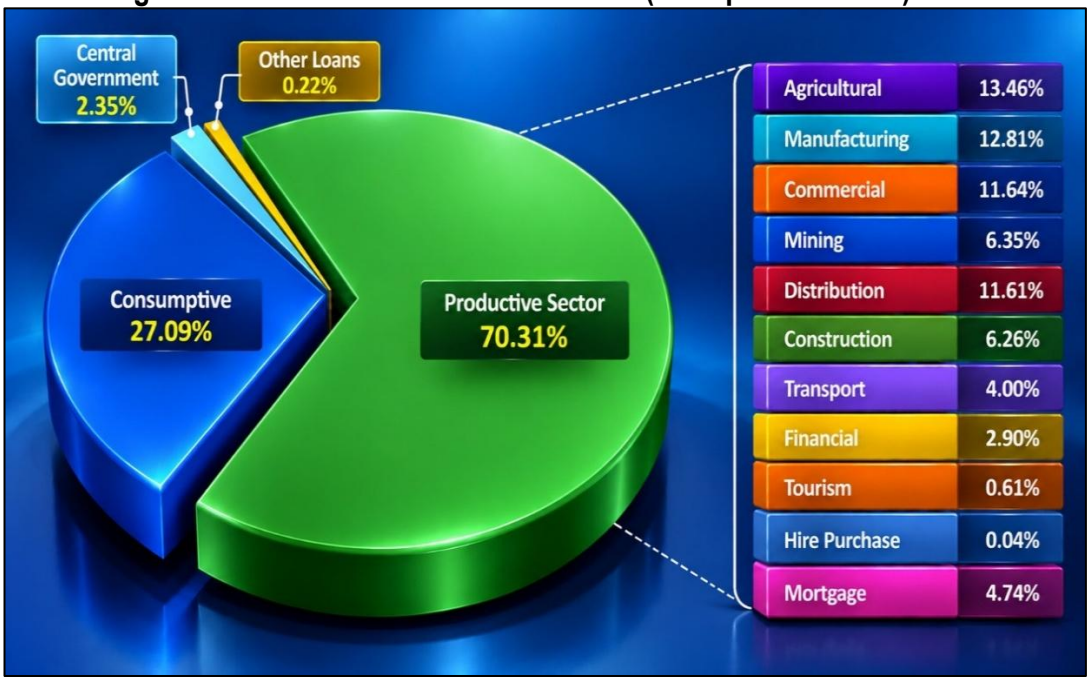
88. As at 30 June 2026, the banking sector was adequately capitalised with aggregate banking sector core capital amounting to ZiG38.1 billion as at 30 September 2026, compared to ZiG35.5 billion reported as at 30 September 2025, largely attributed to capitalisation of retained earnings.

Loans and Deposits

89. The banking sector continues to provide credit to various sectors of the economy, as reflected by a 48.2% growth in aggregate loans and advances to ZiG105.3 billion as at 30 September 2026, compared to ZiG71.1 billion reported as at 30 September 2025.

90. Foreign currency-denominated facilities remained dominant, constituting 90.3% of total lending. The sector continued to play a pivotal role in financing productive sectors of the economy, with loans to productive sectors accounting for 70.3% of the banking sector's total loan portfolio as of 30 September 2026, as shown in the figure below.

Figure 27: Sectoral Distribution of Loans (30 September 2026)



Source: Reserve Bank of Zimbabwe, 2026

91. On the back of the prevailing macroeconomic stability and reflecting growing confidence in the banking sector, some banking institutions have increased the tenure of their loans from three (3) years to five (5) years for personal loans, while mortgage loan tenures range from 10 years to 25 years.

92. In addition, banking institutions are entering into syndicated financing arrangements to finance large ticket loans underscoring the banking sector's capacity to mobilise significant long-term funding for strategic projects, while simultaneously addressing potential concentration risks.

Loan Portfolio Quality

93. Credit risk in the banking sector loan portfolio remained low as reflected by an average ratio of non-performing loans to total loans of 3% as at 30 September 2026, which is within the internationally acceptable threshold of 5%, as shown in the Figure below.

Figure 28: Trend in Non-performing Loans (%)



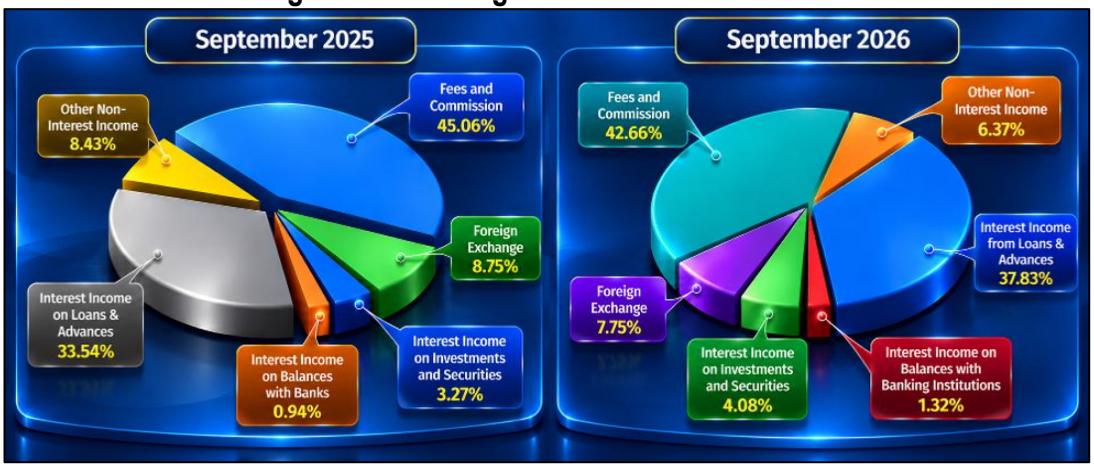
Source: Reserve Bank of Zimbabwe, 2026

94. Agriculture (32.8%), individuals and households (20.4%), and manufacturing (14.9%) sectors contributed 68.2% of NPLs as at 30 September 2026.

Earnings Performance

95. The banking sector remained profitable with the recorded aggregate profit amounting to ZiG6.5 billion (US$242.4 million) for the nine months ended September 2026, compared to ZiG7.9 billion (US$297.1 million) recorded during the corresponding period in 2025 as shown in the Table below.

Figure 29: Banking Sector Income Mix



Source: Reserve Bank of Zimbabwe, 2026

96. The income mix of banking institutions has increasingly shifted from revaluation gains towards fees and commission, as well as interest income from loans and advances, reflecting the stability of the ZiG. The continued ZiG stability will bolster the quality and sustainability of banking institutions' earnings, expanding financial intermediation for growth of the economy.

Financial Inclusion

97. The RBZ is currently working on launching the National Financial Inclusion Strategy III (NFIS III), following the conclusion of the National Financial Inclusion Strategy II (2022-2026).

98. Building on the achievements and lessons from previous strategies, NFIS III will focus on deepening financial inclusion outcomes, enhancing financial resilience, and ensuring that financial services contribute meaningfully to improved livelihoods and sustainable economic development.

99. To support the design and implementation of NFIS III, FinScope Consumer and MSME Surveys are being finalised. The surveys will provide updated baseline statistics and critical evidence on the state of financial inclusion among individuals and enterprises, including levels of access, usage, financial resilience, digital financial services adoption, and barriers faced by priority target groups.

100. Further, the survey findings will inform the finalisation of NFIS III targets, interventions, and monitoring indicators, while strengthening evidence-based policymaking.

Credit Infrastructure

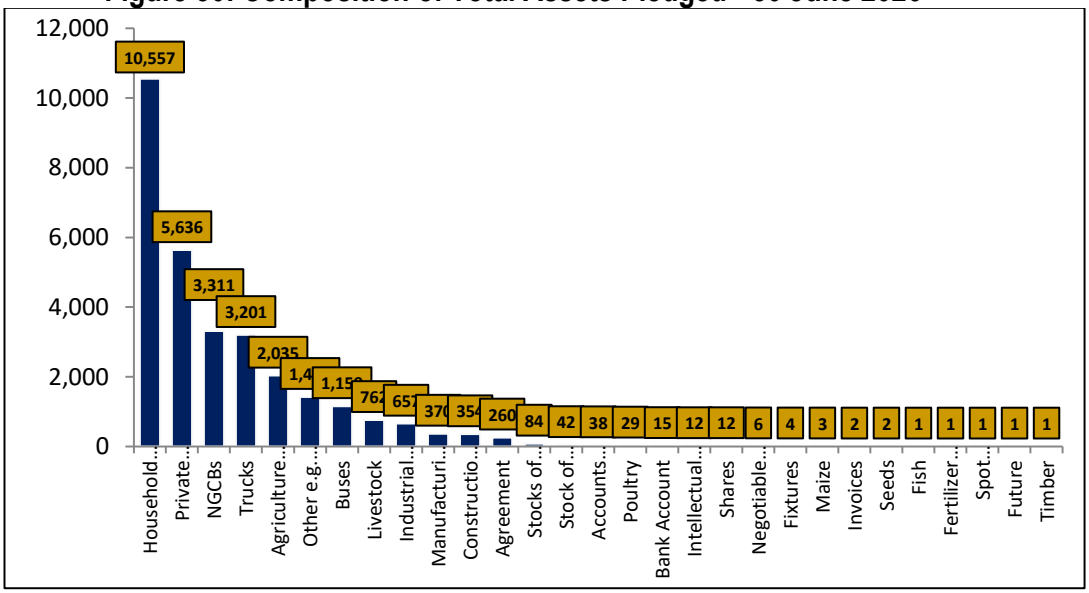
101. The credit information ecosystem continues to strengthen through co-ordination between the Credit Registry and private credit reporting institutions, resulting in broader coverage of borrower information and improved availability of credit data across the market.

102. As at 30 September 2026, the Credit Registry and private credit bureaus collectively held 24.4 million searchable records, demonstrating the continued expansion of credit information sharing. Cumulative enquiries into the Credit Registry reached 8.5 million over the same period, underscoring the growing use of credit information by participating institutions.

103. The Reserve Bank continued to promote the Collateral Registry as a means of expanding access to credit, particularly for SMEs and other underserved sectors of the economy. Awareness initiatives are being conducted across various provinces to deepen understanding of the Registry's operations and benefits.

104. There has been a notable increase in the uptake of the Collateral Registry, reflecting growing awareness and acceptance among lending institutions and borrowers.

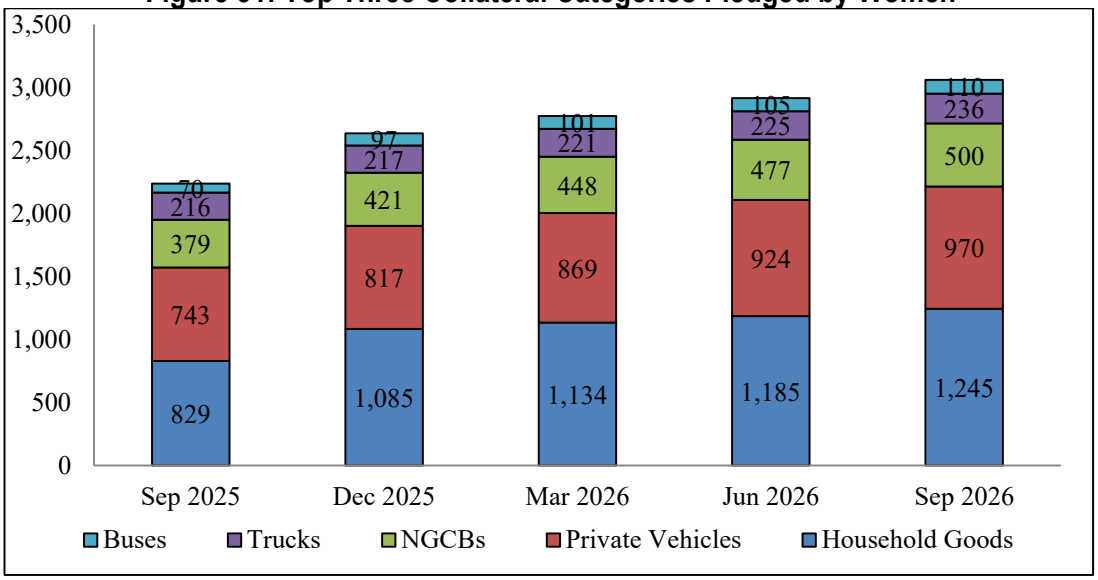
Figure 30: Composition of Total Assets Pledged - 30 June 2026



Source: Reserve Bank of Zimbabwe

105. Gender-disaggregated analysis of the three leading collateral categories pledged by women shows a consistent upward trajectory from 30 June 2025 to 30 June 2026. Household goods pledged by women rose from 777 as of 30 June 2025 to 1 290 as of 30 June 2026 private vehicles from 700 to 930 and Notarial General Covering Bonds from 333 to 490.

Figure 31: Top Three Collateral Categories Pledged by Women



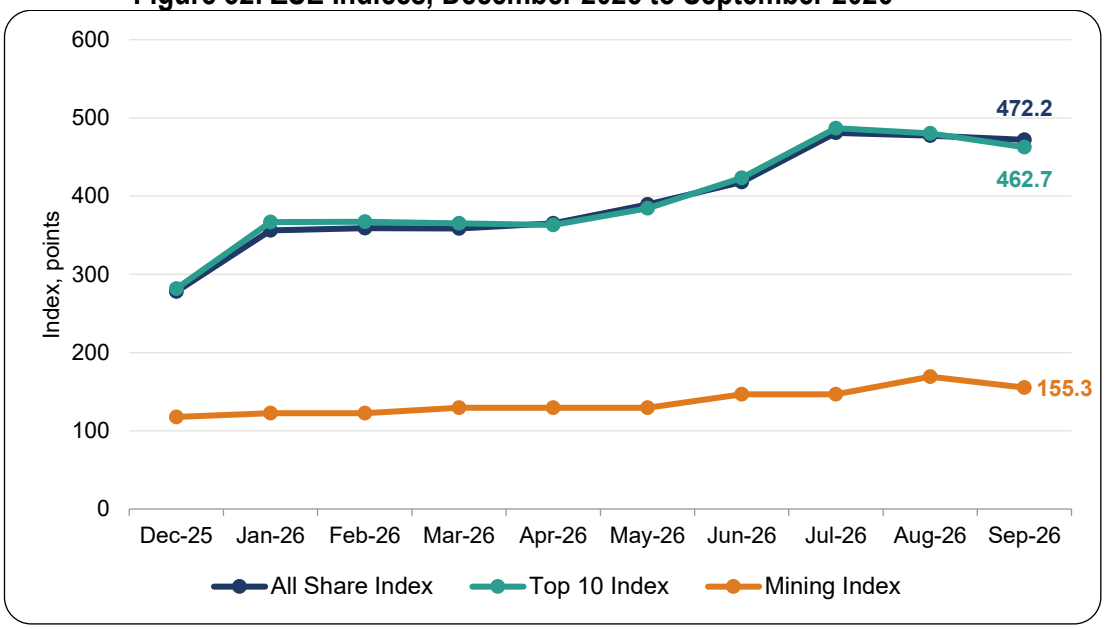
Source: Reserve Bank of Zimbabwe, 2026

106. The pattern underscores the Collateral Registry's continued contribution to advancing women's financial inclusion. Household goods remain the predominant category of collateral pledged by women, while participation in higher-value asset categories, including vehicles, remains comparatively limited but continues to increase steadily.

Capital Markets

107. The Zimbabwe Stock Exchange (ZSE), sustained strong momentum in the first nine months of 2026, underpinned by macroeconomic stability. The ZSE All Share Index gained by 69.9% to end at 472.2 points in September from 277.9 points in December 2025. The Top 10 Index appreciated by 64.2% to end at 462.7 points, while the Mining Index gained 32.0% to end at 155.3 points.

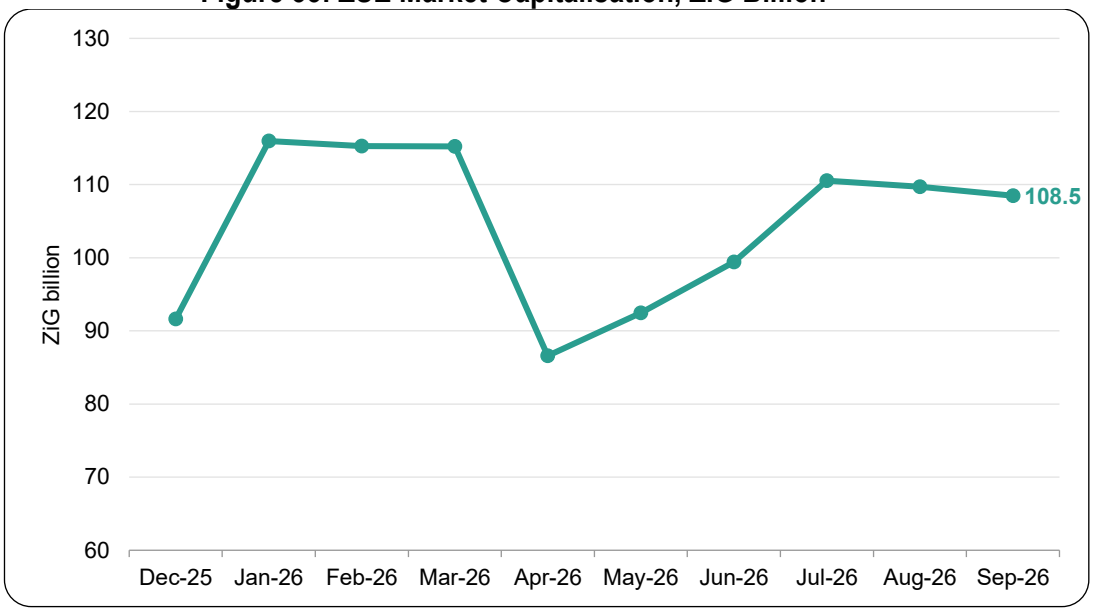
Figure 32: ZSE Indices, December 2025 to September 2026



Source: ZSE

108. Market capitalisation increased by 18.4% to ZiG108.5 billion in September 2026, although it remained below the January peak of ZiG116.0 billion.

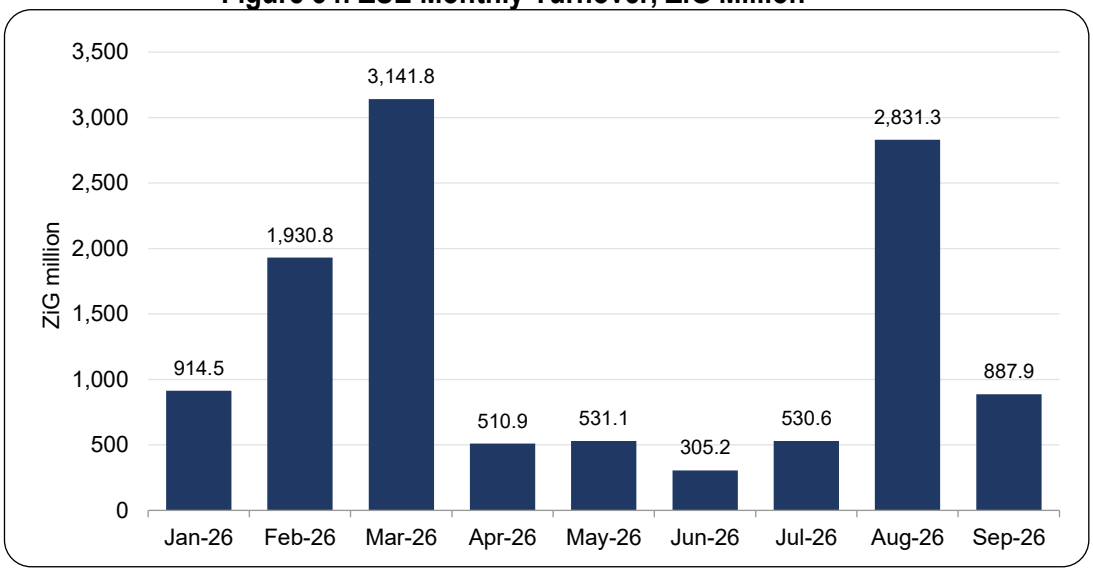
Figure 33: ZSE Market Capitalisation, ZiG Billion



Source: ZSE

109. Turnover rose to ZiG12 billion from ZiG4.4 billion in the same period of 2025, reflecting stronger investor participation. The number of listed securities declined to 44 from 48 following four delistings, comprising 38 equities, 4 Exchange-Traded Funds and 2 Real Estate Investment Trusts.

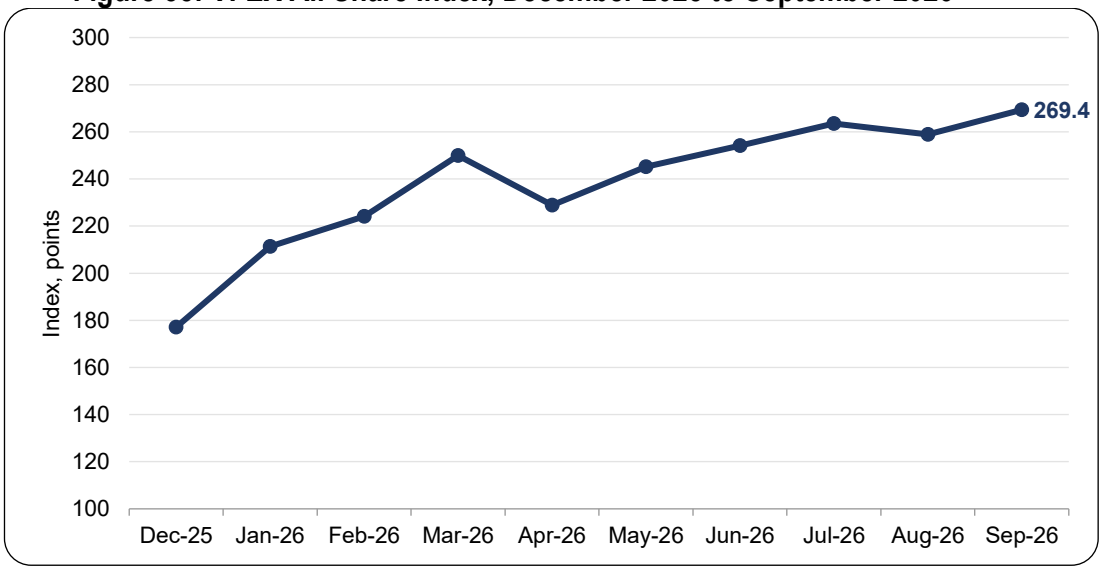
Figure 34: ZSE Monthly Turnover, ZiG Million



Source: ZSE

110. The Victoria Falls Stock Exchange (VFEX), also sustained positive performance, supported by macroeconomic stability, rising demand for United States dollar denominated assets and strong earnings by export-oriented companies. The VFEX All Share Index gained 52.1% to end at 269.4 points in September 2026.

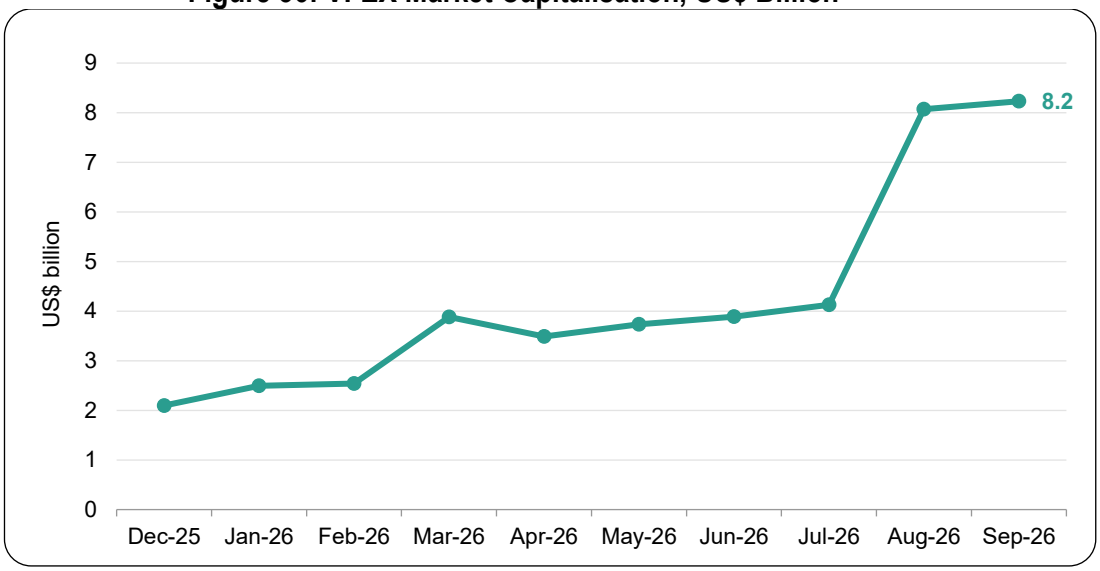
Figure 35: VFEX All Share Index, December 2025 to September 2026



Source: VFEX

111. Market capitalisation reached a record US$8.3 billion by September 2026 from US$2.1 billion at end December 2025, reflecting new listings, notably the step up recorded in August.

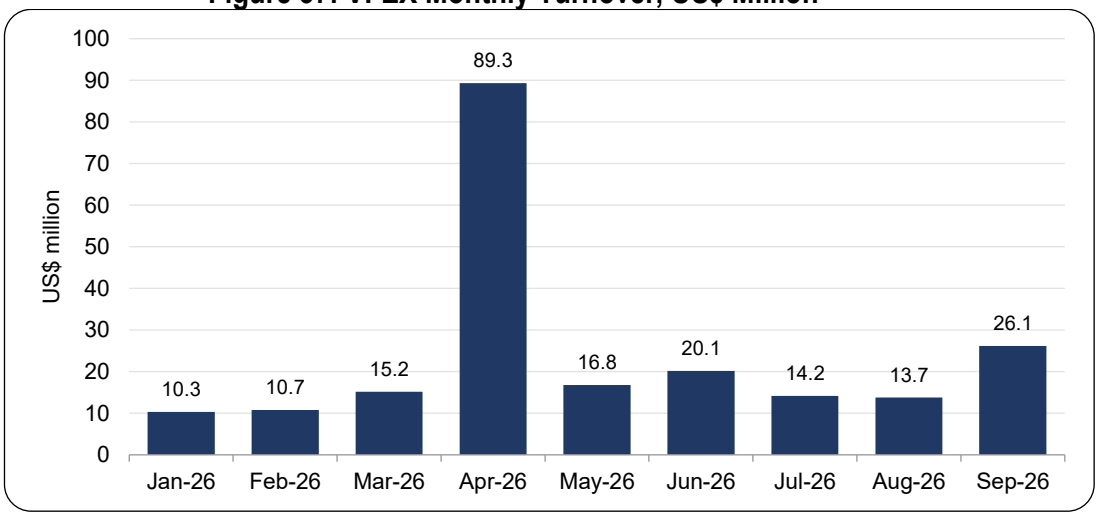
Figure 36: VFEX Market Capitalisation, US$ Billion



Source: VFEX

112. Turnover rose by 147.6% to US$222.1 million by September 2026 from US$89.7 million in the same period of 2025. Following five new listings and two delistings, the number of listed securities was 20, comprising 13 equities, 2 REITs, 1 ETF, 1 fixed income instrument and 3 depository receipts.

Figure 37: VFEX Monthly Turnover, US$ Million



Source: VFEX

Insurance and Pensions

113. The insurance and pensions sectors remained resilient, with growth in assets and revenues supported by strengthened regulatory oversight, strong capital market performance, currency and exchange rate stability. Assets of direct life insurers expanded by 41.5% to US$835.2 million and those of short-term insurers by 15.2% to US$545.2 million between June 2025 and June 2026, largely on new acquisitions, revaluation gains and fair value adjustments.

114. Insurance revenue grew by 24.1% to US$322.4 million, with foreign currency business accounting for 80% of short-term and 57% of life business (long-term), indicating a persistent preference for hard currency denominated cover. The market remains concentrated, with motor and fire insurance accounting for 66% of short-term revenue, while funeral and group life account for 83% of life revenue.

115. Pension industry assets increased by 31.9% to US$3.5 billion in June 2026, driven mainly by fair value gains on financial assets, property revaluations and new investments. Membership grew by 15.1% to 1.1 million, while total income rose by 101.5% to US$595.5 million, with membership related activities and investment income accounting for 93% of the total. Expenditure increased by 41.3% to US$138.8 million, of which 44% was incurred in foreign currency. Of the 975 registered funds, 456 or 47% are active, while most of the 519 inactive and paid-up funds are earmarked for dissolution.

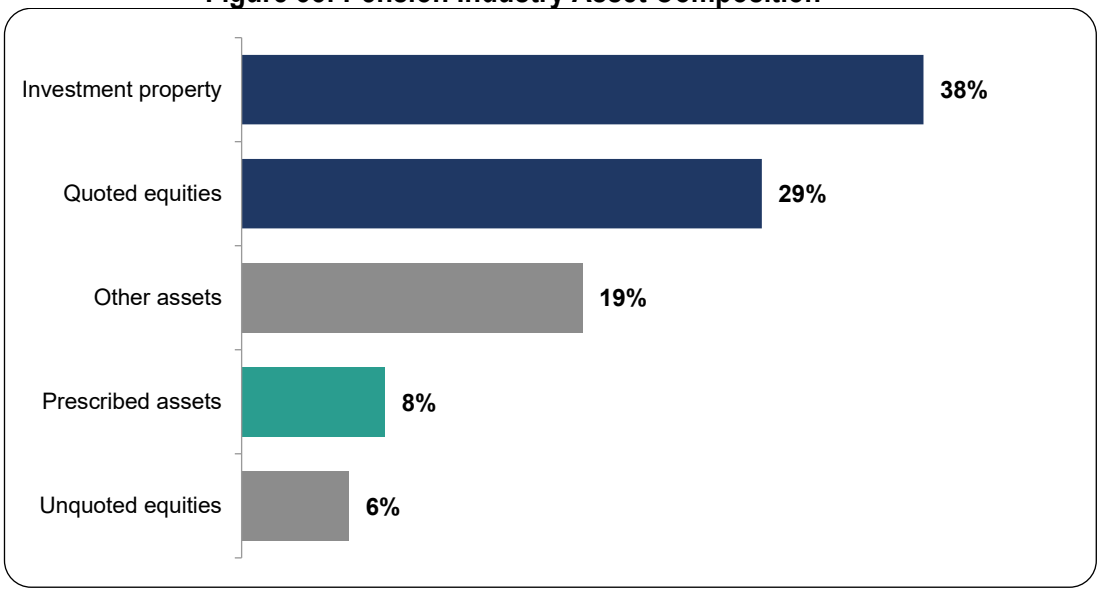
Table 7: Insurance and Pensions Indicators as at 30 June

Indicator	2025	2026	Change %
Life insurers' assets, US$ million	590.0	835.2	41.5
Short-term insurers' assets, US$ million	473.4	545.2	15.2
Insurance revenue, US$ million	259.8	322.4	24.1
Pension fund assets, US$ billion	2.6	3.5	31.9
Pension fund membership, number	994 572	1 144 455	15.1
Pension fund income, US$ million	295.5	595.5	101.5
Pension fund expenditure, US$ million	98.2	138.8	41.3

Source: IPEC

116. Portfolios remain concentrated in investment properties and quoted equities, which together account for 67% of assets.

Figure 38: Pension Industry Asset Composition



Source: IPEC

117. Compliance with prescribed asset requirements remains weak, with pension funds, life assurers and funeral assurers remaining below their minimum thresholds, while short-term insurers and reinsurers were compliant. As at June 2026, nine applications worth US$141.9 million were conferred prescribed asset status, directed to agriculture at US$60.0 million, property and REITs at US$50.0 million, renewable energy at US$26.2 million, infrastructure at US$3.8 million and healthcare at US$1.9 million.

Table 8: Compliance with Prescribed Asset Requirements (%)

Sector	Minimum	Jun 2025	Jun 2026	Status
Pension funds	20.0	10.4	8.0	Below
Life assurers	15.0	8.7	8.0	Below
Funeral assurers	10.0	0.0	0.0	Below
Short-term insurers	10.0	8.0	14.0	Compliant
Short-term reinsurers	10.0	19.0	15.0	Compliant

Source: IPEC

118. Notable outcomes include the refurbishment of Shabanie Mine Hospital and the commissioning of the Mining Industry Pension Fund Legacy Heights student accommodation in Chinhoyi. The accommodation houses over 1 200 students, while generating income for pensioners. Government will continue to monitor the socio-economic impact of these projects while safeguarding policyholder funds.



Refurbished NectaCare Health Centre, formerly Shabanie Mine Hospital



MIPF Legacy Heights student accommodation, Chinhoyi

119. On pension reforms, the primary regulations operationalising the Pension and Provident Funds Act, Chapter 24:32, have been gazetted. Government is constituting a multi-stakeholder National Steering Committee to guide inclusive reforms.

Fiscal Resilience and Sustainable Finance

120. To strengthen fiscal resilience against El Niño induced drought risk during the 2026/27 season, Government subscribed to the African Risk Capacity sovereign drought insurance policy at a premium of US$3.4 million, with a maximum payout of US$12.8 million.

121. The premium was co-financed by Government at US$1 million, the African Development Bank through the Africa Disaster Risk Financing 2 programme at US$1.8 million and the Swiss Agency for Development and Cooperation at US$0.6 million. The World Food Programme and Start Network complemented this through replica policies with a premium of US$1.2 million and a combined sum insured of US$5 million, expanding pre-arranged contingent financing for vulnerable households.

Financial Sector Integrity

122. The country is among the first countries to be assessed under the third round of mutual evaluations of the Eastern and Southern Africa Anti-Money Laundering Group, which test technical compliance with international standards on anti-money laundering, countering the financing of terrorism and proliferation financing and the effectiveness of national systems.

The onsite assessment is scheduled for January to February 2027, while Government will continue to strengthen the national framework to safeguard the integrity of the financial system.

123. On virtual assets, the Money Laundering and Proceeds of Crime Act and the Securities and Exchange Act have been amended to recognise virtual assets as financial instruments and to bring Virtual Asset Service Providers within the regulatory perimeter. Regulations on licensing and supervision, aligned with Financial Action Task Force standards, are being finalised, and the public is advised to transact only with licensed providers once the framework takes effect.

Public Finance Developments

124. The 2026 National Budget is anchored on revenue collections of ZiG288 billion (16.9% of GDP), against total expenditures of ZiG290.9 billion (17.1% of GDP). The resultant is a budget deficit of ZiG3.2 billion (0.2% of GDP), which broadly reflects Government's approach towards fiscal prudence, with expenditures aligned with available domestic resources.

125. The macroeconomic environment is stable, underpinned by currency, price and exchange rate stability. Against this backdrop, Government maintained a strong fiscal position with revenue overperformance at ZiG224.7 billion, while expenditures were contained at ZiG188.7 billion during the period January-September 2026.

Table 9: Public Finance Performance (ZiG Million): Jan – Sept 2026

	Budget	Performance
Revenues	**287,640.00**	**224,672.14**
% of GDP	16.9	
Tax Revenue	281,520.00	213,489.14
% of GDP	16.6	
Non-Tax Revenue	6,120.00	11,182.99
% of GDP	0.4	
Expenditures & Net Lending	**290,881.10**	**188,675.15**
% of GDP	17.1	
Expenses	249,804.40	145,505.44
% of GDP	14.7	
Use of goods and services	47,445.90	38,067.02
% of GDP	2.8	
% Total Expenditure	16.3	20.2

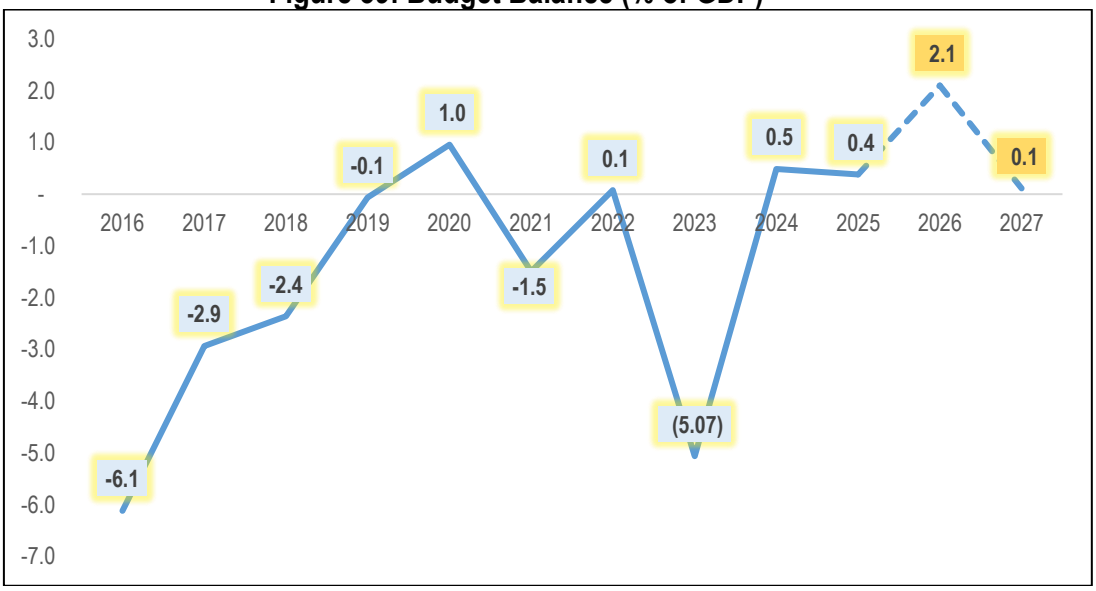
	Budget	Performance
Compensation of Employees	152,255.60	84,951.26
% of GDP	9	
% Total Expenditure	52.3	45.0
% of Revenue	52.9	37.8
Interest Payments	8,482.80	5,115.73
% of GDP	0.5	
Capital Expenditure	41,076.70	43,169.71
% of GDP	2.4	
Overall Balance	**-3,241.10**	**35,996.99**
% of GDP	-0.2	

Source: MOF, RBZ and ZIMSTAT

126. While the approved budget parameters of revenue and expenditures remain at ZiG287.6 billion and ZiG290.1 billion, respectively, actual revenue collections are projected to reach ZIG305 billion in 2026. The revenue windfall will go towards servicing some of the arrears to service providers, debt servicing and accumulation of buffers as contingency against the potential impact of the anticipated El-Nino induced drought during the 2026/27 agriculture season.

127. Over the past decade, Government has been making progress on fiscal management by enhancing domestic resource mobilisation and expenditure management with a view to stabilising the macroeconomic environment and the public debt through containing budget deficits. As a result, budget deficit declined from as high as over 6% of GDP in 2016 to current levels of a balanced budget.

Figure 39: Budget Balance (% of GDP)



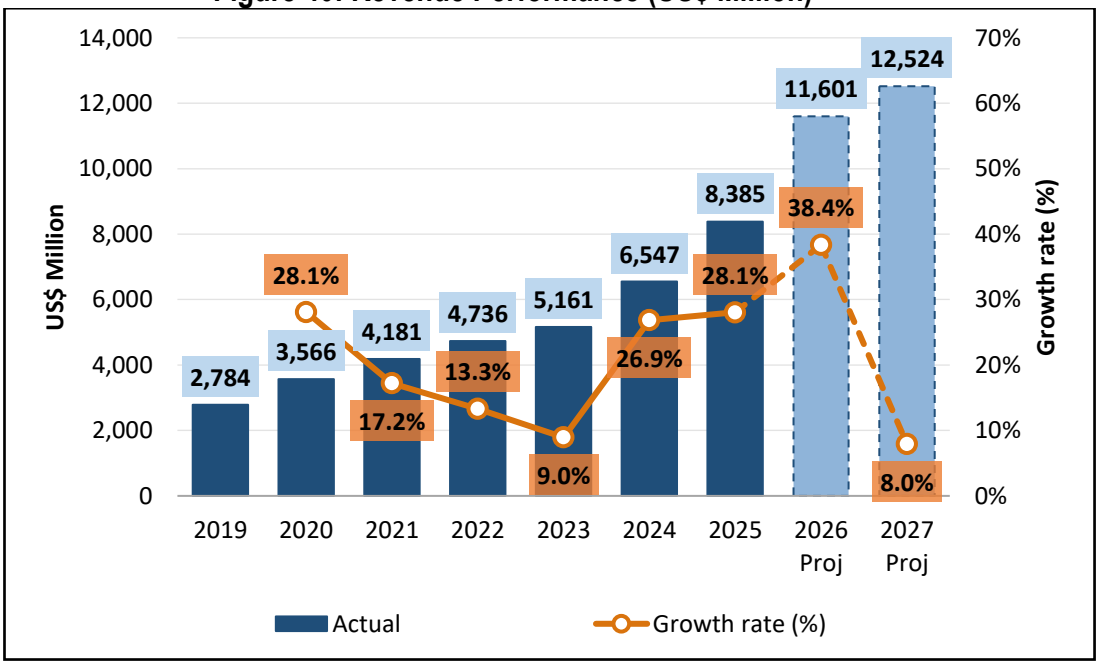
Source: MOF, 2026

128. This prudent fiscal management has significantly contributed to price and exchange rate stability, as well as the accumulation of reserves by the Central Bank. In addition, this has stabilised the public debt situation, while all the major increases of public debt were mainly on account of assumption of the RBZ debt and arising from the global compensation deed.

Revenue

129. Since 2019, Government has made tremendous progress in domestic resource mobilisation, which has resulted in substantial growth in revenue collections from US$2.8 billion in 2019 to around US$11.6 billion in 2026. This represents a cumulative 316.7% increase in revenue, attributable to growth of the economy, broadening of the tax base, modernisation and digitalisation of revenue administration, and other revenue mobilisation strategies.

Figure 40: Revenue Performance (US$ Million)



Source: MOF, 2026

130. During the first nine months from January to September 2026, revenue collections demonstrated strong performance. Cumulative revenue receipts exceeded the target by 13.1%, primarily on account of the robust implementation of domestic resource mobilisation measures, enhanced tax administration and compliance.

131. Revenue collections amounted to ZiG224.7 billion, against a target of ZiG198.7 billion. Tax revenue amounted to ZiG213.5 billion, accounting for 95% of the total, while the remainder was non-tax revenue.

Table 10: Revenue Performance: Jan to Sept 2026 (ZiG Billion)

Revenue Head	Actual	Target	Var (%)
Total Revenue	**224.67**	**198.70**	**13.07%**
Tax Revenue	213.49	194.24	9.91%
Non-Tax Revenue	11.18	4.46	150.98%
Property Income	1.12	0.49	128.57%
Sales of Goods and Services	10.07	3.96	154.29%

Source: MOF, 2026

132. Similarly, cumulative revenue collections in foreign currency equivalency outperformed targets over the first nine months at US$8.6 billion, against a target of US$6.5 billion, which translates to a positive variance of US$2.1 billion.

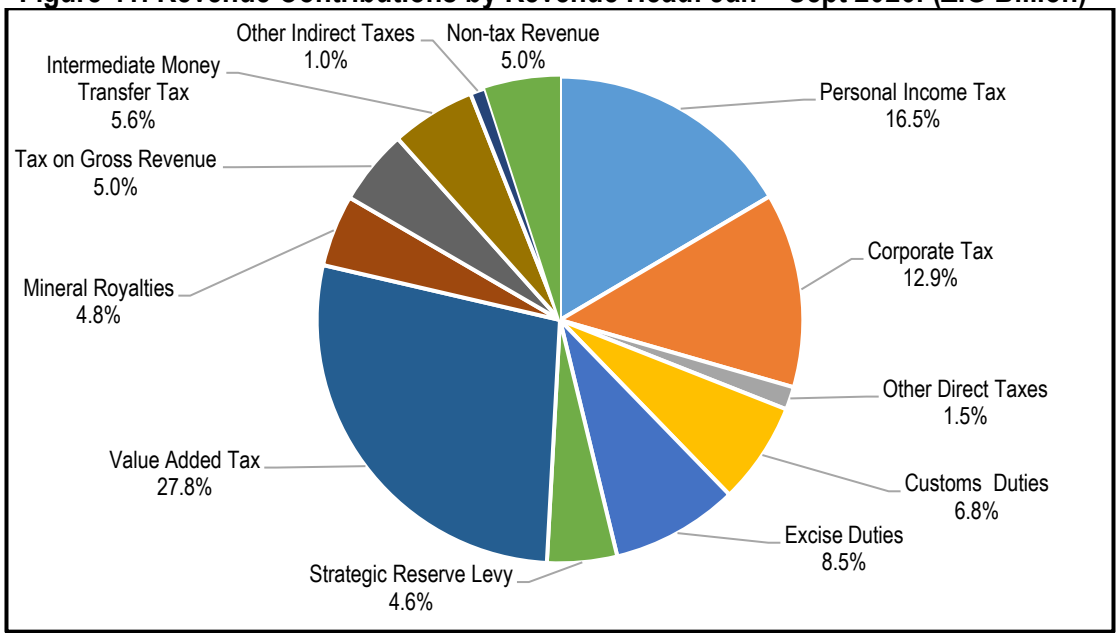
Table 11: Tax Heads Performance: Jan – Sept 2026: (ZiG Billion)

Revenue Head	Actual	Target	Variance %	Contribution
Total Revenue	**224,672**	**198,699**	**13.1%**	
Tax Revenue	**213,489**	**194,243**	**9.9%**	**95.0%**
Value Added Tax	62,384	49,028	27.2%	27.8%
Personal Income Tax	37,119	39,253	-5.4%	16.5%
Corporate Income Tax	29,075	22,275	30.5%	12.9%
Excise Duty	19,025	24,906	-23.6%	8.5%
Customs Duty	15,191	13,415	13.2%	6.8%
Intermediate Money Transfer Tax	12,599	12,531	0.5%	5.6%
Mineral Royalties	10,689	8,406	27.2%	4.8%
Strategic Reserve Levy	9,357	11,070	-15.5%	4.2%
Corporate Social Responsibility Levy	6,781	747	807.4%	3.0%
Special Excise on Airtime & Mobile Data	3,393	3,433	-1.2%	1.5%
Non-tax Revenue	**11,183**	**4,456**	**151.0%**	**5.0%**

Source: MOF (2026)

133. The growth in revenue collections was driven by positive performances in Value Added Tax (27.2%), Corporate Tax (30.5%) and Non-Tax Revenue (151%). These gains effectively offset underperformance recorded in Personal Income Tax which underperformed by -5.4%, Excise Duties (-23.1%) and Strategic Reserve Levy -15.5%, while the composition of the revenue is shown in the pie chart below.

Figure 41: Revenue Contributions by Revenue Head: Jan – Sept 2026: (ZiG Billion)



Source: MOF, 2026

Value Added Tax

134. Value Added Tax remained the largest contributor to total revenue collections at 27.8%, generating ZiG62.4 billion against a target of ZiG49 billion. The over-performance was on account of improved transaction visibility, enhanced compliance and digitalisation of VAT administration.

135. The continued digitalisation of VAT administration improved the visibility of taxable transactions and strengthened the capacity of the Zimbabwe Revenue Authority to monitor and identify potential areas of tax non-compliance. The increased use of electronic fiscalisation and integration of taxpayer information also enhanced the accuracy and timeliness of VAT reporting, thereby improving revenue mobilisation.

Personal Income Tax (PIT)

136. Personal Income Tax (PIT) collections amounted to ZiG37.1 billion (16.5%) against a target of ZiG39.3 billion, reflecting an underperformance of -5.4%. The shortfall reflects softer-than-projected growth in the taxable payroll base.

Corporate Tax

137. Corporate Tax collections amounted to ZiG29.1 billion (12.9% of total revenue), exceeding the target of ZiG22.3 billion by 30.5%, due to stronger compliance, enforcement, enhanced digital systems and the expansion of the taxpayer base. The performance is consistent with improved profitability of companies across the economy.

Customs Duties

138. Collections from Customs Duty amounted to ZiG15.2 billion, against a target of ZiG13.4 billion. The overperformance was attributed to increased imports which increased the dutiable import base and generated higher customs receipts. The outturn was also supported by strengthened customs administration at the borders, including enhanced risk-based inspection, scanning of high-risk cargo and intensified monitoring of goods in transit. The seizure of non-compliant goods also curbed revenue leakages arising from diversion, under-declaration and other forms of customs non-compliance.

Excise Duties

139. Excise duty collections amounted to ZiG19 billion (8.5% of total revenue), against a target of ZiG24.9 billion, a 23.6% shortfall. This underperformance was attributed to tax relief measures to cushion households and businesses from the adverse economic impact of the Middle East conflict, particularly through measures aimed at moderating the cost pressures arising from elevated oil prices.

Non-Tax Revenue

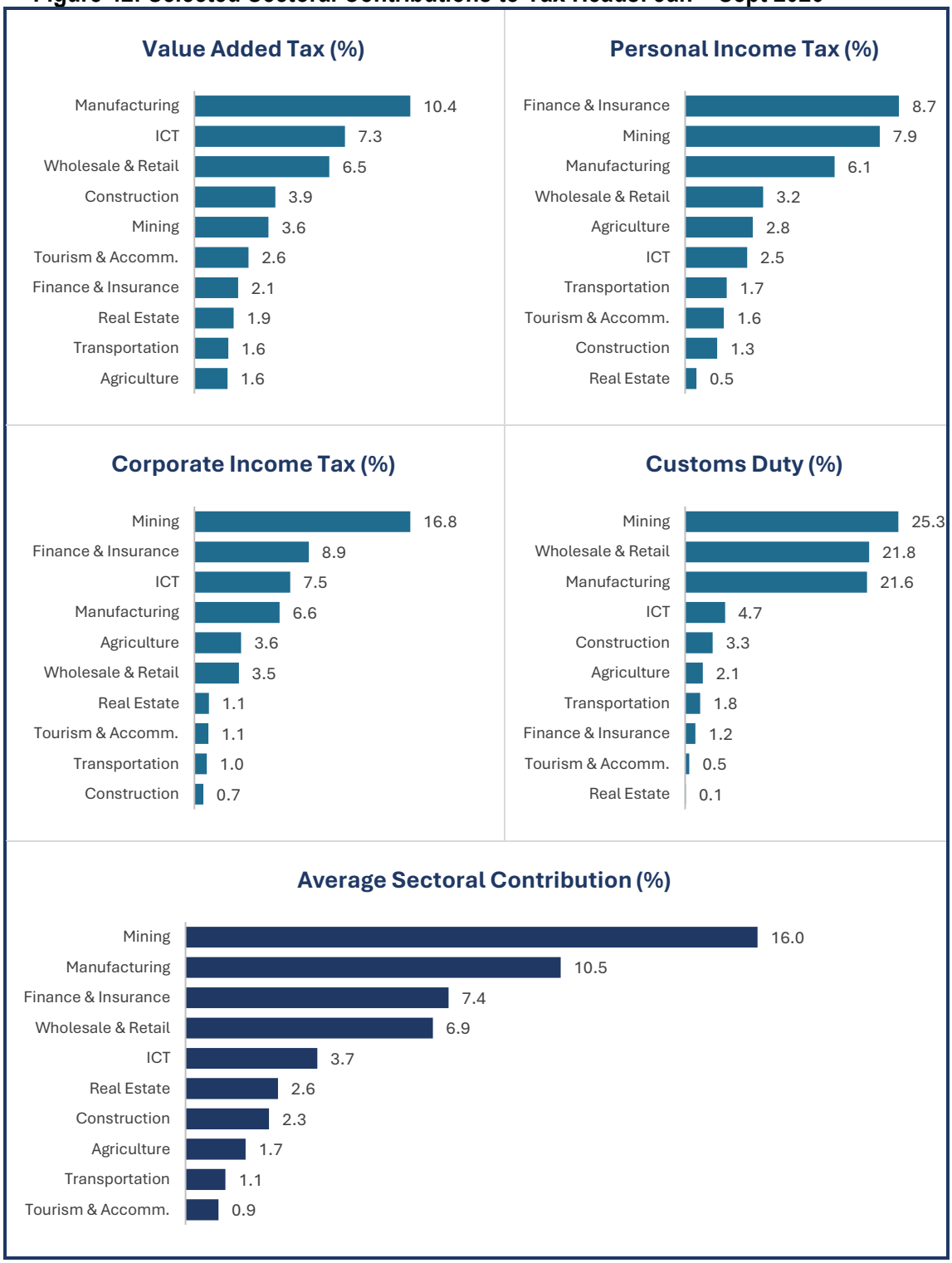
140. Non-tax revenue collections during the review period amounted to ZiG11.2 billion above the target of ZiG4.5 billion. The strong outturn reflects stable macroeconomic environment and improvements in revenue administration, monitoring and enforcement.

141. The performance was also underpinned by the continued digitalisation of public revenue collection and enhanced tracking of taxpayer and non-taxpayer obligations, which strengthened the capture and remittance of Government receipts.

Sectoral Contribution to Tax Revenue

142. Economic growth and revenue mobilisation are mutually reinforcing objectives and transformative investments must contribute fairly to the fiscus in support of Vision 2030. The table below shows the contribution of selected sectors to key tax heads for the period January to September 2026.

Figure 42: Selected Sectoral Contributions to Tax Heads: Jan – Sept 2026



Source: MOF, 2026

143. The mining sector accounted for the largest share of corporate income tax at 16.8% and customs duty at 25.3%, reflecting profitability and import intensity. Manufacturing led value added tax at 10.4%, while finance and insurance led personal income tax at 8.7%. Wholesale and retail also contributed significantly, at 21.8% of customs duty and 6.5% of

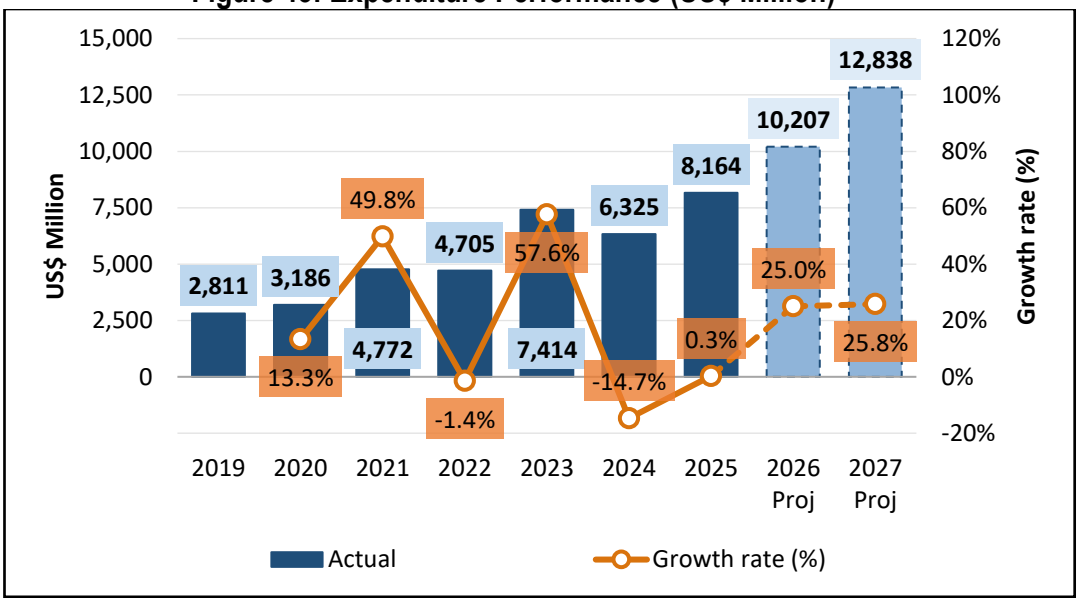
value added tax. By contrast, agriculture, tourism, construction, transport and real estate recorded low contributions across most tax heads.

144. Government will, therefore, continue to strengthen the alignment between sectoral economic activity and tax contributions, with particular attention to sectors that contribute increasingly to GDP but remain under-represented in the tax base, such as real estate, ICT and the digital economy, tourism, agriculture, construction, transport and parts of wholesale and retail.

Expenditures

145. The growth of the economy has enabled the widening of the tax base, allowing Government to spend more on public service delivery and infrastructure development, with positive feedback on economic performance, creating a virtuous cycle. Expenditure outlays increased by 263.1% from US$2.8 billion in 2019 to US$10.2 billion in 2026.

Figure 43: Expenditure Performance (US$ Million)



Source: MOF, 2026

146. Cumulative expenditures from the period January to September 2026 amounted to ZiG188.7 billion, representing 65% budget utilisation of the approved budget. This is against the approved Budget envelope of ZiG290.9 billion.

147. Non-wage recurrent expenses, primarily comprised of operational obligations and social protection programmes amounted to ZiG53.8 billion (28.5% of total public spending), during the review period.

148. Outlays on capital projects and Intergovernmental Fiscal Transfers (IGFT) were ZiG44.8 billion, representing 23.7% of total expenditure. The resources funded ongoing infrastructure projects across the country.

Table 12: Expenditure Performance: Jan to Sept 2026 (ZiG Billion)

	Approved Budget	Actual	Target	Budget Utilisation (%)
Total Expenditure & Net Lending	**290.9**	**188.7**	**206.5**	**64.9%**
Compensation of Employees	152.3	85.0	105.4	55.8%
Non-Wage Recurrent Expenditures	89.1	53.8	75.1	60.4%
Interest Payments	8.5	5.1	6.1	60.0%
Capital Expenditures, including Intergovernmental Fiscal Transfers	41.1	44.8	19.9	109.0%

Source: MOF (2026)

149. Expenditure outlays on compensation of employees amounted to ZiG85 billion, against a target of ZiG105.4 billion. Employment costs were below the budget largely due to exchange rate stability, which moderated pressures on the local currency component of the civil service wage bill.

150. Outlays on capital projects recorded ZiG43.2 billion against a target of ZiG19.9 billion, as infrastructure and asset investments accelerated. The resources went towards the rehabilitation, construction and upgrading of roads, sports facilities, schools, hospitals and other infrastructure projects such as dam construction and irrigation development.

151. In terms of budget utilisation by all the MDAs, an average of 65% of the approved budget had been spent as at 31 September 2026.

Public Debt Developments

152. During the period January to September 2026, Treasury mobilised ZiG11.3 billion for budget financing, against a target of ZiG9.4 billion. The ZiG-denominated Treasury bills were issued

at an average interest rate of 14.2% per annum, while US dollar-denominated Treasury bills were issued at an average rate of 7% per annum. In addition, Treasury concluded three US dollar-denominated domestic loans with tenors of 12 months and 48 months, at interest rates of 10% and 11% per annum, respectively.

Table 13: 2026 Annual Borrowing Plan as at end September 2026 (ZiG Million)

	Jan - Sept		Q4	Annual
	Target	*Actual*	*Target*	*Target*
180-days	*1,959*	*4,510*	*650*	*2,608*
270-days	*1,044*	*1,114*	*520*	*1,564*
365-days	*686*	*568*	*439*	*1,125*
365-days-Open position	*485*	*790*	*158*	*643*
2 years-Open position	*554*	*-*	*222*	*776*
365-days-Pension Funds	*2,010*	*-*	*260*	*2,270*
Total Government Securities	**6,738**	**6,982**	**2,248**	**8,986**
of which Bank	*4,729*	*6,982*	*1,988*	*6,717*
Non-Bank	*124*	*-*	*260*	*383*
Domestic Loans	**1,761**	**4,053**	**491**	**2,252**
Existing External Loan Disbursements	*884*	*291*	*-*	*884*
Sub Total	**884**	**291**	**-**	**884**
Grand Total	**9,384**	**11,326**	**2,739**	**12,123**

Source: Zimbabwe Public Debt Management Office

153. Government received disbursements from external loans totalling US$8.4 million (ZiG225.6 million), in support of ongoing projects. Of this, US$4.6 million was disbursed for the Smallholder Agriculture Cluster Project (SACP), while a further US$1.9 million was disbursed by IFAD for the Horticulture Enterprise Enhancement Project (HEEP), and US$0.82 million by the Kuwait Fund for the Zhove Irrigation Scheme.

154. Disbursements to State-Owned Enterprises (SOEs) on-lent loans over the same period amounted to US$1.2 million, broken down as US$0.16 million from India Eximbank for the ZPC Deka Pumping Station and River Water Intake System, and US$0.99 million from BADEA for the Small and Medium Enterprises Development Corporation as shown in the Table below.

Table 14: External Loan Disbursements for Jan to Sep 2026 (US$ Million)

Project/Facility	Creditor	Loan Amount US$	Total
Central Government Projects			
Smallholder Agriculture Cluster Project (SACP)	*IFAD*	*35.70*	*2.80*
Smallholder Agriculture Cluster Project (SACP)	*OFID*	*15.00*	*1.75*
Horticulture Enterprise Enhancement Project (HEEP)	*IFAD*	*37.14*	*1.90*
Zhove Irrigation scheme	*Kuwait Fund*	*20.00*	*0.82*
Sub-Total			**7.27**
SOE On-lent loans			
Deka Pumping Station & River Water Intake System	*India Exim Bank*	*41.00*	*0.16*
US$3 million Line of Credit (SMEDCO)	*BADEA*	*3.00*	*0.99*
Sub-Total			**1.15**
Grand Total			**8.42**

Source: Zimbabwe Public Debt Management Office

155. During the fourth quarter of 2026, Treasury aims to mobilise ZiG2.7 billion through the re-introduced auction system to facilitate competitive price discovery.

156. On the other hand, Government made domestic debt service payments amounting to ZiG23.7 billion during the first nine months, of which ZiG20.9 billion is related to principal repayments and ZiG2.8 billion to interest payments. In addition, maturing Treasury bills and bonds worth US$213.4 million related to blocked funds were paid.

Table 15: Domestic Debt Service Payments - Jan to Sep 2026 (ZiG Million)

	January - March	April - June	July - September	Total
Interest	*787*	*743*	*1,259*	***2,789***
Principal	*5,978*	*7,485*	*7,466*	***20,929***
Total	**6,765**	**8,228**	**8,725**	**23,718**

Source: Zimbabwe Public Debt Management Office

157. This also includes US$300 million payments in the form of cash payments, structured tax and infrastructure offsets towards platinum local mine houses (Unki, Mimosa and Zimplats) for arrears and current obligations towards the Government's loan to Afreximbank. This has gone a long way in reducing arrears to the mining houses and the Afreximbank debt. Meanwhile, Government is concluding the process of reprofiling of the Afreximbank to suit Government financial capacity.

Table 16: Payments to Mining Houses: Jan – Sep 2026 (US$ Million)

Mining House	Cash Payments	Tax & Duty + Infrastructure Set-Offs	Total Payments
Unki Mines	*68.1*	*16.7*	*84.8*
Mimosa Mining	*31.6*	*14.4*	*46.0*
Zimplats Mines	*26.6*	*72.0*	*98.9*
Total	**126.3**	**103.1**	**229.7**

Source: Zimbabwe Public Debt Management Office

158. Further, external debt service payments totalling US$242.1 million were settled comprised of US$226.2 million for the active portfolio, US$6.6 million for legacy debts and US$9.3 million for token payments.

Table 17: External Debt Service Payments – Jan to Sep 2026 (US$ Million)

	Jan - Mar	Apr - Jun	Jul - Sep	Oct – Dec	Total
Active Portfolio					
China Exim Bank	-	-		*3.0*	*3.00*
India Exim Bank	*1.50*	-	*0.50*	*0.5*	*2.5*
Kuwait Fund	*0.44*	*0.29*	*0.00*	*0.0*	*0.07*
Sinosure	-	-	*1.00*	*3.0*	*4.00*
Afreximbank GoZ & RBZ Facilities	*50.21*	*86.48*	*46.26*	*34.1*	*217.02*
BADEA	*0.70*	*0.06*	*0.64*	-	*1.40*
OFID	*0.82*	*1.15*	*0.05*	*0.8*	*2.77*
IFAD	*0.22*	-	*0.18*	*0.1*	*0.49*
IMF-SDR Interest	*13.10*	*5.98*	*16.57*	*10.5*	*46.17*
Sub-total	**67.00**	**93.95**	**66.20**	**51.9**	**278.09**
Legacy Debts	**1.62**	**2.97**	**2.02**	**2.50**	**9.10**
Token Payments					
World Bank Group	*1.00*	-	*1.00*	*1.00*	**3.00**
African Development Bank Group	*0.50*	*0.50*	*2.50*	*0.50*	**4.00**
European Investment Bank	*0.10*	-	*0.10*	*0.10*	**0.30**
Paris Club	*1.24*	*0.21*	*2.17*	*1.60*	**5.22**
Sub-total	**2.84**	**0.71**	**5.77**	**3.20**	**12.52**
Grand Total	**71.46**	**97.62**	**72.99**	**57.64**	**299.71**

Source: Zimbabwe Public Debt Management Office

159. Consequently, the stock of total Public and Publicly Guaranteed (PPG) debt as at end September 2026 is estimated at ZiG594.1 billion, compared to ZiG566.8 billion as at end December 2025. Of this total, external debt stood at ZiG331.2 billion (55.7%), while the domestic debt stock was ZiG262.9 billion (44.3%).

Table 18: Estimate of Total PPG Debt Stock - end September 2026 (ZiG Million)[1]

	DOD	PRA	IRA	Penalties	Arrears+Penalties	Total
Total Public Debt (A+B)	**296,040**	**158,936**	**56,361**	**82,785**	**298,083**	**594,122**
A. External Debt (1+2+3)	**89,336**	**104,174**	**54,882**	**82,785**	**241,841**	**331,178**
1. Bilateral Creditors	**37,944**	**56,142**	**17,377**	**76,055**	**149,575**	**187,519**
Paris Club	1,059	38,440	13,241	72,923	124,605	125,664
Non-Paris Club	36,885	17,702	4,136	3,132	24,970	61,855
2. Multilateral Creditors	**51,392**	**35,079**	**37,505**	**6,730**	**79,314**	**130,706**
World Bank	1,345	22,246	22,480	-	44,726	46,070
African Development Bank	467	8,153	14,221	-	22,374	22,841
European Investment Bank	124	4,179	693	6,730	11,601	11,725
Trade and Development Bank	20,955	-	-	-	-	20,955
Afreximbank	27,061	-	-	-	-	27,061
Others	1,441	502	111	-	612	2,053
3. Legacy Debts	**-**	**12,953**	**-**	**-**	**12,953**	**12,953**
B. Domestic Debt (4+5+6+7+8)	206,703	54,762	1,479	-	56,241	262,945

[1]The 2026 debt stock figures are preliminary and subject to change.

	DOD	PRA	IRA	Penalties	Arrears+Penalties	Total
4. Government Securities	**124,508**	**12,933**	**1,479**	**-**	**14,412**	**138,920**
Treasury Bills	7,061	1,166	56	-	1,222	8,283
Treasury Bonds	80,156	10,922	720	-	11,642	91,798
of which Mutapa Investment Fund	37,290	845	703	-	1,548	38,838
5. Domestic loans	**6,695**	**-**	**-**	**-**	**-**	**6,695**
6. Domestic Expenditure Arrears	**-**	**36,481**	**-**	**-**	**36,481**	**36,481**
7. Mining Houses Arrears	**-**	**5,348**	**-**	**-**	**5,348**	**5,348**
8. Compensation of Former Farm Owners	**75,500**	**-**	**-**	**-**	**-**	**75,500**

Source: Zimbabwe Public Debt Management Office and the Reserve Bank of Zimbabwe
DOD: Disbursed Outstanding Debt, PRA: Principal Arrears, IRA: Interest Arrears
Exchange rate - 30 September 2026: US$1: ZiG26.7965

160. In US dollar terms, the estimated total stock of Public and Publicly Guaranteed (PPG) debt as at end September 2026 was US$22.2 billion, representing 33.4% of the projected 2026 GDP. This includes external debt of US$12.4 billion (55.7% of total debt stock) and domestic debt of US$9.8 billion (44.3% of total debt stock).

Table 19: Preliminary Total PPG Debt Stock - end September 2026 (US$ Million)

	DOD	PRA	IRA	Penalties	Arrears + Penalties	Total
Total Public Debt (A+B)	**11,048**	**5,931**	**2,103**	**3,089**	**11,124**	**22,172**
A. External Debt (1+2+3)	**3,334**	**3,888**	**2,048**	**3,089**	**9,025**	**12,359**
1. Bilateral Creditors	**1,416**	**2,095**	**648**	**2,838**	**5,582**	**6,998**
Paris Club	40	1,435	494	2,721	4,650	4,690
Non-Paris Club	1,376	661	154	117	932	2,308
2. Multilateral Creditors	**1,918**	**1,309**	**1,400**	**251**	**2,960**	**4,878**
World Bank	50	830	839	-	1,669	1,719
African Development Bank	17	304	531	-	835	852
European Investment Bank	5	156	26	251	433	438
Trade and Development Bank	782	-	-	-	-	782
Afreximbank	1,010	-	-	-	-	1,010
Others	54	19	4	-	23	77
3. Legacy Debts	**-**	**483**	**-**	**-**	**483**	**483**
B. Domestic Debt (4+5+6+7+8)	**7,714**	**2,044**	**55**	**-**	**2,099**	**9,813**
4. **Government Securities**	**4,646**	**483**	**55**	**-**	**538**	**5,184**
Treasury Bills	264	44	2	-	46	309
Treasury Bonds	2,991	408	27	-	434	3,426
of which Mutapa Investment Fund	1,392	32	26	-	58	1,449
5. Domestic loans	**250**	**-**	**-**	**-**	**-**	**250**
6. Domestic Expenditure Arrears	**-**	**1,361**	**-**	**-**	**1,361**	**1,361**
7. Mining Houses Arrears	**-**	**200**	**-**	**-**	**200**	**200**
8. Compensation of Former Farm Owners	**2,818**	**-**	**-**	**-**	**-**	**2,818**

Source: Zimbabwe Public Debt Management Office and the Reserve Bank of Zimbabwe
DOD: Disbursed and Outstanding Debt PRA: Principal Arrears IRA: Interest Arrears
Other Multilateral Creditors: -BADEA, IFAD, NDF, and OFID
Projected Nominal GDP at market prices for 2026: US$66 429 (million)

THE 2027 MACROECONOMIC FISCAL FRAMEWORK

161. The 2027 National Budget is guided by the Macroeconomic and Fiscal Framework which seeks to consolidate the gains achieved from prudent fiscal management and entrenching the credibility and sustainability of public finances. Treasury, therefore, will maintain prudent fiscal cash budgeting anchored on enhanced revenue collection and expenditure prioritisation.

162. The fiscal strategy includes sustaining robust domestic revenue mobilisation by broadening the tax base, strengthening tax administration and compliance, complemented by improving the efficiency and value-for-money of public expenditures. Fiscal resources will be channelled towards critical public services delivery, social protection and growth enhancing investment, while safeguarding macroeconomic stability and debt sustainability.

163. Against this background, Government is projecting total revenue collections of ZiG349.5 billion (US$12.5 billion) in 2027, equivalent to 18.1% of GDP. Of this amount, tax revenue is projected at ZiG335.6 billion (US$12 billion), while non-tax revenue is estimated at ZiG13.9 billion (US$498 million). Revenue collections will be supported by the yield from the revenue mobilisation measures outlined in this Budget Statement.

164. The projected revenue envelope, together with Government's prudent borrowing capacity, supports an overall expenditure ceiling of ZiG358.3 billion (US$12.8 billion) in 2027, equivalent to 18.6% of GDP. This comprises recurrent expenditure of ZiG284.7 billion (US$10.2 billion) and capital expenditure of ZiG73.6 billion (US$2.6 billion).

165. The Budget envelope includes contingent ZiG10.9 billion (US$400 million) (0.6% of GDP), as a precaution against more severe shocks, especially the super El-Nino drought. The resources will be financed from Government buffers accumulated in 2026.

166. The expenditure mix reflects a deliberate shift towards capital outlays, which is expected to rise from 2.3% of GDP in 2026, to 3.8% of GDP in 2027. Over the medium term, expenditure

growth will remain anchored on Government's capacity to mobilise additional domestic and external resources.

Table 20: Macroeconomic Framework (ZiG Million)

	2025	2026	2027	2028	2029	2030
National Accounts						
Nominal GDP	1,550,523.3	1,749,524.2	1,928,524.3	2,171,953.4	2,421,990.1	2,694,554.2
Real GDP Growth (%)	8.3	5.0	3.5	5.8	5.3	5.0
Government Accounts						
Revenues	223,037.2	287,640.0	349,542.0	429,116.3	513,151.5	610,137.2
% of GDP	14.4	16.4	18.1	19.8	21.2	22.6
Expenditures	217,155.2	290,871.3	358,302.9	435,105.8	522,104.1	617,707.8
% of GDP	14.0	16.6	18.6	20.0	21.6	22.9
Expenses	166,553.6	249,794.6	284,726.7	331,077.6	378,859.0	428,059.5
% of GDP	10.7	14.3	14.8	15.2	15.6	15.9
Use of goods and services	44,362.1	47,445.8	70,051.3	89,504.0	107,400.1	120,889.3
% of GDP	2.9	2.7	3.6	4.1	4.4	4.5
% Total Expenditure	20.4	16.3	19.6	20.6	20.6	19.6
% of Revenue	19.9	16.5	20.0	20.9	20.9	19.8
Compensation of Employees	102,788.7	152,255.6	167,328.8	185,797.5	206,913.6	232,992.2
% of GDP	6.6	8.7	8.7	8.6	8.5	8.6
% Total Expenditure	47.3	52.3	46.7	42.7	39.6	37.7
% of Revenue	46.1	52.9	47.9	43.3	40.3	38.2
Social Benefits, Subsidies and other Expenses	14,763.7	41,620.1	38,423.8	48,364.9	58,035.3	68,662.3
% of GDP	1.0	2.4	2.0	2.2	2.4	2.5
Interest Payments	4,639.1	8,473.0	8,922.8	7,411.2	6,509.9	5,515.7
% of GDP	0.3	0.5	0.5	0.3	0.3	0.2
% of Revenue	2.1	2.9	2.6	1.7	1.3	0.9
Capital Expenditure	50,601.6	41,076.7	73,576.2	104,028.2	143,245.1	189,648.3
% of GDP	3.3	2.3	3.8	4.8	5.9	7.0
Overall Balance	5,882.0	3,231.3	-8,760.9	-5,989.6	-8,952.6	-7,570.7
% of GDP	0.4	-0.2	-0.5	-0.3	-0.4	-0.3

Source: MoF, RBZ & ZIMSTAT, 2026

167. The anticipated fiscal deficit of ZiG8.8 billion, equivalent to 0.5% of GDP, reflects Government's deliberate choice to scale up capital and social expenditure, while providing for the clearance of outstanding expenditure arrears on goods and services and the timely retirement of maturing Treasury Bills. The deficit will be financed through prudent borrowing, consistent with Government's commitment to living within its means and safeguarding debt sustainability. This stance is critical for sustaining and consolidating macroeconomic stability.

168. Government will issue securities to raise ZiG21.5 billion from the domestic capital market through Treasury bill issuances of ZiG10.3 billion and loans of ZiG11.2 billion, representing 47.9% and 52.1% of the planned borrowing, respectively, as indicated in the 2027 Annual Borrowing Plan.

Table 21: The 2027 Annual Domestic Borrowing Plan (ZiG Million)

	Q1	Q2	Q3	Q4	Total
180-days	*401.9*	*535.9*	*937.8*	*803.8*	*2,679.4*
270-days	*418.7*	*558.2*	*976.9*	*837.3*	*2,791.0*
365-days	*418.7*	*558.2*	*976.9*	*837.3*	*2,791.0*
2-year (Pension Funds)	*309.8*	*413.1*	*722.9*	*619.6*	*2,065.3*
Loans	*2,232.8*	*3,070.1*	*2,930.6*	*2,930.6*	*11,164.0*
Of which CBZ Facility	*1,700.0*	*1,700.0*	*1,700.0*	*1,700.0*	*6,700.0*
Sub Total	**3,781.8**	**5,135.4**	**6,544.9**	**6,028.6**	**21,490.7**
Total	**3,781.8**	**5,135.4**	**6,544.9**	**6,028.6**	**21,490.7**

Source: Zimbabwe Public Debt Management Office

169. Given the prevailing macroeconomic stability, characterised by single digit inflation and exchange rate stability, Treasury will continue issuing securities only through the auction system to ensure competitive price discovery.

170. On the other hand, Government will make debt service payments amounting to ZiG31.2 billion, comprising principal repayments of ZiG22.3 billion, and interest payments of ZiG8.9 billion, as shown in the table below.

Figure 44: 2027 Fiscal Financing Framework (ZiG Million)

	ZiG
Principal Payments	**22,330**
External	*5,410*
Domestic	*16,920*
Interest Payments	**8,903**
External	*5,007*
Domestic	*3,896*
Total	**31,233**

Source: MoF, 2026

171. The debt service will focus on maturing budget financing instruments, active portfolio and token payments.

Trading Platforms for Investors of Government Securities

172. Treasury, during the first quarter of 2027, will introduce a National Treasury Bills Registry and Transaction Coding Framework, which will be a central, auditable registry of Treasury Bills and Bonds overseen by companies which provide Trading Platforms for investors of Government Securities.

173. Secondary market transactions will be validated and coded before settlement, making ownership records more reliable, while improving transparency of the domestic debt market. This will in turn assist in building a reliable domestic yield curve as Government now rely on auction system for resource mobilisation.

Risks to the 2027 Macro-Fiscal Framework

174. The 2027 National Budget Macro-Fiscal Framework is anchored on sustained macroeconomic stability, with Treasury proactively managing risks for fiscal sustainability. The main risks relate to exogenous shocks, including commodity price volatility, tighter global financing conditions and the El Niño-induced drought. These risks could adversely affect the attainment of the desired economic growth, revenue collection, expenditures and financing.

175. In anticipation of this, Government has put mitigatory measures in place including strengthening domestic revenue mobilisation, exports diversification and mineral beneficiation to build resilience against the shocks. On El-Nino induced drought, Government has developed a Six-Pillar Drought Mitigation Plan that encompasses the build-up of strategic grain reserves, climate-smart agriculture and energy diversification to safeguard output and livelihoods.

176. Overall, Government is committed to prudent fiscal management while ensuring macroeconomic stability and the protection of priority development expenditures, as well as social protection. Detailed fiscal risks, sensitivity analyses and mitigation measures are presented in the 2027 Fiscal Risk Statement, which accompanies the 2027 National Budget Statement.

Development Cooperation Support

177. Official Development Assistance (ODA) continues to decline, reflecting a shift in the global development financing architecture. Globally, ODA decreased by 23.1% in 2025 and is expected to decrease by a further 5.8% in 2026 according to OECD Report.

178. During the period January to September 2026, the country received US$220.5 million and expected to receive additional US$140.6 million in the fourth quarter. The funding supported the implementation of development programmes and projects across various sectors of the economy, as shown in the table below:

Table 22: Implemented Programmes and Projects: Jan – Sept 2026 (US$ Million)

Sector	Actual Disbursements	Oct - Dec 2026 Projections
Health	152.81	71.33
Agriculture	21.81	
Governance	16.43	9.60
Education	8.47	14.34
Other Social Infrastructure & Services	7.96	
Environment Protection	5.42	
Energy	1.95	3.60
Transport and Storage	1.46	4.34
Manufacturing & Value Addition	1.10	2.84
Forestry	1.00	
Water and Sanitation	0.94	6.87
Emergence Response	0.61	26.87
Mineral Resources & Mining	0.47	
Business and other services	0.08	0.81
Trade Policies & Regulations	0.04	0.06
Total	**220.55**	**140.66**

Source: MoF, 2026

179. Notwithstanding the drop in ODA inflows in 2026, the country is expected to receive about US$350 million in 2027 for the ongoing development programmes and projects.

STRATEGIC PRIORITIES FOR THE 2027 NATIONAL BUDGET

180. The 2027 National Budget is informed by the following ten NDS2 national priorities, with particular focus on increasing provision of public services and accelerating structural transformation:

- Macro-Economic Stability and Financial Sector Deepening;
- Inclusive Economic Growth and Structural Transformation;
- Infrastructural Development and Housing;
- Agriculture, Food, Climate and Environment;
- Science, Technology, Digital, Innovation and Human Capital Development;
- Job Creation, Youth Entrepreneurship and Development, Creative Industry, Sport and Culture;

- Social Development, Gender and Social Protection;
- Regional Development and Inclusivity through Devolution and Decentralisation;
- Image Building, International Relations and Trade; and
- Governance, Institution Building, Peace and Security.

181. To meet the NDS2 objectives, the Budget envelope is distributed across the 10 pillars as indicated in the Table below:

Table 23: Budget Allocactions on NDS2 Priority Areas

Strategic Priorities	2027	
	Appropriation	Statutory and Other Resources
Devolution	17,905.81	-
Science, Technology, Innovation, Digitalisation and Human Capital Development	64,739.31	2,352.32
Macroeconomic Stability and Financial Sector Deepening	68,624.37	352.05
Agriculture, Food Security, Climate Resilience and Environmental Protection	30,547.12	189.23
Governance	121,140.88	224.97
Image building, International Relations and Trade	5,060.58	1.70
Infrastructure Development and Housing	18,198.98	20,752.85
Inclusive Growth and Structural Transformation	1,600.26	861.95
Social Development, Gender and Social Protection	56,390.05	2,625.00
Job Creation, Youth Development, Creative Industry and Culture	3,696.22	-
Grand Total	**387,903.59**	**27,360.06**

Source: MoF 2026

182. The same budget is distributed administratively across all the MDAs as indicated in the Table below.

Table 24: Vote Allocations (ZiG Million)

Vote	Consolidated Revenue Fund	Retention Fund	Total
Office of the President and Cabinet	15,629	-	15,629
Parliament of Zimbabwe	4,191	-	4,191
Public Service, Labour and Social Welfare	21,453	-	21,453
Defence	23,440	-	23,440
Finance	30,395	-	30,395
Office of the Auditor General	855	-	855
Industry and Commerce	614	-	614
Agriculture, Mechanisation and Water Resources Development	26,964	591	27,555
Mines & Mining Development	986	-	986
Environment, Climate and Wildlife	702	-	702
Transport And Infrastructural Development	10,843	-	10,843
Foreign Affairs and International Trade	4,265	-	4,265
Local Government and Public Works	5,309	-	5,309
Health and Child Care	33,783	1,679	35,462
Primary and Secondary Education	46,864	839	47,703
Higher & Tertiary Education, Innovation, Science and Technology Development	12,321	2,723	15,044
Women Affairs, Community, Small and Medium Enterprises Development	1,541	-	1,541
Home Affairs and Cultural Heritage	20,576	1,197	21,773
Justice, Legal and Parliamentary Affairs	8,886	-	8,886
Information, Publicity and Broadcasting Services	581	-	581

Youth Empowerment, Development and Vocational Training	1,619	243	1,862
Energy and Power Development	1,193	-	1,193
Information Communication Technology, Postal & Courier Services	1,029	-	1,029
National Housing and Social Amenities	1,560	-	1,560
Veterans of the Liberation Struggle Affairs	1,949	-	1,949
Tourism and Hospitality Industry	570	-	570
Sport, Recreation, Arts and Culture	1,293	-	1,293
Skills Audit and Development	330	-	330
Lands and Rural Development	2,012	-	2,012
Economic Development and Investment Promotion	2,175	-	2,175
Judicial Services Commission	1,711	-	1,711
Public Service Commission	11,936	-	11,936
National Council of Chiefs	292	-	292
Zimbabwe Human Rights Commission	295	-	295
National Prosecuting Authority	656	-	656
Zimbabwe Anti-Corruption Commission	328	-	328
Zimbabwe Electoral Commission	628	-	628
Zimbabwe Gender Commission	224	-	224
Zimbabwe Land Commission	285	-	285
Zimbabwe Media Commission	215	-	215
Health Service Commission	462	-	462
Office of the Attorney General	415	-	415
Zimbabwe Independent Complaints Commission	197	-	197
Total	**301,572**	**7,271**	**308,843**
Other Constitutional & Statutory Appropriations	56,731	-	56,731
Appropriation Total	**358,303**	**7,271**	**365,574**
Repayment Of Loans	22,330	-	22,330
Grand Total	**380,633**	**7,271**	**387,904**

Source: MoF 2026

183. The Ministries of Primary and Secondary and Higher and Tertiary Education, as well as the Ministry of Health and Child Care take up the bulk of the proposed Budget, accounting for 26.1% of the total Budget.

Macroeconomic Stability and Financial Sector Deepening

184. The primary focus of the 2027 National Budget is to safeguard macroeconomic stability while also strengthening financial sector deepening to promote financial inclusion. Building on the macroeconomic stabilisation gains achieved thus far, the 2027 Budget will focus on entrenching price, currency and exchange rate stability, through sustained fiscal prudence and cash budgeting while enhancing confidence in the financial system.

185. Consolidating macroeconomic stability is critical for sustained economic growth, investment and job creation. Price and exchange rate stability, fiscal discipline and a credible monetary policy framework have anchored expectations and reduced uncertainty. This has protected household incomes and supported domestic savings. The 2027 National Budget will, therefore, preserve these gains by increasing the country's fiscal buffers against shocks.

186. The Budget also seeks to deepen fiscal risk management, public financial management and fiscal transparency, including enhanced oversight of State-Owned Enterprises and tighter monitoring of contingent liabilities.

187. The 2027 outlook faces three principal downside risks, namely, the higher international fuel prices, a super El Niño, which is expected to lead to below-normal rainfall for the SADC region, particularly during the January to March 2027 period, as well as the potential retreat of international commodity prices, particularly gold.

188. Higher fuel prices could widen the import bill, strain foreign exchange availability, raise production and transport costs and add to inflationary pressures. The Super El-Nino induced drought could reduce agricultural output and hydropower generation, lower rural incomes and export earnings, raise food imports and increase demand for social protection, while softening revenue collection. A retreat in international commodity prices, particularly for key minerals could slow down economic growth, reduce export receipts, tighten foreign exchange inflows, depress mining sector incomes and erode fiscal revenues.

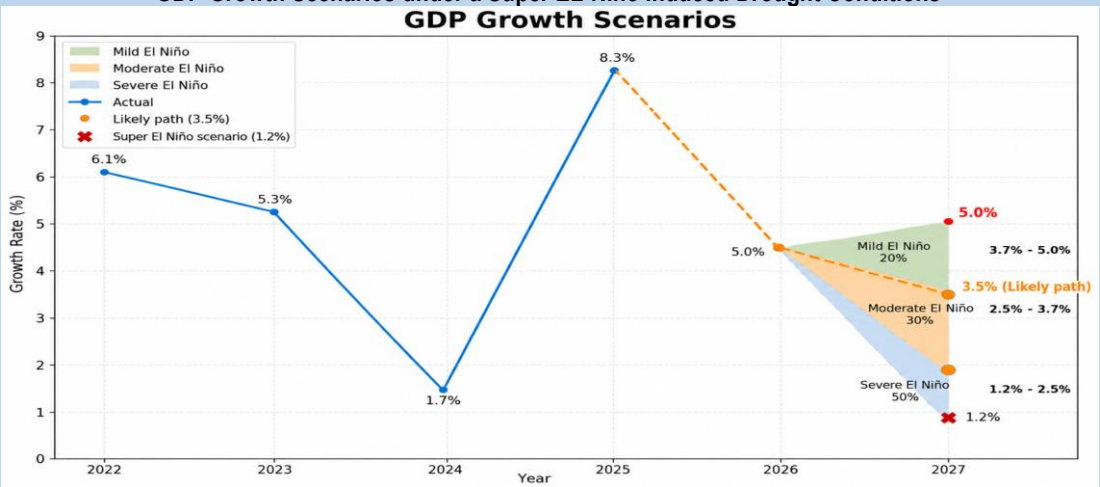
189. Government is alive to the potential impact of these adverse scenarios on the economy and Budget framework.

Impact of El-Nino Induced Drought on the Economy

The El-Niño induced drought scenario poses a significant downside risk to the 2027 domestic economic outlook, with GDP growth projected to range between 1.2% and 5.0% depending on the severity of the climatic shock and its effects on agricultural production, food prices, electricity generation and domestic demand.

Under a mild scenario, GDP growth is projected between 3.7% to 5.0%, while in a moderate scenario, GDP growth may slow to 2.5%-3.7%. A severe El-Niño scenario would reduce GDP growth to between 1.2% - 2.5%, with the substantial risks to food security, household incomes and overall economic performance.

GDP Growth Scenarios under a Super EL-Nino induced Drought Conditions



In preparation for the drought, Government has developed a Six-Pillar Drought Plan. The first pillar involves pre-position food security measures through building Strategic Grain Reserve to about 600,000 MT, both in physical stocks and monetary terms. The national silos have about 365 000 MT as at end of October 2026, while efforts to increase the stocks are underway. This is expected to stabilise food supplies, contain food inflation, and reduce reliance on emergency food and grain imports.

Government will expand the Pfumvudza/Intwasa Programme to one million hectares, promote agro-ecological crop production, and accelerate irrigation development. These measures are expected to strengthen agricultural resilience, sustain production, and enhance food security in a below normal rainfall season.

Government will promote targeted financing, agricultural insurance, duty-free fertiliser imports, and incentive pricing for irrigated cereal production to improve access to inputs and reduce climate-related risks. This is expected to support production and sustain agricultural growth in a drought year.

Government will allow continued imports of basic commodities by households and cereals by the private sector to supplement domestic food supplies. This will help maintain food availability and contain inflationary pressures arising from domestic production shortfalls.

Efforts will be made to improve feed availability, water access, and disease control to reduce drought-related livestock losses. This will protect rural livelihoods, preserve livestock assets, and support food security.

Government will strengthen early warning systems, advisory services, and sector-wide coordination, while activating contingency financing for rapid response.

These measures will enhance climate resilience and reduce the economic impact of the super El-Niño events.

Impact of Fuel Price Increase on the Economy

The Middle East conflict has had a negative impact on the price of fuel, both globally and domestically. Further deterioration in geopolitical tension could worsen the fuel price situation with cascading impact on the whole economy and livelihoods. Further increases in fuel prices will have far-reaching implications on inflation, economic growth, fiscal performance, and the external sector. Since the onset of the conflict, diesel and petrol prices have increased by approximately 35% and 39%, respectively, raising transport, logistics, and production costs across the economy.

Impact of Fuel Price on Cost of Production

Percentage of Costs		Diesel				
			4.0%	6.0%	8.0%	10.0%
Petrol	2.0%	1.48%	2.18%	2.87%	3.57%	4.27%
	4.0%	2.26%	2.96%	3.66%	4.35%	5.05%
	6.0%	3.04%	3.74%	4.44%	5.13%	5.83%
	8.0%	3.83%	4.52%	5.22%	5.92%	6.61%
	10.0%	4.61%	5.30%	6.00%	6.70%	7.40%

Adopted from CZI

The impact of fuel price increases on businesses is significant, even where fuel constitutes a relatively small share of operating costs. Scenario analysis indicates that modest fuel cost exposures can translate into substantiated increases on overall production costs. For example, a firm with a cost structure comprising 2% petrol and 10% diesel would experience an estimated 4.3% increase in total operating costs.

As these cost pressures accumulate, businesses will respond by increasing prices, reducing output, postponing investment, or compressing profit margins, with adverse implications for economic activity and employment.

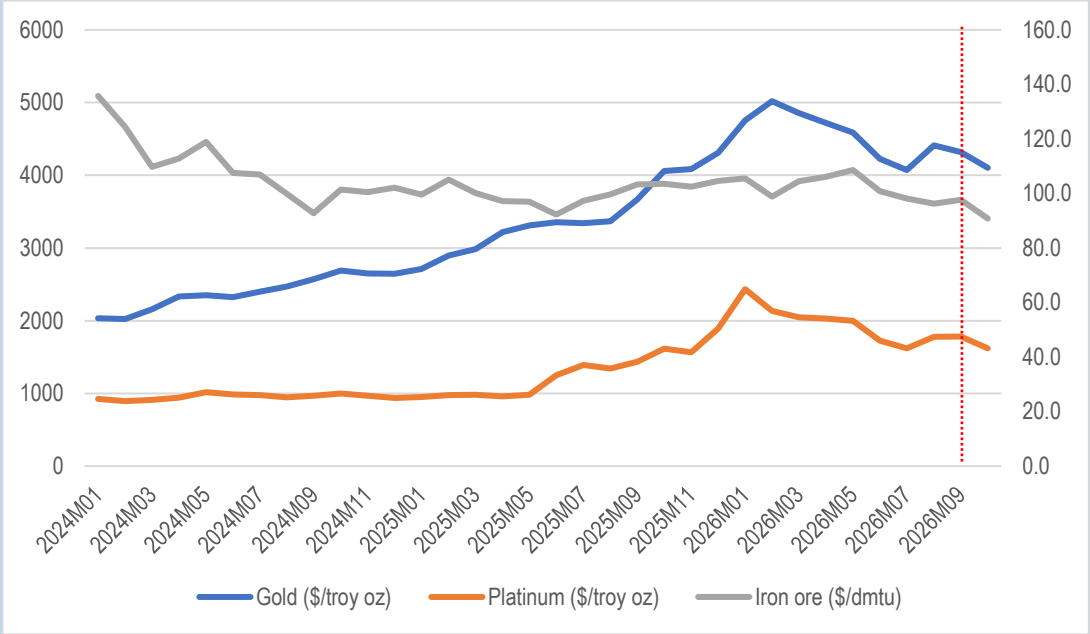
Should the fuel price shock persist, the cumulative effects could extend beyond higher production costs to slower economic growth, weaker household purchasing power, and heightened macroeconomic vulnerabilities. Rising business costs and consumer prices are likely to dampen demand, while higher operating expenses could undermine competitiveness across key sectors. Consequently, the economy will face heightened stagflation risks, characterised by elevated inflation, alongside weakening growth and reduced private-sector activity.

To cushion the impact of fuel price increase on livelihoods and economic activity, Government will continue to monitor the fuel price developments and stands ready to review taxes and levies. This will keep fuel prices within reasonable ranges, without compromising macroeconomic stability and inflation targets.

Impact of a Decline in International Mineral Commodity Prices

Elevated international mineral prices, especially gold prices, over the past two years had a huge positive impact on economic growth, foreign currency receipts, accumulation of fiscal reserves and ultimately macroeconomic stability. High gold prices are mainly on account of increased safe haven demand amid elevated global uncertainty and sustained central banks accumulation. However, the prospects of higher US interest rates and a stronger dollar together with over supply, as well as subdued global economic activity, could cause global commodity prices to retreat.

Since the second half of the year 2026, mineral commodity prices are showing signs of tapering as shown by the 2026 World Bank Commodity Price Pink Sheet which shows the metal price index declining by 3.0% and precious metals by 6.2% during the month of October. Most key minerals recorded price declines, including iron ore (-7.1%), aluminium (-6.8%), nickel (-5.4%), zinc (-5.0%), gold (-5.0%), platinum (-9.1%) and silver (-11.6%).



Source: World Bank November 2026

Looking ahead, international mineral commodity prices are expected to moderate further in 2027. Metals and minerals prices are projected to decline by 3% following an estimated 28% increase in 2026, while precious metal prices are expected to fall by 8% after rising 40% in 2026.

The correction in international mineral prices poses downside risks to the economy, given the mining sector's role in the domestic economy. In response, Government will intensify value addition and beneficiation of raw minerals into semi-finished and finished products. Further, Government will carry over fiscal buffers into 2027 to meet exigences that may arise from underperformance of the economy related to both El Nino induced drought and low commodity prices. The conservative 2027 Macro-fiscal Framework projections underpinning this Budget take into account the prospects of softening of international commodity prices in 2027 and beyond.

190. Government has, therefore, put in place mitigatory strategies, to sustain positive economic growth, ensure food security and to protect lives and livelihoods arising from exogenous shocks. This will be achieved without compromising fiscal discipline and economic stability, as well as without worsening the public debt position.

Public Sector Wage Bill

191. Government has completed the formulation of the Medium-Term Wage Bill Strategy, which seeks to establish a transparent, fiscally sustainable, and equitable framework for managing public sector compensation and headcount. The framework balances fiscal sustainability with fair remuneration, worker motivation and public service delivery.

192. The overarching fiscal rule is capping the public sector wage bill of a maximum of 50% of revenue. This fiscal rule anchors fiscal discipline, creates fiscal space for social spending and the developmental projects critical for sustainable economic growth. It also reduces expenditure pressures, which in the past would be met through monetisation of the budget deficit, resulting in exchange rate and price instability.

193. The 2027 National Budget will, therefore, review public service wage bill in line with the Strategy and the need to provide decent wages to civil servants. Government will continue to engage its workers through social dialogue on matters of remuneration and conditions of service. The medium-term objective is to have an appropriately sized public service that is fairly remunerated.

194. As usual, Government will pay the 13th cheque for the year 2026 as a sign of Government's appreciation for the dedication and hard work of the civil servants, payable in November and December.

Unbudgeted Projects and Programmes

195. Over the past years, Treasury has witnessed increased incidences of financial requests by MDAs for unbudgeted projects and programmes, undermining the credibility of the budgeting processes, while also crowding out budgeted items. However, the implementation of projects and programmes that are not provided for in the National Budget continues to pose challenges to effective budget execution, expenditure management and fiscal sustainability.

196. Such practices undermine the credibility of the National Budget, disrupt expenditure prioritisation and result in the accumulation of expenditure arrears and the diversion of financial resources from approved programmes. It also impacts governance, transparency and accountability.

197. In line with NDS2 strategic objective of maintaining fiscal discipline through prudent financial management, going forward, Treasury will strictly enforce Public Finance Management Act and regulations.

198. Treasury will, therefore, not condone the unilateral initiation and implementation of projects and programmes outside the approved budget framework. All MDAs are directed to desist from undertaking projects and programmes that have not been subjected to the requisite appraisal, approval and appropriated.

199. Equally important, MDAs are advised to undertake technical engagements with Treasury and relevant stakeholders to sequence the implementation of the approved budget in line with cashflow projections.

200. Upon approval, implementing MDAs should submit for the approved budget, costed schedule, procurement plan and monthly cashflow forecasts. Budget releases will be trenched and sequenced against verified project scope and absorption capacity in order to ensure efficient implementation of all budgeted programmes and projects.

Contract Management

201. As outlined in Treasury Circular Number 10 of 2025, MDAs are reminded that it is mandatory that all contracts above US$2 million be submitted to Treasury for approval before signing in order to ensure alignment of contract terms to the approved Budget framework, as well as to ensure validation of costs and prices in line with our value for money principles.

202. In this regard, payment for all contracts will only be honoured upon submission of duly signed contracts, verified and approved interim payment certificates (IPCs) linked to the

terms and conditions of the contracts. For the avoidance of doubt, no payment will be processed to projects and programmes in the absence of a duly signed contract and approved IPCs.

203. In addition, while advance payment and mobilisation costs for contracts capacitate contractors to commence the implementation of projects, MDAs continue to submit requests beyond the limitations provided by the Public Procurement and Disposal of Assets Act.

204. Going forward, Treasury will not approve any advance payment outside the prescribed thresholds and such advance payments should be strictly subject to provision of a bank guarantee.

205. This is critical to safeguard public resources and expenditure priorities in line with public financial management guidelines.

Approval of Loan Financed Projects

206. Treasury has noted a marked increase in expressions of interest for loan financing projects and programmes in various sectors, especially in the road sector, under which project financiers propose loan financing facilities that usually require Government to pay an upfront deposit. The volume of these proposals is placing pressure on the budget's capacity to meet both upfront payments and future debt service. Some submissions lack validated cost estimates and detailed technical and financial proposals.

207. It has also become apparent that some contractors are using the loan financing arrangement to circumvent competitive bidding required in awarding contracts. This has led to higher project costs by limiting Government's ability to compare bids, benchmark prices and secure value for money. Borrowing under these arrangements has also added to domestic public debt, thereby negatively impacting debt sustainability. Some projects being proposed and implemented under this model have no dedicated revenue streams capable of servicing the associated loans.

208. In this regard, Government will strengthen the framework for approving loan-financed projects and programmes, including scrutinising project costs and financing terms, as well as alignment to the overall National Investment Plan. Exceptional approval will be considered only for projects solicited by Government.

209. Going forward, project financiers will be required to thoroughly demonstrate their financial capacity and provide evidence of their funding partners. Loans should have a tenor exceeding ten years, and the projects must be commercially viable. Government will not consider upfront deposits under the loan financing framework.

210. Meanwhile, Government will review all ongoing loan-financed projects to assess their implementation progress, financial performance and reserves the right to cancel such projects, where necessary.

Government Employees Mutual Savings Fund Performance

211. The Government Employees Mutual Savings Fund (GEMS) delivered strong operational and financial performance as at 30 June 2026. Assets under management increased to ZiG648 million, while cumulative revenue amounted to ZiG526 million, and the liquidity ratio stood at 236%.

212. A total of 19 800 members benefited through loans in 2026, bringing cumulative beneficiaries since inception in 2023 to 83 000 and demonstrating the Fund's expanding reach. However, rising loan demand, driven by the attractive interest rate of 10% per annum, has increased liquidity pressures. The Fund has been liquidating its money market investments to support lending to members.

213. In 2027, GEMS is targeting a 50% growth in its loan portfolio and a 10% increase in membership, supported by improved quality service and ICT-based services that enhance accessibility and processing efficiency. Priorities include recapitalisation, diversification and stronger governance.

214. The Board is considering a sustainable funding model underwritten by Public Service Pension Fund, with a dedicated portfolio to expand lending capacity and ease liquidity pressures, subject to appraisal and approval. Growth will be supported by disciplined lending, timely loan recovery and protection of members' savings.

Subsidies

215. The Gold Incentive Framework has been successful in supporting the growth and formalisation of the country's gold sector, particularly among small-scale miners, who now account for more than 60% of national gold deliveries. Since the introduction of the incentives, gold deliveries have surged from 32 tonnes in 2023, to 50 tonnes in 2025, firmly positioning gold as a cornerstone of the country's economic transformation agenda.

216. In view of historic rise in gold prices, Government will review the gold incentive scheme to enhance efficiency and optimum allocation of resources. The review will be gradual and evidence-based, assessing the budgetary cost of the scheme, its effect on gold deliveries and foreign currency inflows, its distributional impact across large-scale and small-scale artisanal producers, and its contribution to foreign currency reserve adequacy. Adjustments will be calibrated to preserve producer confidence and protect formal delivery channels, so that the scheme continues to strengthen the stability of the monetary and financial system, subject to cost containment.

Central Bank Financing of the Fiscal Budget

217. As integral to the Government's overall strategy to entrench macroeconomic stability, characterised by low and stable inflation, Government will amend the Reserve Bank Act (Chapter 22:15) Section 11(1)(a) to reduce Central Bank financing of the fiscal budget deficit to 5% of previous year's fiscal revenue, from the current level of 20%.

218. This is also in alignment with international best practice, including the SADC Model Central Bank Bill, which was endorsed by all SADC Central Bank Governors. It further represents

Government's long-term commitment to prudent and sustainable fiscal management, without resorting to monetisation of fiscal deficits.

219. Notwithstanding the proposed amendment, Treasury has no intention to utilise the recourse to Central Bank financing window during 2027 and beyond.

Financial Sector Deepening

220. The 2027 National Budget places the implementation of the Financial Sector Development Strategy 2026 - 2030, anchored on the NDS2, at the centre of Government's effort to ensure that the financial sector is deep, inclusive and resilient enough to finance the productive sectors of the economy. A deeper financial system is critical to sustainable economic growth and transformation, as it ensures affordable lines of credit, it lowers the cost of capital, improves the allocation of savings to productive uses and reduces the economy's reliance on external and informal sources of financing.

221. In this regard, Government will continue to implement measures to enhance financial intermediation, mobilise domestic savings and expand access to affordable financial services. Priority will be given to promoting financial inclusion and digitalisation, strengthening interoperable payment systems and reducing transaction costs, so as to bring more households and enterprises, particularly MSMEs, into the formal financial system and improve the efficiency of the payments infrastructure. In addition, Government will also support the development of diversified, well-regulated capital markets that provide alternatives to commercial bank-based financing.

222. To address the structural shortage of long-term capital, the 2027 National Budget will support the growth of the insurance and pension sectors and the deepening of the stock market, enabling institutional investors to channel savings into long-term public and private investment, including infrastructure, productive sectors and other priority areas of NDS2.

Inclusive Economic Growth and Structural Transformation

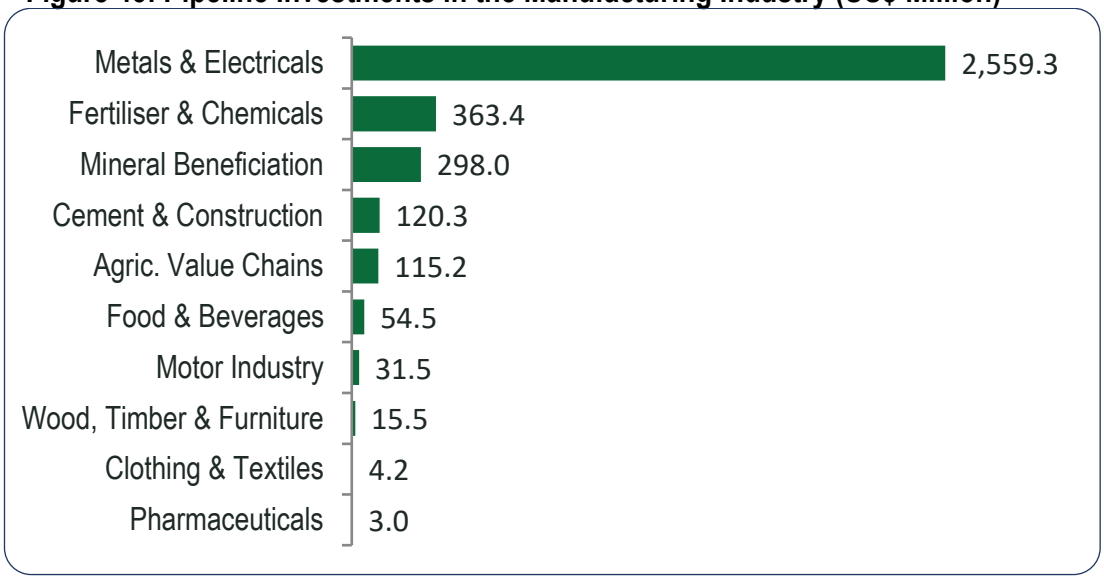
223. Government has made progress towards structural transformation. The progress on the value addition and mineral beneficiation, the adoption of modern technology, automation and the use of AI, albeit reducing labour demand in some instances is a testament to the ongoing structural transformation. Building on the prevailing stable macroeconomic environment and the ongoing ease of doing business reforms, the 2027 National Budget will prioritise further beneficiation across mineral value chains, as well as agricultural value addition. This will be achieved through climate proofing agriculture, enhancing agriculture productivity and prioritising agriculture and mineral commodities beneficiation and value addition to expand the domestic manufacturing base.

Industrialisation

224. The 2027 National Budget will support industrialisation and production expansion through supporting interventions that promote domestic production, improve access to working capital, increase the use of locally manufactured goods, strengthen product quality and grow manufactured exports. Implementation will be anchored on the Zimbabwe National Industrial Development Policy 2 (2026–2030), the Local Content Strategy and the Consumer Protection Policy (2026–2030) and Zimbabwe National Quality Policy 2 (2026–2030). The current environment characterised by macroeconomic stability and the implementation of ongoing ease of doing business initiatives will further boost the manufacturing base.

225. Already, significant investments are being witnessed across key subsectors of the manufacturing sector, including foodstuffs, drinks, tobacco & beverages, non-metallic mineral products and metals and metal products. Strong investment pipeline of above US$3.6 billion with about 72% (US$2.6 billion) is concentrated in metals and electricals. These investments are expected to begin to bear fruit in 2027.

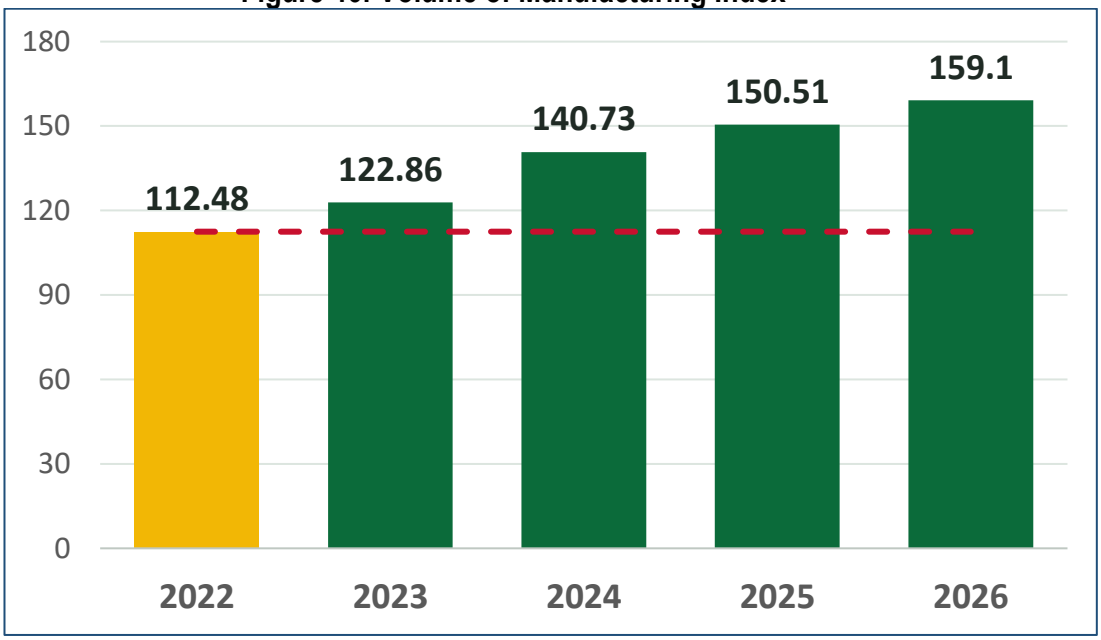
Figure 45: Pipeline Investments in the Manufacturing Industry (US$ Million)



Source MoFEDIP

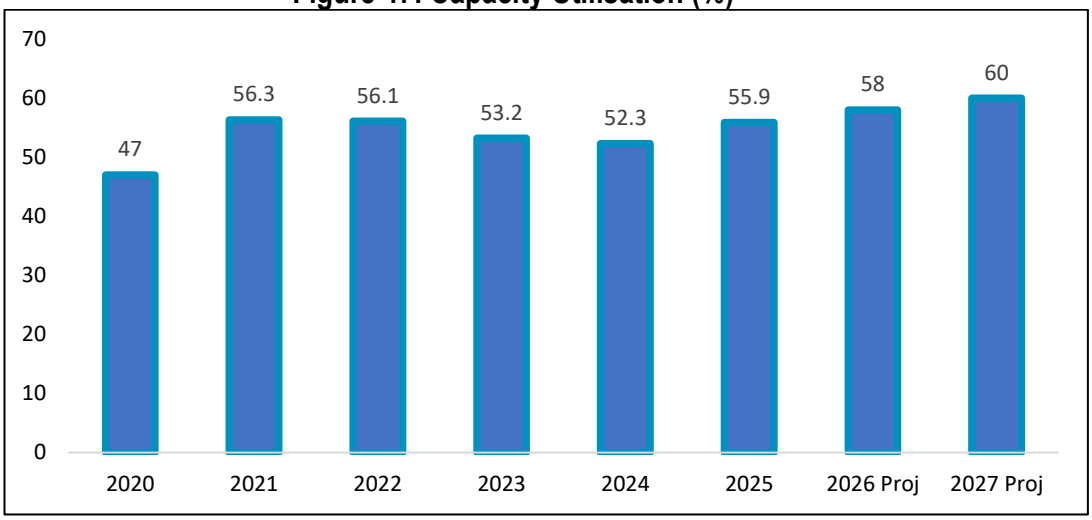
226. Consequently, the Volume of Manufacturing Index (VMI) which measures the output of the manufacturing sector has been steadily growing from 112.5 in 2022, to 159.1 in September 2026. The VMI is projected to be at 167.3 in 2027.

Figure 46: Volume of Manufacturing Index



227. Consequently, capacity utilisation in the manufacturing sector is expected to increase significantly from 58% in 2026, to above 60% in 2027, as local companies ramp up production.

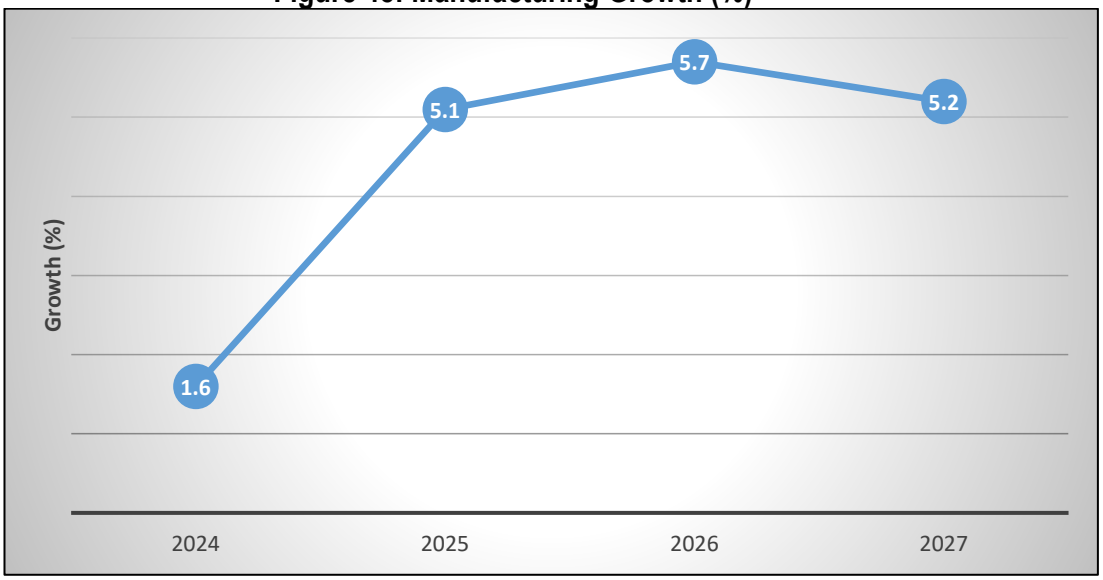
Figure 47: Capacity Utilisation (%)



Source: MoFEDIP

228. Therefore, the manufacturing sector is projected to grow by 5.7% in 2027, reflected by ongoing investments in the sector and favourable macroeconomic environment.

Figure 48: Manufacturing Growth (%)



Source: MoFEDIP

229. To spearhead the industrialisation and economic transformation initiatives, an amount of ZiG614 million is being allocated to the Ministry of Industry and Commerce for the implementation of the Zimbabwe National Industrial Development Policy 2, the Local Content Policy, Economic Empowerment and Consumer Protection Policy.

230. The sector is also expected to benefit from US$2.8 million from Development Partners to support skills development, youth and women's economic empowerment, and private sector development. The aim is to enhance productivity, promoting climate-resilient livelihoods, strengthening business competitiveness, expanding access to finance, and creating sustainable employment opportunities.

Industrial Development Fund

231. In 2026, Government allocated ZiG100 million (US$3.39 million) to the National Venture Capital Company (NVCC) to fund viable businesses with strong potential for job creation, import substitution and value chains. To this end, the industrial revolving fund benefited16 companies in all the country's ten provinces, covering sectors in the value chains along agro-processing, pharmaceuticals, iron and steel and chemicals. The beneficiary companies increased employment from 1 370 employees to 1 970 employees, a 44% increase.

232. This will be a Revolving Fund and projected to grow to US$4.5 million equivalent by end of 2028 after the Facility is fully repaid. The Facility will continue to provide revolving, concessional finance to viable manufacturing companies for machinery and equipment, essential raw materials and working capital. Priority will be given to projects with clear production, import-substitution, export and employment potential, including agro-processing, pharmaceuticals, iron and steel, fertilisers and chemicals.

233. In view of the success of the Fund so far, the 2027 National Budget is setting aside ZiG148 million as additional seed capital to accelerate the industrialisation process.

Promotion of Local Content

234. During 2027, Government will operationalise and enforce sector-specific local-content thresholds for strategic products, supported by a verifiable register of certified local manufacturers and their production quality, compliances and capabilities. Ministries, Departments, Agencies, Local Authorities and Public Entities will identify goods that can be

competitively sourced locally and incorporate local-content requirements into their procurement plans and tender documents, consistent with applicable procurement laws and quality standards.

235. Priority procurement opportunities will include locally produced medicines, steel and construction inputs, furniture, uniforms and textiles, selected engineering products, fertilisers and other products for which domestic production capacity exists.

236. In this regard, effective 1 January 2027, it will be mandatory for Government, mining companies and all large entities to procure at least 15% of their input requirements from local manufacturers, where capacity exists in order to accelerate industrialisation and local manufacturing capacity growth.

Strategic Value Chains

237. The 2027 Budget will support interventions that connect domestic agricultural and mineral resources to manufacturing, to reduce avoidable imports and increase value-added exports.

238. For iron and steel, Government will align public infrastructure procurement with available local production, address regulatory barriers and evaluate the impact of local sourcing on project cost, as well as quality of output. In the fertilizers and chemicals value chain, support will be tied to plant rehabilitation, availability of feedstock and demonstrable domestic output.

239. Minerals incentives will be conditional on defined value-addition milestones and compliance with environmental and quality requirements. The investment pipeline includes lithium-based products, batteries, ferro-alloys, platinum-group metals, chrome and other mineral-based products.

240. To support the pharmaceuticals industry to increase capacity to manufacture medicines and other consumables, Government will prioritise domestic procurement of pharmaceutical

products and equipment by the public sector, where capacity exists. The objective is to revive the pharmaceutical sector, manufacturing of medicinal drugs and other consumables.

Rural Industrialisation

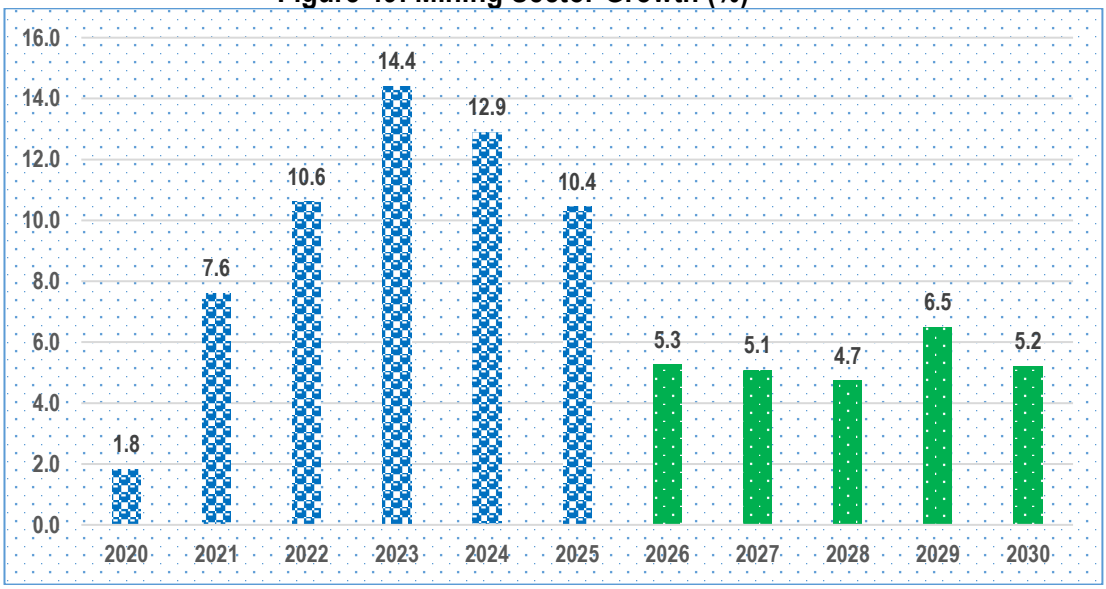
241. Government will align industrial support with local resource endowments and existing transport and logistics corridors. Integrated Provincial Special Economic Zones and Spatial Development Initiatives will be advanced, where there is a credible supply of raw materials, access to markets, infrastructure feasibility and a pipeline of anchor investors.

242. Small and medium enterprises will be integrated into established large scale manufacturing value chains through supply chain development, standards support, aggregation and access to appropriate finance. Priority will be accorded to the harmonisation of laws and regulatory compliance requirements as necessary to lower the cost for new business entry, as well as existing MSMEs across all sectors of the economy. Youth and women's skills programmes will be aligned with verified vacancies and production needs of participating firms, with completion and employment outcomes reported.

Mining

243. The mining sector remains one of the key anchors of economic growth and transformation, given its key role in supplying raw materials to downstream industries and supporting local value chains. The sector is projected to grow by 5.3% in 2026 and 5.1% in 2027, respectively, supported by firm global demand and favourable prices for gold, lithium and base metals.

Figure 49: Mining Sector Growth (%)



Source: MOF, 2026

244. Government will continue strengthening measures to restrict the exports of unprocessed raw minerals, while promoting domestic processing and beneficiation. So far, good progress has been made in lithium and chrome beneficiation, with one of the major lithium producers having commissioned a lithium sulphate plant. In addition, chrome smelters are finalising the development of captive power plants needed for value addition and beneficiation.

245. Government will prioritise mineral exploration to ascertain the country`s mineral resource base, as well as the full operationalisation of the Mining Cadastre Information Management System, which will improve transparency, tenure security, efficiency and investor confidence.

246. In this regard, the Ministry of Mines and Mining Development has been allocated an amount of ZiG986.2 million to implement the above programmes and projects.

Infrastructural Development and Housing

247. Building on the progress made under the 2026 Infrastructure Investment Plan, the 2027 National Budget reinforces policy continuity and long-term strategic focus by scaling up investment in the key economic enablers that support economic and social transformation. In line with the 2027 Budget Strategy Paper, prioritisation will be guided by the need to

upgrade, modernise and expand critical infrastructure in transport, energy, water and sanitation, ICT and digital services and housing, while enhancing efficiency, climate resilience and sustainability.

248. Given the large stock of stalled and ongoing projects, the 2027 National Budget prioritises completing and accelerating projects that are at an advanced stage of implementation, as well as those with the greatest catalytic effect on economic growth and social transformation. Priority is also accorded to projects of an integrated nature, so that citizens derive the maximum benefit from public investment.

249. With demand for infrastructure services outpacing available fiscal resources, Government will pursue innovative financing models to mobilise private capital. These include Public-Private Partnerships (PPPs), loan financing and cost recovery through utility and user charges, as well as the establishment of the Industrial Development Fund. This approach concentrates scarce public resources on high-impact projects with demonstrable returns, while creating room for the private sector to participate in infrastructure development.

250. Guided by the 2027 development budget resource envelope, a total of ZiG45.9 billion has been earmarked towards financing infrastructure projects and programmes as indicated in the funding mix below.

Table 25: Infrastructure Projects and Programmes (ZiG Million)

Sector	Fiscal	Statutory	Dvt Partners	Total
Energy	787.8	702.2	161.5	1,651.5
Transport	9,004.8	12,869.0	-	21,873.8
Water and Sanitation	4,956.1	6.0	-	4,962.1
ICT	1,090.9	86.7	-	1,177.6
Health	4,012.7	-	-	4,012.7
Education	2,055.1	-	-	2,055.1
Agriculture	1,569.9	-	834.4	2,404.3
Housing	7,637.5	2.6	-	7,640.1
Other	97.5	-	37.1	134.6
Total	**31,212.4**	**13,666.5**	**1,033.0**	**45,911.9**

251. Given the continued limitations in fiscal space and the substantial demand for infrastructure investment, Government will sequence projects with greatest potential to generate economic and social returns in order to maximise development impact.

Transport

252. Efficient transport networks and corridors are essential to promote economic growth, regional and international trade and tourism, improve access to social services such as health and education and support inclusive rural and urban development. In this regard, Government has made progress in enhancing the transport sector by rehabilitating and construction of roads, airports, upgrading and refurbishment of ports of entry. There is, however, an urgent need to speed up the recapitalisation and revitalisation of the railway infrastructure, including the tracks and rolling stock.

253. To consolidate gains on upgrading the transport sector, the 2027 National Budget will also prioritise interventions that enhance connectivity, reliability and efficiency across road, rail, air and inland water transport. The 2027 National Budget will prioritise supporting infrastructure such as toll plazas, weighbridges and border posts that facilitate the efficient movement of people and goods. In this regard, the Ministry of Transport and Infrastructure Development has been allocated ZiG9 billion.

Road

254. The rehabilitation and upgrading of the Harare-Masvingo-Beitbridge Road Projects is almost complete with Manyame River and Mucheke (Chevron) River bridges having been completed.



Aerial view of the completed Manyame River Bridge on the Harare-Masvingo-Beitbridge Road



Aerial view of the completed Mucheke (Chevron) River bridge

255. Following the initial delays, the rehabilitation and upgrading of the Bulawayo-Victoria Falls Road is now on course following payment of contractors through the CBZ Loan Facility,

which should sustain implementation. As at September 2026, 68.4km had been completed and opened to traffic.



Section of the Bulawayo-Victoria Falls Road

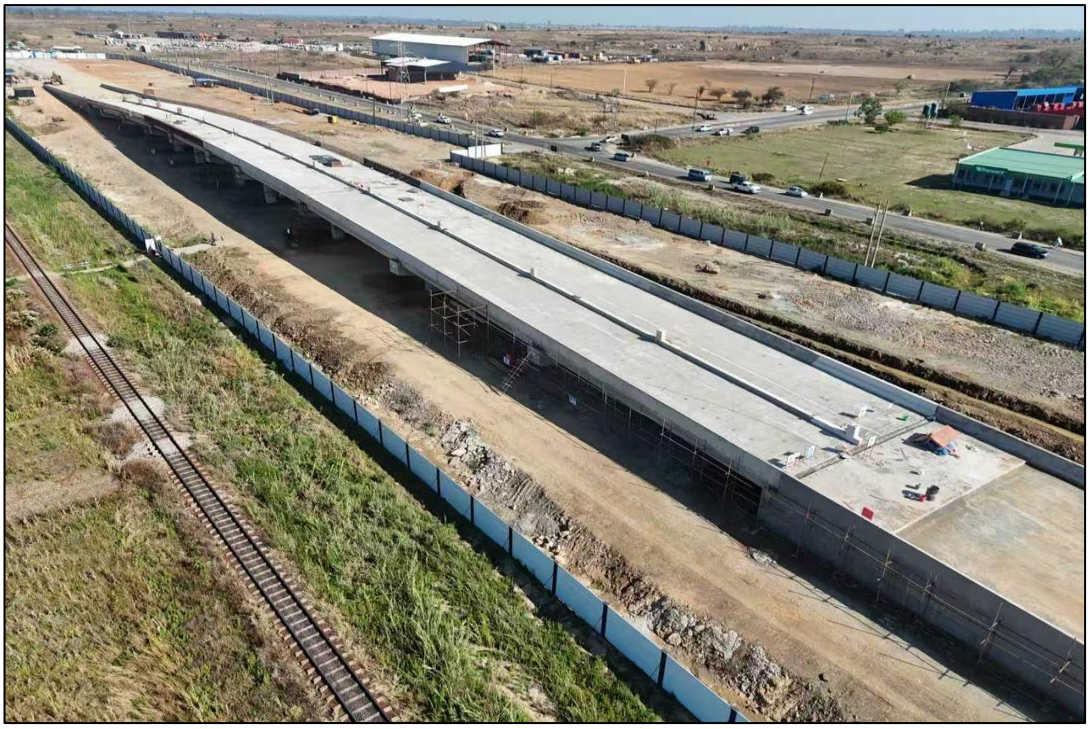
256. On the Harare-Kanyemba Road, 18.3km of the dualised Harare–Mazowe section has been completed and opened to traffic. The project will ultimately improve connectivity to Zambia and the Democratic Republic of Congo (DRC) via the Kanyemba Border Post.



Harare-Kanyemba Road project

257. Decongesting major arteries and improving traffic flow is now integral to the Road Development Programme and Government is accordingly implementing four interchanges in Harare, namely:

- The Joshua Mqabuko Nkomo Expressway linking the Robert Mugabe International Airport;
- The construction of the Mabvuku Interchange, now 89% and near completion;
- The construction of the Msasa/Jaggers Interchange is underway following full mobilisation of equipment and is at 12.5%; and
- The construction of the Cloverleaf Interchange at the intersection of Harare Drive and Joshua Mqabuko Nkomo Road.



Mabvuku Interchange

258. In addition, the construction of the 31.2 km Christmas Pass Bypass in Manicaland is on course, at 36% of completion, and is targeted for completion by mid-2027. The bypass will reroute heavy haulage trucks away from the steep, accident-prone Christmas Pass, decongest Mutare's CBD and improve cargo movement along the Beira Corridor.

259. Progress was also recorded on the Kwekwe-Nkayi-Lupane Road, which on completion will improve connectivity between Matabeleland North and Midlands provinces, enhance movement of goods and services, shorten travel time to Victoria Falls and stimulate economic activity along the corridor.



Construction of the Kwekwe-Nkayi-Lupane road project

260. The Emergency Road Rehabilitation Programme II (ERRP II), financed through the fiscus and ZINARA, implemented through the Department of Roads, urban and rural local authorities and the Rural Infrastructure Development Agency (RIDA) is making progress with ZiG2.4 billion having been expended from the Budget and ZiG3.6 billion disbursed by ZINARA, as shown in the table below.

Table 26: ZINARA Disbursements

Road Authority	Amount (ZiG)
Department of Roads	421,386,313
Rural Infrastructure Development Agency (RIDA)	256,237,204
Rural District Councils	113,947,956
Urban Councils	131,876,964
Capacitation of the Roads Maintenance Unit under MOTID	25,665,776
High Impact Projects	1,608,642,416
Rehabilitation of Plumtree-Mutare Highway	966,715,023
Other (National Emergency Works)	39,645,321
Total	**3,564,116,973**

261. The above support yielded the following achievements:

Table 27: Emergency Roads Rehabilitation Programme

Nature of Works	Planned for 2026	Current Progress
Construction, Reconstruction and Rehabilitation (km)	568.6	198.87
Reseal and Overlay (km)	97.25	29.1
Gravelling and Regravelling (km)	490.59	638.96
Grading and Spot-gravelling / Spot-dumping (km)	4 767.6	6 701.61
Pothole Patching (km)	9 711.65	5 814.61
Bush and Verge Clearing (km)	14 568.7	11 131.52
Drain Construction / Lining and Drain Clearing (km)	4 202	3 825.05

262. Selected projects supported under the Programme and the milestones achieved are shown in the table below.

Table 28: Milestones on Priority Projects

Project Name	Province	District	Milestones Achieved
Murehwa-Madecheche Road	Mashonaland East	Murehwa	7.8km reconstructed
Golden Valley-Sanyati Road	Mashonaland West	Sanyati	4km rehabilitated
J.Z Moyo Roads	Mashonaland West	Chegutu	11km resealed, 1.3km reconstructed
Hippo Pools Extension	Mashonaland West	Chegutu	2.3km road construction
Bulawayo-Victoria falls	Matabeleland North	Bulawayo, Umguza, Kusile, Lupane, Hwange	80.5km out of 440km reconstructed to date
Bulawayo – Nkayi Road	Matabeleland North	Bubi	19km reconstructed and surfaced
Harare Roads	Harare	Harare	1km reconstructed, 1.3km resealed with Asphalt Overlay
Murambinda - Mudanda Road	Manicaland	Buhera	5km resealed and 4km reconstructed
Mushandirapamwe - Wedza Road	Mashonaland East		2km reconstructed
Manyika-Muswe-Nyadire-Mutoko Road	Mashonaland East		5.6km reconstructed
Chivhu – Gutu Road	Masvingo	Gutu	10km rehabilitated
Mutare-Masvingo	Masvingo		15km resealed
Matopos Road	Bulawayo	Bulawayo	2.9km resealed with Asphalt overlay, 2.6km reconstructed
Headlands-Mayo	Manicaland	Makoni	10km reconstructed and surfaced
Chipinge-Mt Selinda	Manicaland	Chipinge	5km reconstructed and Asphalt overlayed



Priming of Chipinge Chipinge–Mt Selinda and Plumtree–Maitengwe road projects



Surfacing of Seke Road Rehabilitation & Widening Project



Priming of Bulawayo-Kezi-Maphisa Road and Surfacing of Nhekairo – Chigondo road project



Matopos Road – Application of Asphalt Concrete



Completed section of Harare Drive between Simon Mazorodze and Willowvale Road.

263. The Japan International Cooperation Agency (JICA), a key Development Partner in the transport sector, financed Phase II of the Road Improvement Project on the northern section of the North–South Corridor, which saw the upgrading and widening of a 7.8 km section of the Harare–Chirundu Highway between Makuti and Hell's Gate (kilometre pegs 295 to 302) valued at JPY 2,389 million (approximately US$17.44 million).

264. Despite continued Government investment, the sector requires further financial resources to address the following challenges:

- Poor condition of primary, secondary and tertiary roads due to inadequate maintenance, increasing travel time, increases in road accidents and vehicle operating costs;
- Rising congestion on roads within and leading to major economic centres, particularly cities and towns;
- Recurring climate-related damage to road infrastructure from floods and cyclones; and
- Damage to the roads due to the over-reliance of the mining sector on the road haulage of minerals.

265. Accordingly, the 2027 National Budget allocates ZiG9 billion to the Road Development Programme to build all-weather road networks through a comprehensive national

rehabilitation and upgrading programme. Priority is on high-impact economic and social projects including:

- Rehabilitation and upgrading of the Harare-Chirundu Highway;
- Rehabilitation and upgrading of the Beitbridge-Bulawayo-Victoria Falls Highway;
- Rehabilitation and upgrading of the Harare-Kanyemba Highway;
- Construction of the Kwekwe-Nkayi-Lupane Road;
- Construction of the Christmas Pass Bypass in Mutare;
- Construction of the Joshua Mqabuko Nkomo Expressway in Harare (Airport Road), including the missing link;
- Completion of the Mabvuku and Msasa/Jaggers Interchanges and Delport Road; and
- Rehabilitation and upgrading of various roads under the Emergency Road Rehabilitation Programme 2 (ERRP 2).

Ports of Entry

266. As part of Government's efforts to modernise ports of entry, Government has reached Financial Close with the Chirundu Border Consortium for upgrading and modernisation of Chirundu Border Post. The Project will modernise one of the busiest and most strategically important ports of entry.

267. Under the agreed Framework, the Consortium will mobilise capital and operate the upgraded border post, providing modern public infrastructure at no capital cost to Government.

268. Implementation of this project through private sector participation, demonstrates Government's commitment to delivering high-impact infrastructure projects through effective public-private partnerships, and the continued confidence of the private sector in working with the public sector.

269. Further, preparatory works for the Forbes Border Post Modernisation and Upgrading Project are also underway under the same framework, in terms of design, framework agreements and funding mobilisation.

Rail Infrastructure

270. Government is committed to reducing the cost of road transportation by upgrading the railway tracks and rolling stock infrastructure. Through the internal recapitalisation programme, NRZ is refurbishing 3 locomotives whilst 520 wagons are targeted for refurbishment through the US$6 million Mutapa Fund Facility. In addition, Mutapa Fund is undertaking negotiations with potential investors to secure funding for the revival of the rail sector.

271. The revival of the National Railways of Zimbabwe remains a key and priority project. All avenues will be explored, particularly PPPs to ensure that the NRZ occupies its central role in the economy.

272. Notwithstanding the slow implementation of some of the targeted revival strategies for the rail sub-sector, Government remains committed and seized with the key priorities needed to be implemented in the short to medium term. In 2027, efforts will continue to be made to comprehensively transform the rail infrastructure by pursuing public and private sector partnerships. Specific interventions will include:

- Commercialisation of NRZ;
- Attracting private capital through concessions, joint ventures and loan financing;
- Rehabilitation and upgrading of high-impact assets, including rolling stock, track and workshops;
- Procurement, including leasing, of rolling stock; and
- Improving signalling and communication equipment and removing cautions to improve turnaround times.

273. In addition, Government through NRZ will mobilise funding for the rehabilitation and upgrading of Bulawayo – Victoria Falls Railway line. Key interventions under this

Programme include installation of sleepers and ballast, as well as some rails that should effectively remove the cautions from the network.

Inland Waterways Infrastructure

274. The recent Kariba boat disaster underscores the need to invest in inland waterways infrastructure that protects lives and provides a reliable option for transporting goods and promoting tourism.

275. In this regard, in order to strengthen water transport safety and management systems, the 2027 National Budget will set aside ZiG225.8 million for procurement and installation of modern communication and monitoring infrastructure, including control towers and automated weather stations at strategic inland waterways sites across the country.

Aviation

276. Following the successful modernisation of the Robert Mugabe and Victoria Falls International Airports, Government will consolidate these gains by availing resources towards the rehabilitation and upgrading of other airports. Key priorities going forward will include:

- Improving safety and communication systems;
- Expanding domestic and regional air connectivity, particularly for Harare, Bulawayo, Kariba, Hwange and Victoria Falls, in line with the Open Skies policy;
- Rehabilitating and upgrading airport infrastructure, digitalising operations and installing modern equipment to improve passenger handling efficiency; and
- Improving air navigation services and airspace management through investment in radar and navigation equipment.

Energy

277. Government has made progress in ensuring consistent power supply with limited load shedding episodes, achieving 312 days of no-load shedding. This was achieved through

ramping up electricity generation at all the State power stations, benefiting from increased water availability at Kariba and reliable Hwange units 7 and 8. In addition, Government policy of promoting captive and independent power producers through power purchase agreements, has increased the country's generation capacity.

278. The interventions have resulted in 600 MW of new generation capacity, bringing the national generation capacity to 3 412 MW. Of note is the Net Metering Programme, whose performance has exceeded expectations with approximately 120 MW being generated by households and private entities. Cost reflective tariffs have also greatly improved the financial sustainability of ZESA to better maintain electricity infrastructure, meet its working capital requirement and able to purchase electricity from the regional electricity markets.

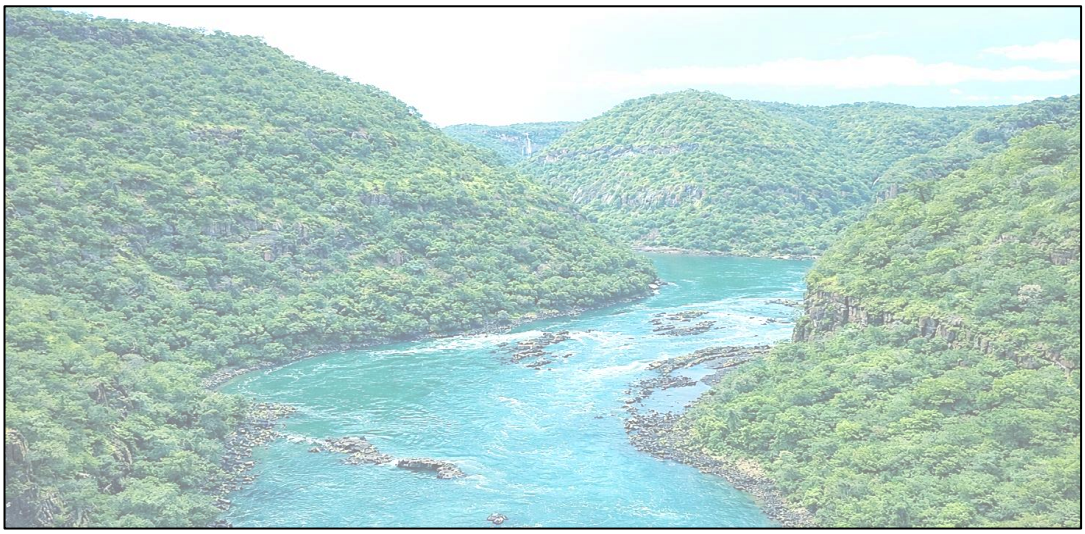
279. This is line with the country`s National Energy Compact and the National Energy Efficiency Policy. Going forward, the focus is on reducing the energy deficit of approximately 500MW by expanding power generation and enhancing the distribution network through the following investments:

- Diversification of the generation mix to reduce reliance on hydro;
- Maximise thermal capacity through rehabilitation of existing plants;
- Develop large-scale projects such as Batoka;
- Expand renewables such as solar;
- Institute demand-side management;
- Upgrade transmission and distribution networks to reduce losses; and
- Build the pipeline of bankable projects.

280. To fully harness sector opportunities, Government will continue to pursue innovative financing mechanisms, leveraging on the Southern African Power Pool (SAPP) facilities, such as the Regional Transmission Infrastructure Funding Facility (RTIFF) and establish Energy Trading Entities to de-risk power projects.

281. As part of enhancing the generation capacity of the country, focus will be on financial closure of the Batoka Gorge Hydro Project which has the capacity to generate 2 400MW, providing

approximately 10 215 gigawatt hours of clean energy annually to be shared between Zambia and Zimbabwe.



The Batoka Gorge

282. The two Governments reaffirmed their commitment to jointly construct the Batoka Gorge Hydro-Electric Project, with each country agreeing an equity contribution of US$220 million, to be funded through fiscal allocations, among other sources. Accordingly, the 2027 Budget allocates US$25 million (ZIG697.8 million) as equity contribution to the Project.

283. On the transmission side, focus will be on strengthening the national grid through implementation of the Zimbabwe – Zambia interconnector and the Hwange -Mukuni 30KVA transmission line which has already reached financial closure of US$38 million facility.

284. The Ministry of Energy and Power Development has been allocated ZiG787.8 million to implement the above programmes and projects.

285. Government through Mutapa will mobilise resources to repower Hwange 1-6 through a phased approach. Already, the refurbishment of unit 5, which has not been operational since 2021, is underway after securing funding. The project is expected to be completed in 2027, adding 160 MW to the national grid.

Rural Electrification

286. The Rural Electrification Agency (REA) is making inroads by improving access to electricity through expansion of the national distribution network to underserved and marginalised communities, particularly in rural areas. Below are some of the completed projects.

Table 29: Electrified Rural Institutions: Jan - Nov 2026

Province	Prim-Schools	Sec-Schools	RHC/ Clinics	Govt. Ext Offices	Chiefs	Business Centres	Farms	Villages	Other	Total
Manica	26	18	7	1	1	9	6	14	5	87
Mash Central	20	11	6	1	0	1	1	0	4	44
Mash East	29	13	2	0	0	3	2	0	2	51
Mash West	33	13	18	3	0	4	0	1	7	79
Masv	32	19	16	3	1	9	0	2	3	85
Mat North	13	9	5	0	1	5	1	0	0	34
Mat South	18	8	7	5	0	7	0	0	3	48
Midlands	44	11	21	0	0	5	1	0	3	85
Total	**215**	**102**	**82**	**13**	**3**	**43**	**11**	**17**	**27**	**513**

287. A total of 513 institutions were electrified between January and November 2026 through the Grid and Solar Electrification Programmes. In addition, 230 biogas projects were completed during the same period.

288. In 2027, Government is targeting to connect 558 335 new households, raising electricity access from about 54% in 2026, to 65%, through approximately 63% grid-based and 37% mini-grid or standalone solar connections through REA collections and fiscal resources amounting to ZiG55.2 million.

Water and Sanitation

289. Water and sanitation infrastructure remains a budget priority, as existing systems, low national coverage and rising climate and health risks continue to constrain economic growth and the provision of critical public services.

290. As a result, priority will be on improving access to safe drinking water and sanitation coverage in urban and rural areas, supported by investment in water supply and conveyance infrastructure, consistent with NDS2.

291. The 2027 National Budget will, therefore, centre on rehabilitation and expansion of water supply systems; modernisation of sewage and water treatment facilities; completion of ongoing dams; drilling and rehabilitation of boreholes, with associated infrastructure such as Village Business Units (VBUs); and bulk conveyance infrastructure for agricultural and industrial use.

292. Government will continue the rehabilitation of water distribution infrastructure in Harare and extend this to other strategic towns to reduce losses and improve reliability, alongside measures to improve the financial viability of local authorities.

293. In 2027, Government will also develop a Standard Operating Procedures (SOPs) to strengthen coordination, at an estimated cost of US$70 000. An integrated WASH Information Management System covering rural and urban WASH will also be developed, building on the Rural WASH Information Management System (RWIMS), at an estimated cost of ZiG 78 million (approximately US$2.9 million), to be financed jointly by Government and Development Partners.

294. The sector will also benefit from the Lake Chivero Water Quality and Algae Control Project, to be financed by development partners at a total budget of EUR 20 million (approx. US$22.4 million) for 2027–2031. Of this, EUR 9 million (approx. US$10 million) will be disbursed in 2027 for manufacture and installation of ultrasonic algae control systems, deployment of AI-based water quality monitoring equipment at multiple points in the lake and ecosystem restoration, including catchment reforestation, rehabilitation of inflow channels and community engagement to ensure local ownership and sustainability.

Dam Construction

295. Government's strategic focus on the construction of the Kunzvi and Gwayi-Shangani Dams has yielded significant results, with an amount of ZiG6.95 billion having been expended towards the two projects in 2026.

296. On the Kunzvi - Musami Water Supply Project, significant progress has been made on the first phase targeting construction of Kunzvi-Musami Dam, water treatment plant and conveyancing infrastructure. Overall, the Kunzvi-Musami Dam Project is at 77% completion with major works having been undertaken on the dam wall, intake tower and spillway, with impounding of water already underway.

297. With regards to the treatment plant, the contractor has since fully mobilised to site with setting out and foundational works having been completed. On the pipeline, to date 7km have been trenched with installation of GRP pipes having been completed for a total of 6km out of a target of 48km.

298. Noting the progress realised on the first phase of the Kunzvi- Musami Water Supply Project and in line with the single integrated water supply project approach, Government has since initiated commencement of works on the second phase which targets construction of Musami Dam with the contractor expected on site by year end.

299. The consolidated and whole project approach to water supply development for this project should guarantee a greater solution to addressing water supply challenges for the City of Harare and its dormitory towns among other communities along the water corridor.

300. Treasury will disburse US$20 million for commencement of works for Musami Dam during the last quarter of 2026.



Dam wall core placing in progress



Intake tower steel fixing in progress

301. The Gwayi-Shangani dam remains a priority project and targeted for completion next year. Construction of the Gwayi-Shangani Dam has advanced significantly, now at 83% completion, with 61 metres out of 72 metres having been constructed. Additionally, civil works on the 10MW power plant are now at 80% completion. Based on the progress so far and consistent support being provided, works on the dam wall, pump station and power plant are now expected to be fully completed during 2027.

302. Whilst the current focus has been concentrated on the above three projects, the current progress and anticipated completion timelines should now give room for aggressive implementation of the pipeline and water treatment plant critical for ensuring full actualisation of the projects' benefits. Already, the contractor has mobilised to site on the treatment plant at Cowdry Park.

303. In this regard, focus under the 2027 Budget will be on sustaining implementation of ongoing works on Kunzvi - Musami and Gwayi - Shangani water supply projects. With regards to Kunzvi - Musami project, priority will be on the completion of the dam wall, advancement of works on the pipeline, water treatment plant and foundational & excavation works on the Musami Dam.

304. On Gwayi - Shangani project, attention will be on the completion of the dam wall, pump station, power plant, whilst at the same time ensuring implementation of the pipeline and water treatment plant projects.



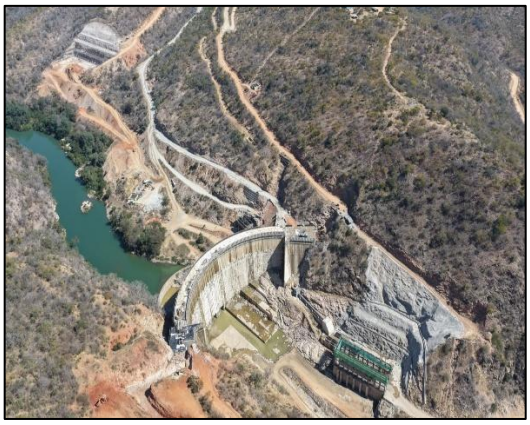
Concrete placement on dam wall (spillway section)



Roof trusses on at the power-station



Curtain grouting trials in progress



10MW hydro powerplant foundation baseplates

305. In this regard, the 2027 National Budget has set aside ZiG4.3 billion towards the construction of the dam projects and the associated complementary infrastructure as outlined in the table below.

Table 30: Dam Projects

Project	Province	2027 Allocation (ZiG)
Gwayi-Shangani Water Supply Project	Matabeleland North	2,000,000,000
Kunzvi Musami Water Supply Project	Mashonaland East	1,979,720,000
Other Dam Project Site Running Costs	Various	279,000,000
TOTAL		**4,258,720,000**

Presidential Borehole Drilling Programme

306. The Presidential Borehole Drilling Programme is a vehicle for empowering rural communities, in line with the principle of leaving no one and no place behind. In 2026, ZiG596.7 million was availed for the Program, enabling the drilling of 1 213 boreholes and establishment of 387 VBUs, and bringing cumulative boreholes drilled under the Presidential Rural Development Programme to 6 046 countrywide.

307. Government is also building in-house capacity through drilling rig procurement, with ZINWA having procured 40 rigs, with an additional 9 expected before year end, bringing the total to 49 against a target of 100. This has seen an increase in rural access to improved water sources from 72% in 2020 to 81% in 2026, while access to at least basic drinking water services rose from 52% in 2024 to 54% in 2025.

308. In 2027, the Budget has set aside ZiG529.7 million to support the Presidential Borehole Drilling Programme and associated complementary activities as follows:

- Accelerating drilling, equipping and solarisation of boreholes, with greater emphasis on rehabilitating non-functional boreholes and optimising existing water points;
- Strengthening existing VBUs and establishing new units in underserved communities, prioritising locations with proven water availability, agricultural potential and market access;
- Protecting public investments through sustainable maintenance frameworks covering replacement of pumps and solar equipment, minor repairs and rehabilitation;
- Strengthening linkages between VBUs, agro-processors, retailers, institutions and export markets; and
- Promoting women and youth enterprise by dedicating a proportion of VBU opportunities in management, production, processing, logistics and digital marketing to women and young people.

309. Government will also continue to capacitate RIDA to expand and sustain rural water infrastructure projects, with emphasis on inclusive access, climate resilience and productive use of water resources. In this regard, the 2027 Budget allocates ZiG88.1 million for rural water supply through RIDA.

Rural and Urban WASH Programme

310. Despite intensified implementation of rural and urban water and sanitation programmes, coverage and access gaps remain, requiring further investment scaling up. The sanitation and hygiene (WASH) infrastructure in most urban and rural local authorities, particularly major cities and municipalities, remains inadequate to meet growing demand due to rapid urbanisation, ageing infrastructure and insufficient investment in rehabilitation and expansion.

311. Under investments over the years, compounded by lack of appropriate sustainable maintenance mechanisms have inevitably compromised the provision of reliable water

supply, sewerage and solid waste management services, with adverse implications for public health and environmental sustainability.

312. Recognising the huge financial requirements needed to invest in water, sanitation and hygiene, Government has enlisted the support of the private sector in providing financial and technical support in undertaking some of the high impact projects in major cities. Already, the City of Harare is implementing a US$342 million project in three phases towards water pipeline replacement and network rehabilitation, smart metering and rehabilitation works at Morton Jaffray Water Treatment Plant.

313. To date, this partnership has recorded significant progress in the rehabilitation of Morton Jeffery water treatment plant and the installation of 85 301 smart metering against a target of 100 000 in 2026. This should improve monitoring of water consumption and assist Councils in water revenue collections. Additionally, 66km of water pipes out of a target of 100km have since been replaced while 5 pumps having also been commissioned at Darwendale Pump station that should strengthen the abstraction of water from the Darwendale Dam.

314. Collectively, these investments should ultimately enhance water supply capacity, reduce losses in the distribution network and improve water delivery to the citizens.

315. In the same vein, the contractual arrangements with City of Harare and another private partner on solid waste management continue to achieve remarkable results. This arrangement has greatly improved waste disposal, reduced environmental pollution and enhanced best practices in waste management.

316. Following the success of these arrangements, it is now expected that similar partnerships will be cascaded to other critical towns and cities.

317. Notwithstanding the interventions currently being undertaken, Government still needs to mobilise more resources towards rehabilitation, upgrading and expansion of water supply,

sanitation and solid waste management infrastructure to increase coverage and access levels to acceptable standards.

318. In this regard, the 2027 Budget is setting aside ZiG5 billion in support of water sanitation and hygiene projects that will be complemented devolution resources, development partners and other private sector players. Further, local authorities are expected to reinvest internally generated resources from user and service charges, especially now that some of the services are now on prepaid.

Housing Delivery

319. Despite progress in housing delivery, the sector is constrained by a growing housing backlog now estimated above 1.5 million, high construction costs, inadequate access to finance, lack of off-site and on-site infrastructure, land ownership and administration challenges, and rapid population growth outpacing supply.

320. Achievements in 2026 include completion of 64 units at Marondera Dombotombo Flats and 29 units at Tynwald, and ongoing residential developments in Bulawayo, Beitbridge and Makonde Heights. Under the senior officers housing scheme, 29 properties valued at ZiG120.2 million were procured and availed to beneficiaries through the Ministry of National Housing and the Pension Fund.

321. In addition, ZiG410.1 million was also availed for completion of the Mt Hampden Villas and Conference Centre, which can host high-level guests during regional and international conferences.

322. These efforts were complemented by private sector interventions, with a number of housing projects completed and others at various stages of implementation. Notable interventions include:

- Sunway City – US$14 million invested in servicing over 800 mixed-density residential stands;

- Oxford Properties – servicing of 700 residential stands in Borrowdale Park, on 100ha, for an integrated mixed-use development combining residential, educational, healthcare, commercial and recreational facilities;
- West Prop – a 500 ha eco-city in Chivhu, expected to deliver 20 000 stands; and
- Mazoe housing development and sanitisation of Southlea Park residential settlement with 8 500 stands, where the Ministry of National Housing and Social Amenities is working with CBZ to mobilise US$51 million through a mortgage facility.

323. Therefore, in 2027, Government will work on modalities to recapitalise the Housing Guarantee Fund , established under the Housing and Building Act [Chapter 22:07]. This will unlock sustainable housing finance, underwrite risk for first-time homebuyers and accelerate national housing delivery. Already, the 2027 National Budget has set aside ZiG66 million for the recapitalisation of the National Housing Fund.

324. Government will also work with local authorities and other stakeholders to regularise suitable settlements through land-use planning, settlement surveys, tenure regularisation, provision of basic infrastructure and integration into formal urban development plans.

325. An overall allocation of ZiG7.4 billion is earmarked for housing and social amenities, focusing on rehabilitation, upgrading and construction of stand-alone houses and residential flats, and servicing of residential stands.

Justice Delivery Services

326. Government continues to decentralise the provision of justice delivery services through the construction of new courts in high-density areas, expansion of existing courts and rehabilitation of court infrastructure. In 2026, ZiG48.4 million was expended towards the construction of court facilities, targeting the completion of Gwanda, Kwekwe and Cowdray Park courts. The resources financed the construction and expansion of the Supreme Court, Gweru Criminal Court, Brunapeg Magistrates Court and Mutare Labour and Magistrates Courts. The table below shows progress made with projects under implementation in 2026.

Table 31: Court Projects Progress

Project	Location	2026 Progress/Status
Kwekwe High Court & Magistrates' Court Complex	Midlands	Construction substantially complete; finishing works, including tiling and courtroom completion, underway. The complex will house the High Court, expanded Magistrates' Court and Sheriff's Office.
Gwanda Court Complex	Matabeleland South	Around 70–75% overall completion. Facility will accommodate High Court, Labour Court, Magistrates' Court and Sheriff's Office.
Mabvuku-Tafara Magistrates' Court	Harare	At roof level and 40% overall completion with flooring, plumbing, carpentry and associated civil works still outstanding.
Cowdray Park Magistrates' Court	Bulawayo	52% overall completion with roofing, finishes and civil works still outstanding.
Beitbridge Provincial Court expansion	Matabeleland South	Additional courtroom under construction to increase judicial capacity.
Guruve Regional Court	Mashonaland Central	Construction underway as part of expansion of judicial services outside major urban centres.
Brunapeg Magistrates' Court	Matabeleland South	Project has commenced and now at 10% completion.



Mabvuku-Tafara Magistrates Court



Kwekwe Magistrates Court

327. The 2027 National Budget has, therefore, set aside resources to complete ongoing works at the Gwanda, Kwekwe and Mabvuku-Tafara courts, among others.

328. The Integrated Electronic Case Management System (IECMS) will, also be fully supported and cascaded to remaining institutions to ensure a Whole of Government Approach to justice delivery services.

Prison and Correctional Facilities

329. Government will continue to provide safe, humane and functional correctional infrastructure through the rehabilitation and modernisation of existing prisons and the construction of new prison facilities. This is critical to improving the welfare of inmates and prison officers, as well as the provision of infrastructure of international standards and addressing overcrowding, particularly at facilities that have outlived their lifespan.

330. In 2027, Government will accelerate this programme by allocating ZiG506 million towards the completion of ongoing projects and extending interventions at institutions not yet covered, such as:

- Completion of ongoing rehabilitation and phased modernisation of ageing prison infrastructure, including roofing, electrical installations, plumbing, sanitation and water reticulation, kitchens, ablution facilities, security infrastructure and inmate accommodation;
- Development of modern correctional facilities, including continuation of works at Hurungwe Modern Prison and other priority sites;
- Additional accommodation to alleviate overcrowding, particularly at facilities with persistent capacity constraints, including appropriate accommodation for special categories of inmates;
- Disability-friendly access, appropriate sanitation, accommodation, healthcare and rehabilitation spaces in juvenile and vulnerable-inmate facilities;
- Construction and rehabilitation of staff housing, prioritising facilities where inadequate accommodation affects officers' welfare and operational effectiveness;
- Water, sanitation and health infrastructure, including boreholes, water storage and reticulation, sewage infrastructure, ablution facilities and prison health centres; and
- Perimeter security, access-control systems, electrical installations, communications and other essential security infrastructure, while replacing obsolete infrastructure.

331. Government will harness technical construction capacity within the security sector and strengthen private sector partnerships to expedite delivery and enhance cost efficiency.

Other Public Services Facilities

332. Government continues to prioritise the provision and rehabilitation of institutional accommodation for MDAs to provide a safe, conducive and efficient working environment for the Public Service. In 2026, ZiG3.6 billion was expended on construction and rehabilitation projects, with emphasis on institutional accommodation and supporting infrastructure.

333. Government also accelerated stalled high-impact projects, including the Mutoko Composite Government Offices, where works have resumed. The Government Presidential Villas Complex and Conference Centre is now about 75% complete, while the construction of dedicated bulk sewer and water reticulation infrastructure serving the complex is also underway.

334. Government continues to support the construction of the Museum of African Liberation, a key national institution for preserving and promoting African history, heritage and knowledge. Rehabilitation and upgrading are ongoing at Finance House and Old Mutual Houses to modernise Government offices, with similar works at State Residences across the country.

335. To sustain momentum and address accommodation challenges facing MDAs, the 2027 National Budget allocates ZiG7.4 billion for construction, rehabilitation and upgrading of institutional facilities countrywide.

336. Priority will be given to ongoing projects, including the Lupane Provincial Composite Office Block and the Hwedza, Mutoko and Siakobvu District Composite Offices, among others.

337. The allocation will also go towards the construction of new institutional accommodation and Provincial and District Composite Offices, to improve the working environment for public servants and support the Devolution and Decentralisation Agenda by bringing services closer to communities.

Modernisation of Public Service Training Institutions

338. Public Service Training Campuses play a critical role in building the capacity, professionalism and effectiveness of the public service. In 2026, progress was recorded in rehabilitation, upgrading and maintenance of the campuses, alongside acquisition of essential institutional assets. Completed works include borehole solarisation, sewerage rehabilitation and roof repairs at Rowa Training Institute; solar power installation at Tuli Training Institute and enhanced water storage capacity at Highlands Training Institute.

339. In addition, other completed works include installation of water pumps, procurement of catering and residential equipment, and extensive maintenance at Chinhoyi, Domboshava and Elangeni Training Institutes.

340. In this regard, the 2027 National Budget allocates ZiG113.1 million to upgrade and modernise Public Service Training Institutes, including construction and refurbishment of facilities, furnishing of hostels, modernisation of conference rooms and ICT infrastructure, solar energy systems and water supply improvements.

Presidential Institutional Housing for Security Sector

341. Despite the efforts by Government in the provision of decent accommodation for our security forces, the achievements remain mixed with coverage and access levels still below expectation. Cabinet has since made a decision to put in place a framework that allows expeditious provision of appropriate accommodation for the security services being coordinated through the Office of the President and Cabinet.

342. In this regard, technical teams are currently undertaking the necessary procurement and contractual processes including development of implementation and cashflow plans that should assist in effective execution of this programme. To further provide impetus and ensure efficiencies in implementation and delivery, the private sector including banks among others will also be crowded in through structured facility arrangements.

343. The implementation modalities are expected to be concluded by year end with resources being provided under the 2027 Budget to facilitate implementation of the Programme.

Public Investment Management

344. The improved fiscal space and increased capacity of the budget in financing public investment projects and programmes will be complemented by robust mechanisms and measures that guarantee quality provision and execution of infrastructure projects.

345. Whilst the deliberate approach by Government of crowding in and accommodating local contractors and service providers in the implementation of Government projects and programmes has gone a long way in empowering and capacitating local companies, the move has also resulted in poor quality of service. It is therefore critical, that the implementation of the NDS2 projects and programmes be underpinned by structured and tightened contractual and procurement arrangements that safeguards public resources and ensures value for money.

346. In this regard, it is imperative that contractors take full accountability in the maintenance of infrastructure projects, equipment and buildings among others post construction. Going forward, major contracts should be accompanied by service level maintenance agreements that define maintenance arrangements, quality aspects, costs of maintaining benchmarked to regional and international costs standards including the period of maintenance depending on the type of project or service.

347. For avoidance of doubt and in line with the already existing mandatory requirements for approval by Treasury of any contract exceeding US$2 million, approval of contracts will also be subject provision of ***Maintenance Service Level Agreements (MSLA***) including warranties for a minimum of 5 years. Further guidance regarding the operationalisation of the MSLA will be provided through a Treasury Circular.

Infrastructure Development Financing

348. In order to ease pressure on the fiscus and ensure sustainable financing of infrastructure development, Government will operationalise the Infrastructure Development Fund (IDF) in 2027. The Fund pools capital from various sources to invest in long-term public assets such as transport, water and sanitation, energy, information communication technology, agriculture, housing, among others.

349. Accordingly, a share of the National Budget allocated to infrastructure development will be channelled through the Fund, which will leverage additional resources from domestic and international financial institutions, Development Finance Institutions and private sector investors towards priority infrastructure projects. The IDF will finance projects with high economic and social returns, particularly in the transport, energy, irrigation and other productive infrastructure sectors.

350. Going forward, the Fund will also be supported by dedicated infrastructure related revenue streams, including collections from institutions such as the Zimbabwe National Road Administration (ZINARA), as well as other earmarked levies, user charges and project-related revenues. This will strengthen the Fund's resource base, enhance the sustainability of infrastructure financing and reduce reliance on direct Treasury funding.

351. This will allow Government to focus on provision of social services, particularly schools, hospitals, water and sanitation facilities, which generate significant social and developmental benefits but may not offer adequate direct financial returns to attract commercial financing.

352. In the meantime, Government has made arrangements with local financial institutions to mobilise US$400 million towards the completion, construction, rehabilitation and maintenance of priority road infrastructure projects. These include the Harare-Masvingo Road, the Harare-Beitbridge Road, the Harare-Chirundu Road and the Bulawayo-Victoria Falls Road, among other high-priority road projects. Of the targeted US$400 million

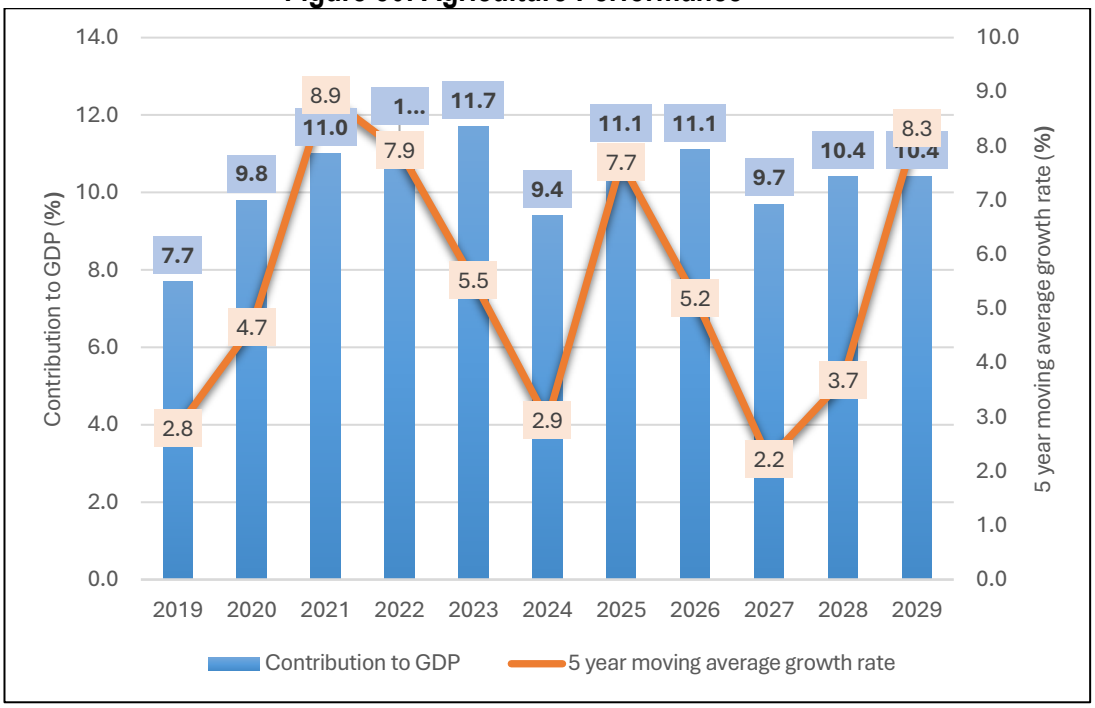
financing, US$175 million has been secured, with US$75 million already disbursed towards implementation of the identified road projects.

Agriculture, Food, Climate and Environment

353. The country has made progress in increasing domestic agriculture production through implementation of supportive policies, capacity building of farmers through extension services, investment in irrigation development and rehabilitation, as well as promoting conservative and productive farming methods. This has resulted in significant agricultural output growth across most of the crops and livestock, ensuring food self sufficiency.

354. In 2026, the sector is estimated to have grown by 5% on account of higher output of grain, milk and wheat. Going into 2027, the sector is expected to encounter setbacks related to the impact of super El-Nino which is usually associated with drought in the region.

Figure 50: Agriculture Performance



Source: MoF, 2026

355. In this regard, to mitigate against the negative impact of a potential drought, Government has put in place a Six-Pillar Strategy, namely building of strategic grain reserve, accelerated climate-smart production, integrated financing architecture, livestock drought mitigation,

enhanced imports coordination and early warning systems and capacity building, to guarantee food security for the country. The Strategy is in line with the Agriculture Food Systems and Rural Transformation Strategy 2 (AFSRTS) (2026-2030).

Figure 51: Summer Plan Strategic Pillars



356. In total, the 2027 National Budget has set aside ZiG27.6 billion for the Ministry of Agriculture, Mechanisation and Water Resources Development for the following programmes and projects:

- Agriculture Productive Social Protection Scheme;
- Rural Development 8.0 and industrialisation;
- Irrigation rehabilitation and development;
- Dam construction;
- Procurement of grain for the Strategic Grain Reserve;
- Capacitation of advisory services,
- Drought mitigation,
- National Enhanced Agriculture Productivity Scheme (NEAPS): and
- Livestock disease prevention and control.

357. Government will also leverage on the Infrastructure Development Fund to accelerate investments in agriculture infrastructure, including irrigation rehabilitation and development, mechanisation and dam construction.

358. Development Partners are expected to disburse approximately US$20 million to strengthen climate resilience, enhance food and livestock production, improve water availability and irrigation infrastructure, support agricultural value chains, and strengthen community resilience to climate-related shocks.

Strategic Grain Reserve

359. In preparation of the anticipated drought, Government through GMB has procured 365 000 MT comprised of grain as at end October 2026, as part of building the country's strategic grain reserve. The objective is to increase the SGR to at least 600 000 tons by August 2027 through aggressive purchases of grain. Efforts are already underway to mobilise adequate to resources for GMB to continue making prompt payments to farmers, including the clearance of outstanding arrears and transporters.

360. This is an addition to grain reserve in the hands of the private sector, inclusive of ZMX, other private sector and households. In the event of drought, Government will also open borders for private sector to bring in grain (not processed grain to support the domestic milling industry) while Government focuses on distributing the SGR to the vulnerable members of the society.

Financing of the 2026/27 Agriculture Season

361. The drought mitigation strategy seeks to promote domestic production during the 2026/27 season through climate-smart agriculture and mobilising grain for the SGR. Therefore, Government is recommending farmers to grow drought-tolerant crops, application of fertiliser and lime, conservation agriculture, efficient water utilisation and irrigation.

362. The financing of the 2026/27 agriculture season will be through five schemes, namely, Pfumvudza/Intwasa, NEAPS, ARDA, private sector and self-financing. The total amount of resources required to finance the 2026/27 agriculture season is estimated at ZiG22 billion, with Government availing ZiG8.4 billion towards Pfumvudza/Intwasa Programme.

Irrigation Development

363. To sustain agricultural growth amid recurring climate shocks and to guarantee food security at household and national level, Government is implementing the National Accelerated Irrigation Development Programme. The Programme seeks to develop, rehabilitate and maintain communal irrigation schemes and those on all major dams and to capacitate A2 farmers, so that the country's irrigation potential is fully exploited.

364. The Programme will be anchored on two complementary Dam as an Economy Concept and the Irrigation Development Alliance (IDA). The Dam as an Economy seeks to transform dams into integrated economic hubs through the development of irrigation, fisheries, aquaculture, tourism, renewable energy, agro-processing and other complementary economic activities, while the Irrigation Development Alliance will provide a structured framework for mobilising and coordinating public and private sector participation in irrigation development.

365. In order to drought proof agriculture, Government together with private sector and development partners has successfully rehabilitated and developed irrigation facilities for 66 765 hectares and targeting 65 000 hectares in 2027. By 2030, 496 00 hectares is targeted to be under irrigation by 2030. In this regard, priority interventions will be centred towards the following: -

- Completing irrigation schemes requiring limited works to become operational;
- Stalled and non-functional irrigation schemes, where rehabilitation can quickly restore production;
- Under-utilised water bodies with demonstrated irrigation potential;
- Expansion of functional schemes with reliable water resources;

- Communal, A1 and Old Resettlement areas, particularly drought-vulnerable communities;
- A2 and commercial farms where irrigation can rapidly increase strategic grain production; and
- Structuring of affordable facilities for irrigation equipment with the private sector including banks.

366. Co-financing arrangements with IFAD for SACP projects, HEEP and GCF programmes, targeting 36 irrigation projects, covering approximately 2 552 hectares, under ARDA, A1 Booster Kits and SI-87, are already underway.

367. Other initiatives include the Pedstock irrigation facility and ongoing communal irrigation projects being financed through the Fiscus.

368. Therefore, the 2027 National Budget will provide ZiG970.9 million for the rehabilitation and expansion of irrigation infrastructure, to reduce dependence on rain-fed agriculture and mitigate drought risks, as outlined in the table below:

Table 32: Irrigation Programmes Allocation

Irrigation Project	ZiG Million
Gwayi Shangani irrigation	78.6
MAKA/AFC	26.2
Bulawayo kraal irrigation	22.3
Irrigation Commissioning	21.7
Zhove irrigation	21.0
Tugwi Mukosi	20.2
Bubi-Lupane irrigation	18.9
Charlesgroove	16.2
Offgrid Small Holder Farmer led Irrigation Systems	15.2
Smallholder Irrigation Revitalisation Programme(SIRP)	15.2
Other Irrigation Development and Support Programmes	511.5
Total	**767.1**

Agricultural Engineering and Mechanisation Services

369. In order to enhance productivity and climate proofing of the agricultural sector, Government is facilitating aggressive investments in agricultural engineering, mechanisation and equipment services. This is being implemented through facilitating access to agriculture

implements such as tractors, planters, combine harvesters, disc harrows, shellers, post harvesting storage, including the associated training in maintenance and after service support.

370. In this regard, Government facilitated the distribution of 2 700 tractor units across the country in 2026. The equipment was distributed through various facilities, including the Belarus Facility, John Deere, New Holland and Zoomlion many other facilities.

371. As a result, the country's mechanisation development index is now ranked the fifth highest in Africa with a fleet of more than 19 000 tractors compared to 16 380 tractors as at 2025. Support was also extended to land preparation, planting, harvesting and transport operations with major focus on the mechanisation of smallholder and climate-smart production systems.



Belarus facility equipment for distribution

372. Government also commissioned AI-driven GMB grain silos in Kwekwe and Mutare. Each of the grain silos has a 56 000-tonne capacity, improving food security and sovereignty. The Smart Silos are part of the ongoing expansion and modernisation of the infrastructure at Grain Marketing Board depots, which include 14 AI-driven silos and 12 concrete silo depots across the country.

373. The Smart Silos will help reduce post-harvest losses through improved grain handling systems, thereby enhancing national food self-sufficiency.



Grain smart silos

374. Therefore, the 2027 Budget will primarily focus on the expansion of access to appropriate, affordable and efficient agricultural machinery and mechanisation services through an allocation of ZiG546.5 million.

Livestock Disease Control and National Herd Protection

375. Government remains committed to herd growth and sustainable livestock sector development, as outlined in the Livestock Recovery and Growth Plan. The Plan seeks to bolster livestock productivity and ensure food and nutrition security. As the country continues to rebuild the national herd, investments in livestock disease control and national herd protection will be critical. These investments will include vaccination programmes, consistent dipping sessions and frameworks for surveillance, quarantining, and animal movement control, as well as effective veterinary care services.

376. During 2026, some of the achievements realised under this programme included the following:

- Vaccination of 1 035 456 cattle against anthrax, surpassing the annual target of 880 000 cattle by 18%;
- Provision of farmer and value-chain training to 699 496 participants, exceeding the target of 600 000 by 17%;
- Maintenance of the full 192-kilometre Gonarezhou Foot-and-Mouth Disease (FMD) control fence;
- Enhanced provision of dipping chemicals, enabling more regular dipping sessions and strengthening tick-control measures; and

- Continued support to veterinary laboratory services for routine disease surveillance, outbreak investigations and confirmatory testing for Brucellosis, FMD and Swine Fever.

377. Due to the El Niño-induced drought in the 2026/27 season, about 2.2 million cattle are at risk during the coming lean period. Government is, therefore, aiming to reduce livestock mortality and enhance livestock resilience. This will be achieved through the establishment of ward drought mitigation centres; promotion of drought-resilient fodder; hay production and distribution; livestock relocation to designated grazing areas and animal health management.

378. In this regard, the 2027 National Budget will set aside ZiG737.1 million for scaling up livestock development, disease prevention and control through the following programmes:
    - Presidential Blitz-Grease Scheme;
    - Construction and rehabilitation of dip tanks;
    - Laboratory diagnostic for animal diseases screening and confirmation
    - Local production of animal vaccines
    - Cattle Genetics improvements;
    - Artificial insemination; and
    - Small livestock.

Rural Development

379. Government is setting aside ZiG529.7 million to support rural development interventions anchored on value addition and beneficiation of agriculture produce, in order to increase incomes for the farming communities.

380. The ultimate objective is to establish 35 000 Village Business Units (VBUs), 4 800 Business Units and 9 600 School Business Units aimed at generating income for households and improving livelihoods.

Business Advisory and Extension Services

381. Extension services provide critical agriculture advisory services to farmers to improve productivity and output. In 2027, an amount of ZiG2.4 billion has been set aside for enhancing the capacity of extension workers and business advisors through targeted training and support, ensuring effective delivery.

382. Government will also continue to support extension services through the Vision 2030 Agriculture and Livelihood Tracker (VALT), which helps farmers shift from subsistence farming to a business-oriented model by providing targeted advisory services and promoting modern farming techniques and value addition. This integrated approach is expected to ultimately contribute to increased agricultural productivity and sustainable development.

Climate and Environment

383. The 2027 Budget comes at a critical juncture, where a Super El Niño event has already been witnessed, with high temperatures being experienced across the country. The Southern African region is anticipated to receive 30-40% below normal rainfall, with extreme heat and increased frequency of cyclones. In this regard, cloud seeding initiatives already underway will be accelerated.

384. This, therefore, places climate resilience at the centre of public financial management, consistent with our Nationally Determined Contributions (NDC3.0), the Climate Change Management Bill and Vision 2030. The country's response is therefore three-fold: Anticipatory Action, Resilience Building, and Loss and Damage Protection.

385. Thus, the 2027 National Budget will prioritise accelerating implementation of the National Climate Change Adaptation Plan (NAP), NDC 3.0 (2026-2035), facilitating carbon trading and establishment of the National Climate Fund in line with the Climate Change Management Legislation.

386. Government cannot finance resilience alone and the 2027 Budget creates investment opportunities for the private sector in key areas such as VBU value chains, renewable energy, carbon credits, climate smart agro-inputs, among many.

387. On its part, Government through the 2027 National Budget has allocated ZiG307.6 million to Climate Change Mainstreaming and Environmental Management. Of this amount, ZiG136.8 million will go towards capacitation of the meteorological services to enable early detection of weather developments.

388. In addition, the Green Climate Fund will disburse about US$1 million in 2027/27 to support the review of existing biodiversity-related policies and institutional frameworks. The resources will go towards assessing public and private expenditure on biodiversity, estimate the financial resources required to meet national conservation targets, and to develop a National Biodiversity Finance Plan to mobilise additional resources.

Land and Rural Development

389. The 2027 National Budget seeks to accelerate economic transformation and strengthen resilience by advancing rural development and industrialisation through securing land tenure and digitisation of land administration guided by the National Land Policy, the 50-Year National Land Master Plan and the Rural Development Framework.

390. Already, notable progress has been recorded on land administration and surveying, including land valuation and issuance of title deeds. Development of the Land Information Management System (LIMS) database is 80% complete.

391. Government will also explore innovative financing options by utilisation of State land to leverage private sector funding from the financial sector and pension funds through Public Private Partnership.

392. Therefore, ZiG2 billion has been allocated to the Ministry of Lands and Rural Development to underpin land administration, land surveying and mapping and rural development and industrialisation.

Land Tenure

393. Since the launch of the Farm Title Deed Programme in December 2024 for A1 and A2 farmers in line with the Constitution, an estimated 24 000 A2 farmers and 240 000 A1 farmers are eligible to acquire the new tenure document. The title deeds for agricultural land are being issued to transform and increase productivity and investment in the agriculture sector. The following are the three options available for farmers to procure title deeds for the farms:

- Cash option – where the farmer pays the full purchase price within 90 days. There is a 15% discount for this option. Title deed is processed after farmer is fully paid up;
- Credit facility – where the farmer pays full purchase price within 12 months. The farmer will be referred to the bank. Government will give a 5% rebate after payment of full purchase price. Title deed will be processed after full payment is done; and
- Mortgage facility – the farmer is advanced funds by the bank, which is paid to Government. There is a 7.5% interest rate per annum and maximum tenure is 20 years. Title deed is processed as soon as the bank pays Government and the deed is endorsed with the mortgage and given to the bank. Government has engaged 5 banks under this program; AFC, CBZ, FBC, POSB and ZB. These banks have set up offices at the One-Stop Centre.

394. As at end December 2025, the following progress was registered on the issuance of Farm Title Deeds:

- 9 000 beneficiaries have applied for title deeds;
- 2 112 properties have been valued;
- 1 384 Agreements of Sale have been signed; and
- 938 Title deeds issued.

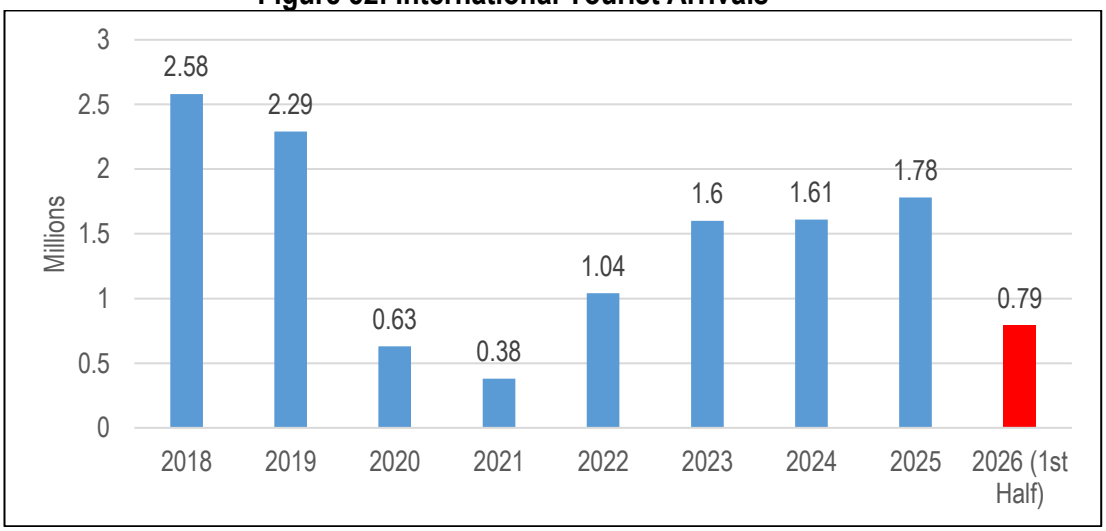
395. In view of this, farm owners are encouraged to apply for the title deeds to secure their land tenure and be able to use their land as collateral. Meanwhile, Government is implementing several strategies to expedite the process including, digitization and decentralization of the process, blitz on survey and layout mapping.

Tourism

396. The tourism activity has remained resilient, despite global geopolitical tensions, economic uncertainty and Ebola outbreak. In the first half of 2026, domestic tourism was the main driver of growth of the sector. Domestic trips increased by 27% to reach 6.4 million, compared to 5 million in 2025, driven by Meetings, Incentives, Conference and Exhibition activities. As result, tourism receipts rose by 6% to US$537 million, while tourism investments surged by 229% to US$132.3 million

397. International tourist arrivals, however, fell by 3% during the first half of 2026 to 790 thousand, down from 820 thousand, as geopolitical tensions in the Middle East disrupted key hubs and eroded the confidence of tourists.

Figure 52: International Tourist Arrivals



Source: ZTA

398. The accommodation and food services sector, which draws its activities from both domestic and international tourism, is projected to grow by 4% in 2026, supported by expanded hotel

capacity, improved resilience, and rising demand from restored air connectivity, major sporting events and regional & international conferences.

399. Looking ahead, the tourism sector is poised for a landmark recovery in 2027, with inbound arrivals expected to surge on the back of enhanced international connectivity, a packed calendar of global sporting and conferencing events.

400. In 2027, the Ministry of Tourism and Hospitality will be supported to implement following major projects and programmes:

- Digitalisation of the sector to ensure real-time tourism statistics;
- Aviation connectivity through strategic roads, aerodrome and airstrips rehabilitation that connect key national tourism destinations;
- Cluster Expansion and
- Promotion of domestic tourism.

401. To support the sector, the 2027 National Budget is setting aside ZiG569.9 million for the Ministry of Tourism and Hospitality to implement among other projects and programmes the Tourism Satellite Account. Additional ZiG352 million from statutory and other resources will go towards ZTA promotional programmes and projects.

Science, Technology, Digital, Innovation and Human Capital Development

402. In line with global developments, the aspirations of Vision 2030 and the objectives of NDS2, Government will continue to support the expansion and modernisation of digital infrastructure, including broadband connectivity, digital public infrastructure and access to affordable digital services, particularly in rural and marginalised communities.

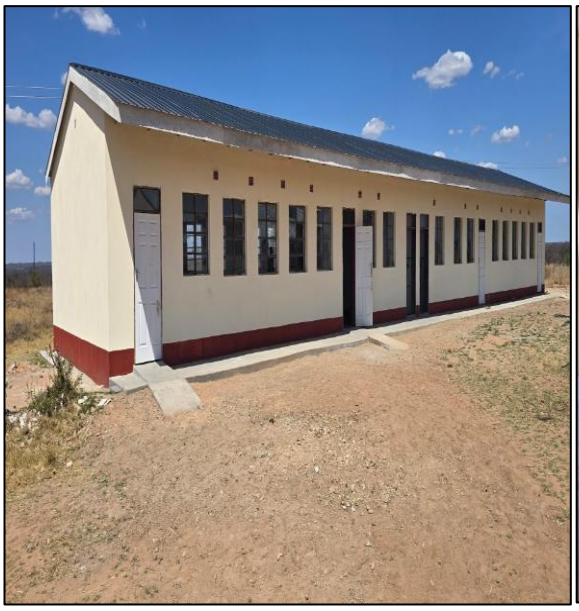
403. Government through a whole-of-Government approach, will prioritise the development and deployment of integrated digital systems across the public sector. This will enhance efficiency, accountability, productivity and the quality of public service delivery as Government moves towards the broader e-Government ecosystem.

Education

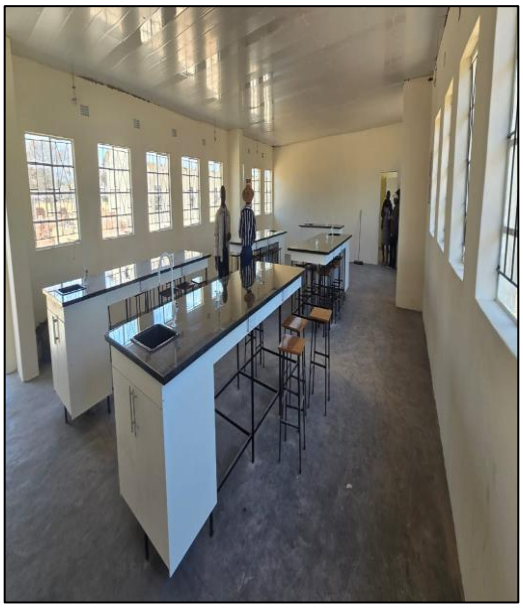
404. Government prioritises education as a strategic investment in human capital development, consistent with NDS2 and Vision 2030. Accordingly, the 2027 Budget seeks to strengthen the financing of education services to promote equitable access, improve learning outcomes and ensure that no learner is left behind. This includes rehabilitation and upgrading of educational facilities, among other ancillary activities.

Primary and Secondary Education

405. As at September 2026, Government expenditure under the Ministry of Primary and Secondary Education amounted to ZiG47.7 billion, covering remuneration, examination fee subsidies, teaching and learning materials, school feeding and sanitary wear. This also financed infrastructure including provision of 41 science laboratories, construction of classrooms and ablution facilities in Matabeleland South under the Independence Legacy Projects.



Gwambe Secondary School Laboratory



Nlongwe Science Laboratory

406. Additional support was also given to the establishment of 600 Information Communication Technology Hubs in rural primary and secondary schools, which will be implemented over

a three-year period. This follows the successful establishment of the pilot ICT hub at Jiti Primary School in Shamva District.

407. The 2027 Budget will consolidate gains achieved thus far, with focus on upscaling investments in the rehabilitation, construction and upgrading of educational facilities to address existing infrastructure gap. Priority will be accorded to the completion of ongoing infrastructure projects, expansion of classroom space to address overcrowding, provision of water and sanitation facilities.

408. Noting some of the capacity gaps in the development of schools infrastructure, during 2027, Government will engage private sector players including financial institutions such as Infrastructure Development Bank of Zimbabwe, Public Service Pension Fund, among other banking institutions to develop structured financing mechanisms that leverage on annual budget allocations, and fees, among others, to ensure efficient and early delivery of schools infrastructure.

409. To harness access and use of digital technology in the education sector, focus will be on expanding ICT infrastructure, internet connectivity, and digital learning facilities to support modern teaching, learning, and research. Other investments will be directed towards strengthening science, technology, engineering, and mathematics (STEM) facilities, promoting research and innovation, and increasing access to skills-based and vocational training.

410. The sector is also projected to receive US$1 million from development partners in 2027 to finance strengthening of capacity of the Ministry of Primary & Secondary Education, promote partnerships and research collaboration between UK & Zimbabwean tertiary institutions through the Education System Strengthening (ESS) and the Tertiary Partnerships Facility (TPF) Projects.

Examination Fee Subsidies

411. Government provides an annual examination fee subsidy to the Zimbabwe School Examinations Council (ZIMSEC), benefiting an estimated 550 000 learners. During 2026, Treasury disbursed US$29 million towards this obligation.

412. While the 2027 Budget prioritises the progressive clearance of outstanding ZIMSEC obligations, going forward, the support will be provided under the revised ZIMSEC Examination Subsidy Framework. The new Framework only targets school candidates in rural primary and secondary schools, as well as in satellite schools. The shift from the current across the board framework to a targeted approach seeks to ensure inclusivity, equity and sustainability.

413. In this regard, ZiG1.4 billion has been allocated towards the ZIMSEC subsidy in 2027.

Teaching and Learning Materials

414. The provision of adequate teaching and learning materials remains critical to improving educational outcomes and strengthening the quality of basic education. In this regard, Government has allocated ZiG800 million in 2027 towards the provision of teaching and learning materials, targeting an estimated 2.8 million learners.

415. The 2027 Budget will, therefore, seek to enhance disbursements of financial resources, consistent with NDS2's human capital development objectives. Greater emphasis will also be placed on the equitable distribution of resources, monitoring of grant utilisation and accountability for results, to ensure that public expenditure translates into improved access to essential learning materials and better educational outcomes.

Learner Welfare and Social Protection

416. Government recognises that access to education extends beyond the provision of classroom infrastructure, rather, it encompasses the welfare, dignity and nutritional needs

of learners. Accordingly, the School Feeding Programme and the provision of sanitary wear remain important instruments for improving school attendance, learner retention and participation, particularly among vulnerable households.

417. For sanitary wear, an allocation of ZiG400 million has been set aside in the 2027 Budget to support at least one million female learners. The intervention will contribute towards improved menstrual health and dignity, while reducing barriers that may compromise the participation of girls in education. This is consistent with NDS2's focus on inclusive social development and the mainstreaming of gender-responsive interventions.

418. During 2026, Treasury disbursed ZiG75 million for approximately 60 000 learners under the School Feeding Programme. The 2027 National Budget will accordingly scale-up of learner welfare interventions recognising their contribution to school attendance, retention, nutrition and the development of human capital to ZiG1 billion towards the School Feeding Programme.

Higher and Tertiary Education, Innovation, Science and Technology Development

419. During the period January to September 2026, an amount of ZiG5.3 billion had been spent under the 2026 National Budget on higher and tertiary education.

420. The resources financed institutional operations, infrastructure, student welfare and innovation. Some of the key achievements include the completion of the Engineering Complex at Gwanda State University and the Specialist Medical Centre at the University of Zimbabwe. The Belvedere, Hillside, Marymount and Mkoba Teachers' Colleges are now ready to offer STEM degree programmes and support to over 1 500 students through the Work-Study Initiative.

421. In addition, successes were recorded on the commissioning of the Mutoko Bio-Economy Industrial Park, expansion of Mapfura production at Rutenga, completion of the Masawu Value Addition Plant in Muzarabani, and international student enrolment of 1 613 against a

target of 1,300. This demonstrates the potential of Education 5.0 to link skills, innovation and industrial production.

422. In 2027, Government will balance infrastructure expansion with developing job-ready graduates. This will close critical skills gaps and convert knowledge into productive economic capacity. On the infrastructure front, key interventions under higher and tertiary education will be centred on supporting the following programmes: -

- Sustained establishment of innovation hubs and industrial parks;
- Construction of student accommodation facilities;
- Equipping laboratories, workshops and teaching complexes;
- Upgrading of student services and support facilities such as libraries;
- Investing in infrastructure facilities and equipment that harnesses digital and Artificial Intelligence opportunities; and
- Construction of teaching and learning facilities at new state universities, polytechnics and teachers' colleges.

423. Noting the opportunities that exist within Government departments for services that include furniture, and some equipment as well as provision of maintenance of automobiles, Government, will capacitate strategic polytechnical institutions with tools of trade. This will complement the current efforts by Government towards shared and pooled procurement including the standardisation of services, furniture and equipment across Government departments.

424. To achieve this, the 2027 Budget has allocated ZiG15 billion towards the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development.

425. In addition, Government together with private sector, will work with universities to promote entrepreneurship and commercialisation of innovations from higher and tertiary innovation hubs.

Research and Development

426. To deepen the national research base, Government will continue to avail resources to universities, research institutions such as the Scientific and Industrial Research and Development Centre (SIRDC), the Research Council of Zimbabwe (RCZ) and the Military, as well as innovation hubs.



Mutoko Bio-economy Industrial Park

427. This will ensure that Education 5.0 continues to drive innovation and industrialisation.

Skills Development

428. Skills Audit and Development plays a critical role in positioning the country's human capital as a strategic enabler of productivity, industrialisation, investment and sustainable economic growth. In 2027, the focus will be on undertaking a comprehensive National Skills Audit covering public and private sectors to identify existing and emerging skills gaps and occupational mismatches, while strengthening Labour Market Information Systems and skills forecasting frameworks to support evidence-based workforce planning.

429. In addition, emphasis will be placed on establishing and operationalising Centres of Vocational Excellence (CoVEs) across all ten provinces, aligned with provincial resource endowments and industrial development potential, modernising and equipping Technical and Vocational Education and Training (TVET) institutions and strengthening industry-

training institution linkages. This will be complemented by implementing the National Recognition of Prior Learning (RPL) Programme to promote sector-specific and rural skills development and facilitating skills transfer through diaspora and retired experts to enhance productivity, local value addition and employment creation.

430. The 2027 National Budget will, therefore, support interventions to strengthen the national human capital development ecosystem through improved skills intelligence, industry-responsive training, institutional capacity development and recognition of existing competencies. This will ensure that skills development responds to current and future labour market requirements, while supporting rural industrialisation, technological advancement and the country's broader development aspirations under NDS2 and Vision 2030. Some of the specific interventions in 2027 include the following:

- Sectoral Skills Development and Practical Boot Camps;
- Rural Skills Development, Awareness and Community Industrialisation; and
- Diaspora and Retired Experts Skills Transfer.

431. To support the above interventions, an amount of ZiG330 million has been set for the Ministry of Skills Audit and Development.

Information and Communication Technology

432. Information and communication technology (ICT) has redefined modern life and business and is critical to communication and service delivery in health, commerce, education, agriculture, transport and research and development. Strategic public and private investment have improved ICT access and coverage, with growing internet penetration now at 87.3% and mobile penetration at 108.5%.

433. Despite these gains, further investment is required to consolidate ICT use, as the digital divide remains wide and cyber security risks persist. Digital literacy, regulatory gaps and last-mile connectivity also require attention.

434. The 2027 Budget will support the establishment of an integrated, standardised and interoperable ICT system across all Ministries, Departments and Agencies (MDAs), in line with the Smart Zimbabwe 2030 Master Plan. This will create a coordinated digital Government environment in which institutions will securely share information, exchange data and integrate their systems, thereby addressing fragmented systems, duplicated records and costly manual processes.

435. To achieve this, Government will develop and implement Government-wide interoperability standards, common data models, application programming interfaces and data exchange protocols to facilitate secure information sharing across institutions. Shared digital platforms and infrastructure will also be strengthened to enable connected institutions, coordinated Government operations and integrated public services. Priority will also be given to digitising and automating Government processes and high-impact public services to improve efficiency, transparency and service delivery.

436. Focus will be directed towards the completion and operationalisation of the National Data Recovery Centre and Cloud Data Centre, together with strengthening Government connectivity, secure hosting, data storage, backup and disaster recovery capabilities. Furthermore, investment will be directed towards cybersecurity, privacy and information assurance through enhanced security monitoring, identity and access management, incident response and data protection to safeguard Government information assets and ensure continuity of operations.

437. Implementation will be guided by a whole-of-Government approach, supported by common ICT standards and coordinated oversight, with implementation undertaken by responsible line Ministry. Delivery will be strengthened through digital skills development, institutional capacity building and inclusive digital access. Sustainable financing, shared infrastructure and strategic partnerships will help reduce duplication and maximise value for money. Together, these measures will enhance Government coordination, strengthen evidence-based decision-making and improve the efficiency, transparency and responsiveness of public service delivery.

438. Accordingly, the 2027 Budget allocates ZiG1.03 billion to the Ministry of Information and Communication Technology to implement some of the following programmes and projects, as shown in the table below.

Table 33: ICT Programmes and Projects

Name of Project	Allocation (ZiG)
ICT Lab per School	50,000,000
PFMS Kiosks	15,000,000
ICT Government Fusion Centre (Formerly ICT Security Operations Centre)	40,000,000
Last Mile Connectivity	20,000,000
PSC and Vocational Training Centres	3,000,000
Maintenance of National Systems	7,000,000
Smart Solutions (Smart Health, Smart Agriculture, Smart Stadiums, Smart Education	3,000,000
Government Intranet	5,000,000
ICT enabled Disaster Management Centres established	5,000,000
Smart Government Communication Suite	3,508,000
ICT Service Centers (Targeting devolution and youth employment)	4,000,000
NDC Maintenance / AI-Compatible Data Centre	30,800,000
ICT Techno Park	20,000,000
Presidential Internet Scheme	20,000,000
Disaster Recovery Plan (DRP) upgrade	35,000,000
Establishment of Network Operations Centre	6,000,000
Harmonization of Government ICT ecosystem (Identification and procurement of ERPs)	3,000,000
Public Key Infrastructure	10,000,000
ZG-DX = Zimbabwe Government Data Exchange	5,000,000
AI Laboratory (AI Directorate Capital Project)	20,000,000
Total	**305,308,000**

Job Creation, Youth Entrepreneurship and Development, Creative Industry, Sport and Culture

439. The National Development Strategy 2 (NDS2) identifies employment creation, youth enterprise, sport and culture as mutually reinforcing drivers of inclusive growth. The 2027 Budget will support initiatives to create jobs for the youth through supporting creative industries, sport and cultural activities. This will be achieved through facilitating the rehabilitation of the appropriate infrastructure, capacity development and promoting the participation of youth in various sporting, art and cultural activities.

440. The Ministry of Youth Empowerment, Development and Vocational Training will be supported to the tune of ZiG1.9 billion to advance youth participation in the mainstream formal economy. In addition, ZiG1.3 billion has been allocated to the Ministry of Sport,

Recreation, Arts and Culture to harness sports, creative industries and recreation as catalysts for national identity, social cohesion and economic transformation.

Youth Empowerment

441. Interventions on youth empowerment will be guided by the National Youth Empowerment Strategy (2026–2030), which provides a framework for widening youth access to economic opportunities, enterprise development, digital inclusion, education and training, health and wellbeing.

442. Therefore, youth enterprise will be supported through access to finance from the EmpowerBank and Small and Medium Enterprises Development Corporation (SMEDCO). This will be augmented with training on business preparation, mentorship and market linkages. During the year 2026, EmpowerBank was capitalised to the tune of US$5 million, resulting in loan disbursements to about 397 beneficiaries. This is expected to improve the Bank's viability, meet the minimum capital requirement and with prospects for self-sustenance in the near future.

443. In addition, Government established 66 Youth Business Clusters in sectors including dairy, aquaculture, goat keeping, poultry farming, mining, among others. Government also established Umguza and Kaguvi Youth Business Cluster Aggregation Centres to facilitate business and market linkages.

444. In this regard, the 2027 National Budget has set aside resources to further capitalise the institutions to the tune of ZiG441.4 million, broken down as ZiG210.5 million and ZiG230.9 million towards EmpowerBank and Small and Medium Enterprises Development Corporation (SMEDCO), respectively.

445. In addition, Government will explore alternative shareholding structure of the EmpowerBank by allowing young people, youth associations, cooperatives, youth-led enterprises, diaspora investors and strategic investors to take up part of the bank's share ownership giving the

youth a direct stake in the institution created to serve them. This will strengthen the bank's capital base and enhance its impact on youth empowerment.

446. Government will also facilitate youth partnerships with industry, training institutions and development partners to expand internships, apprenticeships and business incubation, with targeted outreach to rural youth, young women and persons with disabilities.

Vocational Training and Skills Development

447. Government will continue with efforts to impart skills to the youth through increasing enrolment, rehabilitation and modernisation of Vocational Training Centres. Priority will be on tooling and capacitation of training workshops with relevant equipment and reliable supporting services, in line with the Strategic Framework for the Transformation of the Vocational Training and Skills Development System (2025-2028). During the year 2026, Youth Digital Innovation Hubs were constructed, namely the Mbire and Nyamuroro Vocational Training Centres.

448. National skills audit findings and employer demand will inform training priorities, equipment procurement and enrolment planning, aligning programmes to current and emerging industry requirements.

449. Building on the ongoing initiatives, the 2027 Budget is setting aside ZiG426.1 million for capital investment in Vocational Training Centres (VTCs) to expand training capacity, modernise infrastructure and improve the quality of practical skills development through the following specific initiatives:

- Construction and completion of VTC infrastructure, including workshops, classrooms, laboratories, administration blocks and student accommodation with priority on J. M. N. Nkomo Youth Service and VTC in Matabeleland South, and E. D. Mnangagwa Youth Service and VTC in Mashonaland East;
- Rehabilitation and upgrading of existing VTC facilities to improve their functionality, safety and capacity;

- Procurement and installation of modern training equipment and machinery aligned with industry requirements and emerging skills;
- Development of ICT infrastructure, including computer laboratories, connectivity and digital learning facilities;
- Provision of essential infrastructure and utilities, including water and sanitation facilities, electricity, renewable energy systems and other supporting infrastructure;
- Provision of accessibility infrastructure to ensure VTC facilities are inclusive and accessible to persons with disabilities; and
- Equipping newly constructed and rehabilitated VTCs to ensure that completed infrastructure is fully operational and capable of delivering competency-based training.

450. In addition, the National Venture Capital Company of Zimbabwe will be capitalised to the tune of ZiG170 million to strengthen venture capital portfolio performance, supporting business growth initiatives and assessing operational progress across the investee companies.

451. Further, strategic focus will be towards crowding in private sector capital and scaling up SMEs startups and financing industrial value chains and beneficiation.

Drug and Substance Abuse

452. Government, through a Whole of Government and Society approach, is stepping up combatting drug and substance abuse through a combination of prevention, treatment, rehabilitation, reintegration and measures to reduce illicit supply. In 2027, Government will scale up efforts to protect young people from drug and substance abuse through an allocation of ZiG700 million to support the implementation of the Zimbabwe Multisectoral Drug and Substance Abuse Plan (2024-2030).

453. Priority will be given to strengthening existing treatment and rehabilitation services, referral arrangements and community-based support. Investment in facilities will be matched by availing trained personnel and rehabilitation care continuity. Schools, families, youth

organisations and community institutions will be engaged in early prevention and awareness, with digital communication complementing face-to-face outreach.

454. Reintegration support will connect recovering young people with suitable vocational training, mentoring and livelihood opportunities, in accordance with individual needs and recovery plans. Cooperation among health services, social workers and training institutions will facilitate follow up and reduce interruptions between rehabilitation and productive participation.

National Museums, Monuments and Archives

455. The 2027 National Budget will support the preservation of our national heritage through the maintenance of museums, monuments, archives and national heroes' acres, alongside support for the repatriation of heritage and the documentation of liberation history.

456. Digital preservation of archaeological records, at the Zimbabwe Museum of Human Sciences, is an integral component of the programme being spearheaded by the National Museums and Monuments of Zimbabwe, Uppsala University of Sweden and the Mapping Africa's Endangered Archaeological Sites and Monuments. This provides the basis for extending access to heritage information while reducing the handling of fragile original records.

457. In 2027, through an allocation of ZiG164 million, will be extended towards digitisation equipment, cataloguing, secure storage and staff training, together with appropriate public access to collections.

Sports, Recreation, Arts and Culture

458. In 2027, Government will continue to support the sports, recreation, arts and culture industry to promote jobs, social cohesion, preserve and promote national heritage, talent development and tourism.

459. In this regard, resources will be availed towards the rehabilitation and expansion of sporting and cultural infrastructure. Priority will be on the completion of the National Sports Stadium, the 10,000-seat Mosi-oa-Tunya International multipurpose Stadium and other community stadia and sporting and recreational facilities.

460. As at 30 September 2026, the refurbishment of the National Sports Stadium was 85%.



Bucket seats fully installed

461. Some of the outstanding works at the National Sports Stadium include VAR installation and scaling up upgrading of essential facilities through innovative financing models. The 2027 National Budget has allocated ZiG280.7 million for the outstanding works.

462. In addition, given the scale of investment required, Government will upscale private sector participation through Public-Private Partnerships and Built-Operate-Transfer (BOT) arrangements, with priority being on upgrading the approved ten stadia namely, Dzivarasekwa, Gwanzura, Mabvuku, Barbourfields, Luveve, White City, Ascot, Chipadze, Sakubva and Mandava.

463. In order to sustain the competitiveness of our athletes, Government will also avail ZiG87.4 million to the Sports and Recreation Fund to support the country's participation in priority

regional, continental and international competitions. This will cover athlete preparation, travel, accommodation, medical and technical support.

464. Consistent with the policy of *leaving no one and no place behind*, provision will be made for the Special Olympics World Games, to enable athletes with disabilities to access training, equipment and competition.

Arts and Culture

465. During 2026, significant progress was made in the rehabilitation and construction of various arts and cultural centres, including the Higherlife Foundation Trust, the Shangwe Culture Centre, the Joshua Mqabuko Nkomo Culture Centre (Isizinda Cultural Village) and Zezuru Cultural Village, among others.

466. Going forward, Government will prioritise the completion of ongoing construction works of various arts and cultural centres, including operationalisation of Maphisa Culture Centre in Gwanda South, establishment of Rutenga Culture in preparation for the 2027 Independence celebrations to be held in Mwenezi, as well as the procurement of mobile Truck with built-in public address system and the establishment of Film Studios in Northern and Southern Regions.

Social Development, Gender and Social Protection

467. In order to ensure inclusive development, social cohesion and poverty reduction, Government is facilitating economic diversification and structural transformation to generate decent employment, as well as redistribution of wealth through social protection programmes. In this regard, Government will continue to strengthen access to social services with a total envelope of ZiG123.4 billion in 2027.

Health

468. An effective health delivery system, is a critical enabler to the country's socio-economic development and transformative agenda as it improves productivity. Effective health delivery also ensures that Government fulfils citizenry constitutional right, whilst improving living standards, life expectancy, and the overall well-being of communities.

469. In this regard, Government has made significant progress in improving the health delivery system. Notable achievement is the stabilisation of the health personnel situation, which has resulted in reduced industrial actions, which was prominent before the Second Republic.

470. Progress has also been made in the construction and rehabilitation of clinics and hospitals across the country, as well as in the acquisition of modern medical equipment, which was partly financed by the sugar tax. Some of the specific achievements include the following, among others:

- Upgrading of Masvingo Provincial Hospital into a teaching hospital to support the Great Zimbabwe University Medical School;
- Rehabilitation of Maphisa District Hospital including the Nursing school, mortuary, kitchen, laundry and incinerator equipment;
- The construction of Kezi Rural Hospital to improve health access in Matobo District;
- Repair of Mt Darwin District Hospital electrical;
- Construction of hospital water reservoirs and pumping systems to stabilise water supply at major referral hospitals;
- The upgrading, construction and installation of mortuaries, kitchens, laundries, cold rooms and incinerators equipment for 10 hospitals;
- The refurbishment of the Mbuya Nehanda Maternity Ward;
- Refurbishment works to Mpilo Central Hospital in Bulawayo; and
- Procurement and installation of specialised medical equipment at Parirenyatwa and Mpilo hospitals.

471. In addition, during the course of the year, Government initiated the procurement process for CT scanners, MRI machines, ultrasound equipment, X-ray machines and mammography equipment for central, provincial and other hospitals.

472. The construction works of the 22-bed health facility at Manhize, under the NMS Health Infrastructure Project, is progressing. Preparatory works for the other three facilities, Rudhanda, Chivi and Bulilima (Lady Stanley), under the same Project, is underway with construction works expected to start in early 2027.



Manhize Health Facility

473. Following the co-option of one bedded hospital each for Zimbabwe Prisons and Correctional Service and the Zimbabwe National Army under the NMS project facility in 2026, works are already underway with foundations and the main structure already completed at Ntabazinduna National Training School whilst at Battlefields, the hospital structure has reached roof level. This Program will be extended to include the Airforce of Zimbabwe. This improves the livelihood and health of our security services.

474. In 2027, Government will consolidate and sustain interventions in the health sector through an allocation of ZiG34.2 billion. This will go towards employment costs, acquisition of consumables and equipment, as well as the rehabilitation and construction of health infrastructure. This is expected to strengthen the country's four-tier health referral system covering primary, secondary, tertiary and quaternary levels of care to provide inclusive, affordable and modern health services.

475. Concerted efforts will be directed towards the improvement of public health service delivery, with particular attention on improving referral system, availability of medicines, enhancing procurement processes and stock management to curb leakages.

476. To support the domestic pharmaceutical industry, Government will prioritise domestic procurement of medicines and medical equipment, where the domestic industry has the capacity to competitively supply quality products.

477. On health infrastructure, the thrust is to expand and modernise health infrastructure in order to improve access, quality, resilience, safety, and functionality of health services countrywide through the following strategic interventions among others: -

- Construction of Primary Care and Secondary Care Health Facilities in underserved communities, targeting the completion of Lupane and Masvingo Provincial Hospitals, construction of 26 new primary care facilities, construction of 2 urban district hospitals (Harare and Bulawayo), expansion and upgrading of provincial and tertiary hospitals, and construction of staff accommodation at selected facilities;
- Refurbishment and upgrading of existing infrastructure targeting central, provincial and district hospitals, theatres, wards and outpatient departments, kitchens, laundries, mortuaries and incinerators;
- Installation of boreholes and water storage systems under the Universal Solar Power and Borehole Water Backup targeting solarization of 2 000 public health facilities and staff accommodation;

- Health Facility Registration and Progressive Upgrading, targeting the registry of all public facilities including, facility assessments and compliance audits; and
- Develop a 20-Year Health Infrastructure Master Plan with National infrastructure mapping, GIS-based health infrastructure planning, population and service demand projections.

478. The Health Workforce Strategy and Investment Compact will guide strengthening of the health workforce, as well as construction of staff houses at health facilities.

Manyame Hospital

479. The construction of Manyame Hospital is now at an advanced level of completion. The hospital will go a long way in strengthening the national health delivery system and improving access to quality, affordable and equitable healthcare services. It also reduces the growing demand for offshore healthcare services and pressure on existing health institutions, including saving foreign currency.

480. The 2027 Budget will therefore, prioritise completing outstanding construction works, installation of essential medical equipment, provision of supporting infrastructure and other critical hospital facilities required to enable the institution to become fully operational.

481. In order to expedite the procurement of medical equipment for the hospital, Government will engage direct medical equipment manufacturers to ensure cost effectiveness including structuring financing facilities that immediately unlocks delivery, whilst at the same time guaranteeing quality.

Closing the Health Funding Gap

482. Official Development Assistance (ODA) is contracting sharply, driven largely by the withdrawal of funding by Development Partners. This has created a funding gap of approximately US$100 million, which is required to sustain ongoing essential health programmes and projects.

483. Notwithstanding, the health sector is set to receive significant support from development partners amounting to US$150.4 million in 2027 from the Global Fund, multilateral institutions and other bilateral partners. These resources will go towards strengthening health systems and improving the delivery of essential health services across the country.

484. Meanwhile, Government is contributing to the closing of the financing gap, by utilising domestic capacity through the budgetary allocations. Building on this, the 2027 National Budget will support health service delivery, including the gradual absorption of non-public sector health personnel into the general public service establishment.

Social Protection

485. During the first nine months of the year, a total of ZiG1.4 billion was expended towards social protection interventions, covering education, food security, cash transfers, healthcare, disability support, livelihood programmes and assistance to vulnerable groups. These resources were directed towards strengthening social safety nets and mitigating the socio-economic vulnerabilities of disadvantaged households, as detailed below.

Table 34: Social Protection Programmes

Programme	(ZiG Millions)
Basic Education Assistance Module	400.0
Food Deficit Mitigation	212.4
Children in Difficult Circumstances	79.0
Harmonised Cash Transfer	135.0
Children in the street fund	13.0
Health Assistance	53.7
Support to Disabled Persons	55.5
Pauper Burial	6.9
Support to the elderly	5.0
Sustainable livelihoods	22.0
Drugs and subsistence abuse	264.5
War Veterans Administration	200.0
Total	**1,447.0**

486. In 2027, Government will strengthen social protection systems to widen coverage and improve targeting to ensure *no place and no one is left behind* as the country moves towards the attainment of the aspirations of Vision 2030.

487. The interventions will be amplified by development partner support estimated at US$2.3 million, which will finance social protection programmes and implementation of the Zimbabwe Social Registry (ZISO) project and the Household Budget Survey (HBS).

Food Deficit Mitigation Strategy

488. Government is implementing the Food Deficit Mitigation Strategy to safeguard food security and provide relief to vulnerable households. During the peak hunger period from January to April 2026, at least 1.7 million people received grain assistance.

489. To sustain the distribution logistics, ZiG212.4 million was disbursed towards clearing outstanding transport arrears, facilitating the movement of approximately 35 941 metric tonnes of grain as shown in the Table below.

Table 35: Grain Distributed: January to September 2026

Province	MT
Manicaland	2,304
Mash Central	2,044
Mash East	2,134
Mash West	3,116
Masvingo	3,889
Mat North	2,141
Mat South	1,774
Midlands	4,079

490. In 2027, Government will increase the strategic grain reserve (SGR) and allocations for distribution logistics to enhance the country`s ability to distribute support to food deficit areas and to ensure that no citizen will die of hunger. Government, through the GMB, will increase its strategic grain reserve to 600 000 tonnes supported by cash reserves for grain import where necessary. Therefore, a ZiG3.95 billion is being set aside for the Food Deficit Mitigation Strategy in 2027.

Basic Education Assistance Module (BEAM)

491. The Basic Education Assistance Module, remains a key social protection intervention aimed at promoting equitable access to education for vulnerable children, particularly those from

disadvantaged households and in remote rural communities. During 2026, a total of ZiG450 million was expended specifically targeting special schools and vulnerable learners in remote and rural areas. Therefore, BEAM support for special schools is now up to date. The amount includes US$10 million disbursed to ZIMSEC towards reducing arrears on examination fee.

492. However, in order to improve the targeting of deserving BEAM beneficiaries, Government is undertaking an audit to verify beneficiary eligibility, validate outstanding claims, establish the accuracy of reported arrears and to strengthen expenditure accountability.

493. Notwithstanding, the 2027 National Budget has made a provision towards the BEAM Programme for current fees and the arrears, as well as for the completion of the audit process. Government commits to ensure that all BEAM payments for the special schools remains fully subscribed to ensure smooth learning of the targeted beneficiaries, pending the outcome of the audit process for the other beneficiaries.

Zimbabwe Social Cash Transfers

494. During the period January to September 2026, Government disbursed ZiG135 million towards the Zimbabwe Social Cash Transfer Programme, benefiting 78 032 beneficiaries, while Development Partners complemented these efforts by supporting an additional 38 286 beneficiaries.

495. The Programme will be sustained in 2027 with an allocation of ZiG1 billion.

Disability Inclusion

496. Government recognises disability inclusion as integral to inclusive development, consistent with NDS2 and the obligations under the United Nations Convention on the Rights of Persons with Disabilities. Government will, therefore, continue to mainstream disability considerations across public services, infrastructure and economic programmes to ensure

that persons with disabilities participate fully and benefit equitably from national development.

497. In this regard, resources will be directed towards the provision of assistive devices and rehabilitation services, the expansion of inclusive education programmes and skills training tailored to persons with disabilities.

498. Government will also promote the adoption of universal design and accessibility standards in public buildings, transport and social facilities, while strengthening disability-disaggregated data to inform evidence based planning and budgeting to ensure adequate coverage within social protection systems. In total, ZiG300 million has been set aside to specifically meet the needs of the people with disability through the 2027 National Budget.

Support to Institutions Serving Vulnerable and Disadvantaged Groups

499. Government continues to provide support to institutions that cater for vulnerable and disadvantaged groups, with the objective of promoting their welfare, protection, inclusion and participation in society.

500. In this regard, during 2026, Government supported the refurbishment of children's centres and drug and substance rehabilitation centres across the country, critical for improving the quality, accessibility and safety of services provided to vulnerable groups.

501. In 2027, Government will continue to support these institutions to enable them to continue to provide essential services through enhance institutional infrastructure and conducive environments for the delivery of quality social services.

Veterans of the Liberation Struggle

502. During the period January to September 2026, Government availed ZiG200 million towards the welfare and socio-economic empowerment of Veterans of the Liberation Struggle and their dependants. Key interventions included medical assistance to 1 862 beneficiaries,

funeral assistance to 710 beneficiaries, and educational support to 3 513 students. An additional ZiG45.2 million was expended on empowerment programmes, supporting the training of 1 288 veterans in various livelihood skills.

503. Furthermore, 343 land permits were issued and 391 commonage stands allocated, enhancing access to productive assets and promoting sustainable livelihoods. These interventions reflect Government's continued commitment to targeted social protection and inclusive economic empowerment of our veterans of the liberation struggle and their dependants.

504. In 2027, Government will continue with the implementation of the National Veterans Policy and the operationalisation of the legislative framework, comprising of the Veterans of the Liberation Struggle Act, the National Heroes Act and the War Veterans and Victims Compensation Framework through an allocation of ZiG1.9 billion. This is expected to enhance the welfare and socio-economic inclusion and long-term sustainability of support for our Veterans of the Liberation Struggle, Heroes' dependence, as well as other eligible beneficiaries.

505. The Veterans Investments Holding Company (VIHC) will be capitalised to drive their economic empowerment, while additional financial support will be extended for accelerating liberation war memorialisation initiatives and settlement of outstanding statutory obligations. The capitalisation will unlock the productive potential of the 28 VIHC assets across the mining, agriculture, tourism and property sectors, strengthening sustainable financing for veterans' welfare programmes.

506. In addition, Government will capacitate the Heritage Fund to enhance expenditure outlays towards the liberation war memorials. This is intended to preserve the legacy of the liberation struggle, including the construction of liberation war monuments and the preservation of national heritage sites, as part of efforts to honour the country's liberation history and promote national identity. The Budget will support the repatriation of fallen heroes both locally and in neighbouring countries for decent reburial with an allocation of ZiG80 million.

Women and Gender Equality

507. Addressing societal norms that perpetuate gender inequality remains a key Government priority. Through the implementation of various women's empowerment strategies, Government seeks to transform and improve the socio-economic status of women across the country.

508. In 2027, Government will continue to implement targeted programmes and projects aimed at empowering women and addressing gender inequalities. These interventions will also contribute to strengthening community resilience and enhancing the capacity of communities to respond to economic shocks and climate change-related challenges.

509. In this regard, Government will continue to support the Zimbabwe Women's Microfinance Bank (ZWMB) and the Small and Medium Enterprises Development Corporation (SMEDCO) with allocations of ZiG230.9 million and ZiG230.9 million, respectively. The allocations are aimed at strengthening their lending capacity, expanding outreach and improving access to appropriate financial products for underserved businesses.

510. Additionally, focus will be towards the completion of Marondera One Stop Centre which will provide a coordinated platform for victims of gender-based violence to access essential protection, medical, psychosocial and legal support services.

511. The 2027 National Budget has allocated ZiG100 million towards the upgrading, refurbishment and improvement of training centres across the country, including the National Handicraft Centre. This intervention is aimed at promoting inclusive socio-economic development, through enhanced access to skills development and capacity-building opportunities.

Zimbabwe Women's Microfinance Bank

512. Government has been continuously recapitalising the Zimbabwe Women's Microfinance Bank (ZWMB) to support empowerment of women, promote financial inclusion and entrepreneurship. The 2027 National Budget will also set aside ZiG230.9 million to strengthen the bank's capital base towards meeting minimum capital requirements.

513. This will be supported by other interventions, including exploring options to allow women to be co-owners of the Bank. In this regard, Government will explore dilution of the Government's shareholding, in alignment with best practices, whereby vested stakeholders, women customers, women led enterprises, cooperatives, women associations and strategic investors, take up a portion of the Bank's shareholding.

514. It is envisaged that the model will broaden shareholder base, attract strategic investors who can contribute capital, strengthen customer loyalty, promote sound governance practices and increase financial inclusion.

Regional Development and Inclusivity through Devolution and Decentralisation

515. Regional development and inclusivity through devolution and decentralisation are key pillars of the country`s socio-economic transformation agenda under NDS2. It is central to Government's commitment to *leaving no one and no place behind* by reducing regional economic disparities and improving access to essential public services.

516. During 2026, Government made progress in strengthening local service delivery, improving public infrastructure and supporting the operational capacity of public institutions. Minimum Service Delivery Standards were institutionalised, providing a basis for a more consistent and accountable approach to service delivery by local authorities. Government also operationalised service delivery partnerships, to help address water supply and waste management challenges affecting local authorities. Bulawayo City Council, Mutare City Council, Kadoma City Council and Gwanda Municipality came on board, and the initiative is ongoing.

517. In 2027, ZiG5.3 billion has been allocated to the Ministry of Local Government and Public Works to continue strengthening of the capacity of local authorities, rehabilitate public infrastructure and promote orderly human settlements. This will translate devolution and decentralization programmes and projects into measurable and tangible improvements in service delivery, local economic development and citizen participation.

518. Government will also prioritise the finalisation of the Mass Urban Transportation Policy and the Urban Water Master Plan to strengthen coordinated urban mobility and sustainable water-supply planning.

519. Further priorities include standardising local economic development plans to improve alignment with national development objectives and strengthen coordination of investment and development initiatives across local authorities. Government will also scale up disaster-risk-management planning at provincial, district, local-authority and community levels to strengthen preparedness, resilience and coordination in responding to disasters.

520. Government will leverage the Second Republic's decentralisation of hosting of national events and other international conferences, including Tourism Expos, to expand infrastructure development across all regions of the country. To ensure increased absorptive capacity of devolution funds, beginning in 2027, financing of projects and programmes geared towards hosting of national events will be funded through Devolution Funds.

521. Therefore, to enhance efficiency and effectiveness in project identification, planning, selection, implementation and monitoring, Government will strengthen inter-agency coordination through the Whole of Government to reduce incidences of stalled projects and accumulation of arrears.

522. Furthermore, Treasury, working with the Office of the President and Cabinet, as well as other relevant MDAs, will develop and issue guidelines that assist implementing agencies in the identification of high impactful projects and programmes.

Traditional Governance and Cultural Preservation

523. During the 2026 fiscal year, the National Council of Chiefs continued implementing its statutory mandate through Provincial Assemblies, selection meetings and cultural activities. Provincial Assemblies accounted for approximately 80% of total expenditure, supporting traditional leaders' deliberations on governance, community development and cultural preservation.

524. The 2027 National Budget, therefore, has set aside ZiG291.7 million to support the activities of traditional leaders, including their operational costs, mobility and institutional capacity, as well as promoting the preservation of cultural heritage.

Devolution

525. The 2027 National Budget has set aside ZiG17.5 billion, 5% of projected revenue to support the implementation of the devolution agenda in line with Sections 264 and 301 of the Constitution. This support is towards priority infrastructure projects across provinces, including roads, health, education, water and sanitation. These interventions are aimed at reducing regional disparities, unlocking local economic potential and enhancing livelihoods and employment opportunities across the country.

526. Priority is on maintenance of existing infrastructure across sectors, completion of high-impact ongoing infrastructure projects, as well as increased investments in key economic enablers. These priorities will help preserve existing public assets, accelerate completion of strategic projects and expand infrastructure base necessary to support economic activity and improve access to essential public services.

Image Building, International Relations and Trade

527. The Second Republic has made significant progress in reversing the country`s negative perceptions, both domestically and internationally. On the domestic front, strides have been

made in opening up the airwaves, paving the way for players in the media industry to introduce additional broadcasting stations. This has enhanced citizen engagement in policy design, formulation and implementation.

528. Externally, under the banner of *friend to all and enemy to none* and the Areas Clearance and Debt Resolution Process, Zimbabwe is now visible and has been embraced by the international community both on the political and economic front. As a result, Zimbabwe was elected as a non-permanent member of the United Nations Security Council for 2027-2028, assumed the COMESA Chairmanship for the period 2026-2027, admitted as a member of the New Development Bank, as well as removed from the World Bank's list of Fragile and Conflict Affected Economies.

529. In 2027, Government seeks to consolidate these gains by intensifying bilateral and multilateral cooperation, with emphasis on translating agreements and high-level engagements into trade, investment and development opportunities.

530. Export development interventions will prioritise diversification of products and markets, increased exports of value added goods and fuller utilisation of preferential trading arrangements under SADC, COMESA and the African Continental Free Trade Area. Through ZimTrade and diplomatic missions, Government will strengthen market intelligence, business matchmaking and participation in targeted trade exhibitions, while pursuing the removal of trade impediments.

Chanceries and Embassies

531. The country's diplomatic missions play a critical role in advancing the country's economic and trade relations through providing consular services, promoting cultural exchange and mobilising development assistance. Therefore, a phased development and maintenance of diplomatic infrastructure, digitalisation of foreign service operations and strengthening the institutional capacity of the Zimbabwe Foreign Service Institute is underway.

532. In 2026, progress was recorded on the construction of the Chancery, Ambassador's official residence and staff accommodation in Abuja, and the renovation and refurbishment works at missions in Pretoria, London and Cape Town.

533. In 2027, Government is allocating ZiG513.9 million towards the development and upgrading of the diplomatic infrastructure abroad. The allocation will support the construction of a new Chancery in Addis Ababa to accommodate the African Union Mission. It will also go towards the completion of ongoing projects, including the renovation of the Chancery in London, refurbishment of staff residences in Pretoria, Maputo and Windhoek, and renovation of the Ambassador's official residence in Berlin.

534. The investments are intended to improve the adequacy, functionality and standards of Zimbabwe's diplomatic properties abroad in line with international standards.

Membership to the New Development Bank

535. The admission of the country in July 2026, as a borrowing member of the BRICS New Development Bank (NDB) entails taking up a shareholding of US$63 million, equivalent to 630 shares. The membership broadens the country's access to development financing for infrastructure and other strategic national programmes, while strengthening economic cooperation with emerging-market economies.

536. In this regard, the 2027 National Budget is setting aside resources to meet the obligations arising from this membership to support the country's effective participation in the Bank's financing and development programmes.

Information, Publicity and Broadcasting

537. Several initiatives to enhance media coverage have been implemented by Government, bolstering Brand Zimbabwe and improving information dissemination within the country and beyond. In this regard, resources will be channelled towards improving broadcasting

infrastructure to enhance access to information, promote national cohesion and ensure inclusive communication coverage across the country.

538. Government will continue to enhance strategic communication to promote the country`s image and economic potential, both locally and internationally. This includes strengthening collaboration with regional and global media institutions to highlight the country's development progress and investment opportunities, while positioning the country as a competitive investment and tourism destination in line with Vision 2030.

539. In 2027, focus will be on completing the transition drive from analog to digital broadcasting, ensuring that all regions have access to digital signals, particularly remote areas. Furthermore, in order to align with the modern global trends and international requirements, focus will be also centred on building modern broadcasting studios, equipped with the latest technology for content production, fostering local talent and creativity.

540. In order to realise the aforementioned interventions, the 2027 Budget is committing resources amounting to ZiG18 million, for the modernisation of broadcasting infrastructure through the capitalisation of Zimbabwe Broadcasting Corporation (ZBC), Zimbabwe Film and Telecommunication School of Southern Africa (ZIFTESSA) and New Ziana.

Diaspora Engagement

541. In line with the thrust of NDS2, which recognises the diaspora as a key and strategic partner in the achievement of Vision 2030, the 2027 National Budget will strengthen the mobilisation of the diasporans towards national development. Efforts will be enhanced to mobilise diaspora investments, skills, knowledge and international business networks in support of national development.

542. In this regard, the proposed Government Diaspora Engagement System will strengthen outreach and coordination, facilitating diaspora participation in domestic investment opportunities and export market development. These efforts will be complemented by improved consular services and protection of Zimbabwean citizens abroad, while

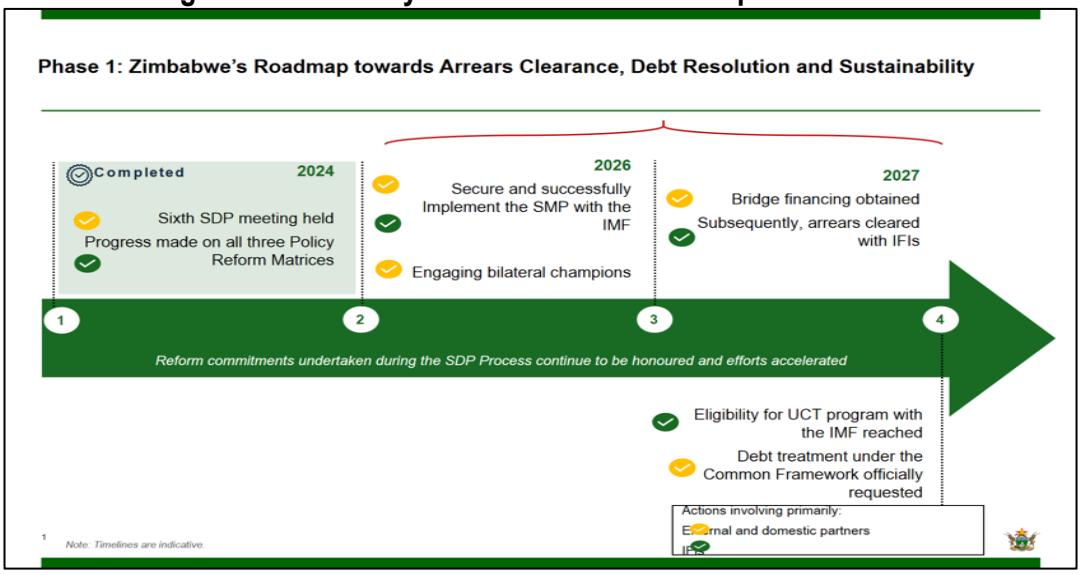
cooperation with international education, science and technology institutions will support skills development and technology transfer.

Arrears Clearance and Debt Resolution

543. The implementation of the Arrears Clearance and Debt Resolution (AC&DR) Roadmap is on course, with the ultimate goal of clearing the country's arrears to the International Financial Institutions (IFIs). This will unlock critical concessional external financing to support the country's developmental goals.

544. The Roadmap of the ACDR Process is composed of two phases, where on **Phase 1:** Implementation of a Staff Monitored Program (SMP), mobilization of resources to clear arrears with IFIs, and securing eligibility for an IMF Upper Credit Tranche (UCT) financing program.

Figure 53: Summary of the AC & DR Roadmap Phase 1



IMF SMP Reviews

545. The first and second SMP Review Missions were conducted in June and September 2026, to assess the performance of the quantitative targets and structural benchmarks for the first and second test dates of end March and end June 2026. Program implementation through

end March and end June 2026 was strong. All quantitative targets and structural benchmarks were met, including indicative targets, except for the floor on protected social and priority spending.

546. The third and final IMF Review Mission under the 10-month SMP is scheduled for 2-11 December 2026. The completion of the third review under the country's 10-month SMP will mark an important step in consolidating recent stabilisation gains and strengthening the country's track record of policy implementation in support of the AC&DR Process and the re-engagement with the international community.

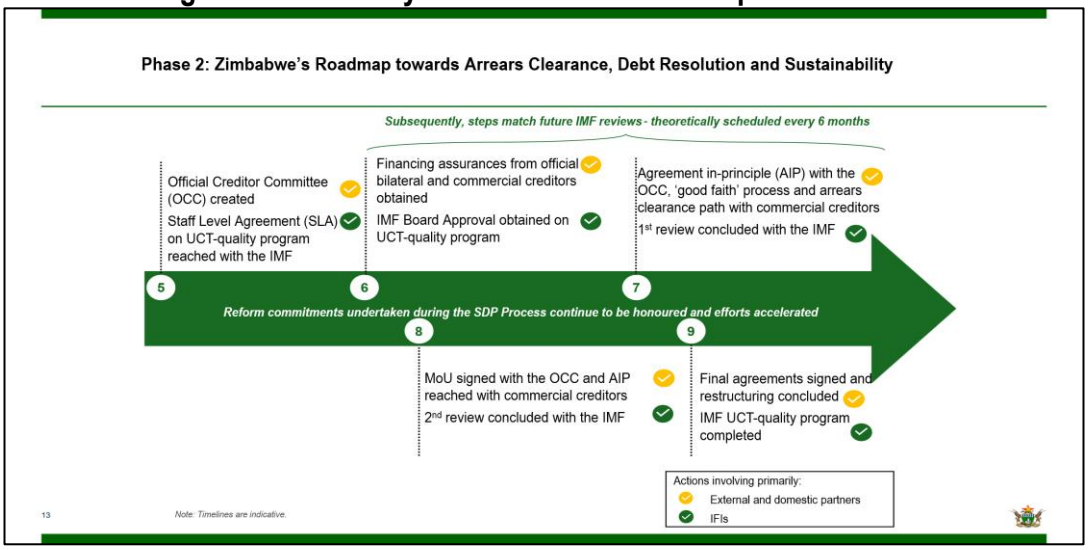
Clearance of Arrears to IFIs

547. The next critical step of the AC&DR Roadmap is to mobilise and secure a bridge loan(s) to clear arrears to IFIs. In this regard, the Government is engaging bilateral partners, to act as Champion(s) and to structure bridge loan(s) for the clearance of arrears to the IFIs.

548. Given the strong progress made in the implementation of the 10-month Staff Monitored Program, Government is committed to the clearance of arrears to IFIs by the end March 2027. In this regard, Government is engaging the World Bank Group, the African Development Bank Group, and the European Investment Bank, to mobilize set-aside and concessional resources to clear arrears to the IFIs.

549. Government, under **Phase 2** will focus on requesting comprehensive bilateral and commercial debt restructuring, potentially under the G20 Common Framework for Debt Treatments (the G20 Common Framework), subject to eligibility; the approval of an IMF Upper Credit Trance (UCT) program; debt restructuring with all creditors, alongside the successful implementation of the IMF UCT program.

Figure 54: Summary of the AC & DR Roadmap Phase 2



Debt Consultative Group

550. To drive the implementation of the AC&DR Roadmap, Government, in September 2026, established the Debt Consultative Group (DCG), which serves as an open, credible and transparent platform that demonstrates the Government's commitment to information sharing and cooperation with, and among, all creditors, development partners and stakeholders. The Debt Consultative Group aims to build creditors' trust and facilitates dialogue and progress towards the Government's main objective of clearing arrears and unlocking critical concessional development financing for the country's inclusive economic development agenda.

551. The United Kingdom of Great Britain and Northen Ireland and France are Co-Chairs of the Debt Consultative Group together with the Ministry of Finance, and the Reserve Bank of Zimbabwe. The inaugural meeting of the Debt Consultative Group was held on 17 September 2026.

Governance Reforms

552. Government continues implementing governance reforms, including anti-corruption measures, greater public financial management transparency, civil society engagement and

justice delivery reforms. These are long-term institutional changes that require consistent implementation and scrutiny.

553. The country's 2026 World Justice Project (WJP) Rule of Law Index score rose from 0.39 in 2024 to 0.40 in 2025, at a time this index declined in most countries worldwide. The Mo Ibrahim Governance Index (2026) also had a marginal rise, from 48.1 to 48.4. Similarly, the Corruption Perceptions Index 2025 score rose from 21/100 to 22/100. The National Anti-Corruption Strategy 2 (2026 to 2030), was approved by government in November 2026. This Strategy will strengthen the fight against corruption and further improve transparency and accountability.

554. Zimbabwe registered the largest gain under Open Government, with the eight indicators in the WJP's Rule of Law Index, rising 5.6% between 2021 and 2026. This is consistent with progress in fiscal transparency, where Zimbabwe is one of Africa's top performers. The country is ranked third in Sub-Saharan Africa on the 2025 Open Budget Index.

Compensation of Farms Protected by Ratified BIPPAs

555. Government, in line with the Structured Dialogue Platform Process, continues compensation payments to 93 farms protected by ratified Bilateral Investment Protection and Promotion Agreements (BIPPAs), valued at US$130.5 million.

556. In this regard, Treasury, in 2024, 2025 and 2026 paid US$20 million in each year totalling US$60 million, towards the compensation of the 93 investors whose investments were protected by BIPPAs. A total of 21 farms, are fully compensated, while 72 have received partial payments (Table 23).

557. The balance, US$70.5 million will be paid over the next two years, 2027 and 2028, in line with the agreed payment plan. In this regard, Treasury has allocated US$35 million in the 2027 National Budget for the payment of compensation of farms protected by BIPPAs.

Table 36:- Beneficiaries of the US$60 (US$ Million)

BIPPA Nationality	Farms Fully Compensated	Farms Partially Paid	Total Farms Paid	Value
Denmark	*1*	*6*	*6*	*4.4*
Germany	*7*	*6*	*14*	*6.9*
Netherlands	*8*	*40*	*44*	*31.2*
Switzerland	*5*	*19*	*27*	*16.8*
Former Yugoslavia		*1*	*1*	*0.7*
Total	**21**	**72**	**93**	**60**

Source: Zimbabwe Public Debt Management Office, 2026

Compensation of FFOs under the Global Compensation Deed (GCD)

558. In line with the Global Compensation Deed (GCD), signed between the Government and Former Farm Owners in 2020, Treasury, in 2024, commenced the compensation of FFOs for improvements on the land in accordance with Section 295 (3) of the Constitution of Zimbabwe.

559. Treasury, in line with the GCD Payment offer, pays 1% cash up-front, and the balance of capital amount is settled through the issuance of US$-denominated Treasury bonds, with maturities ranging between 2 and 10 years, and a coupon of 2%.

560. To date, Treasury has paid US$7.2 million, representing 1% of total value of US$724 million, for the first, second and third batches of 378, 245 and 253 FFOs, approved for payment. The balance, US$716.8 million, was settled through the issuance of US$-denominated Treasury bonds, with maturities ranging between 2 and 10 years and a coupon of 2%.

Table 37: GCD Beneficiaries

Batch No	Total Applicants	Value US$ millions	Comment
1	*378*	*309*	*Paid*
2	*245*	*205*	*Paid*
3	*253*	*210*	*Paid*
Sub-Total	**876**	**724**	*Paid*
4	*89*	*77*	*Being Processed*
Grand Total	**965**	**801**	

Source: Zimbabwe Public Debt Management Office

561. A total of eighty-nine (89) FFOs applications, under Batch 4, valued at US$77 million, are awaiting payment as soon as the processing is completed by the Ministry of Lands and Rural Development.

562. Treasury allocated US$2.5 million in the 2027 National Budget, for the 1% cash upfront compensation of FFOs under the GCD.

Governance, Institution Building, Peace and Security

563. As the country advances towards the attainment of an Upper-Middle-Income Society by 2030, governance imperatives remain central to fostering a conducive environment for investment, enhancing economic competitiveness, strengthening public confidence in State institutions and driving inclusive and sustainable development.

564. In this regard, Government will continue to deepen legal, judicial and institutional reforms in line with the aspirations of Vision 2030 and NDS2. The reforms are aimed at modernising justice delivery systems and strengthening constitutional governance through enhancing the efficiency, transparency and responsiveness of the public institutions.

Justice and Legal Reforms

565. During the year 2026, Government made significant progress in advancing governance and institutional reforms aimed at strengthening the justice delivery system. Notable achievements included the implementation of key legislative and constitutional reforms, highlighted by the enactment of Constitutional Amendment No. 3. Government also expanded legal aid services to vulnerable and disadvantaged groups, improving access to legal assistance and representation, while promoting equality before the law.

566. Further progress was registered in the modernisation of business and property administration through the digitisation of deeds, company and intellectual property registration services.

567. In addition, Government strengthened offender rehabilitation and reintegration through the launch of the Pathways to Reintegration Foundation (PAREF), providing structured post-release support, facilitating access to employment opportunities and promoting community acceptance of former inmates.

568. Building on the progress achieved in 2026, the 2027 National Budget will prioritise consolidation of justice sector reforms, with particular focus on addressing outstanding challenges in service delivery and access to justice.

569. In addition, Government will accelerate the implementation of the Integrated Electronic Case Management System (IECMS), facilitate information sharing among justice sector institutions and expedite dispute resolution.

570. To support the implementation of these priorities, the 2027 National Budget will allocate ZiG8.9 billion to the Ministry of Justice, Legal and Parliamentary Affairs, in addition to the projected US$7.4 million support from Development Partners to strengthen governance, accountability and institutional capacity.

Fighting Against Corruption

571. In order to strengthen the fight against corruption, Government, in May 2026, gazetted the Whistleblower and Witness Protection Bill, HB 4 of 2026, after its approval by the Cabinet Committee on Legislation and is now before Parliamentary.

572. A Governance Technical Roundtable meeting was held with all stakeholders, including Civil Society Organizations, in preparation for comments during the Public Hearing stage of the Bill. Meanwhile, the Zimbabwe Anti-Corruption Commission Amendment Bill is at the Peer Review Stage before submission to Cabinet for approval.

573. In order to capacitate ZACC in its fight against corruption, ZiG328 million has been set aside through the 2027 National Budget.

Peace and Security

574. Peace and Security remain fundamental pillars for sustaining socio-economic stability, growth and sustainable development. Recognising that a stable and secure environment is a prerequisite for development, Government prioritises the maintenance of peace and the

preservation of national stability as a foundation for economic activity, investment and social progress.

575. In this regard, Government will strengthen peace and security institutions to ensure peace, stability and social cohesion through provision of resources towards rehabilitation and construction of cantonments, upgrading of hardware and technology, support for research and development, acquisition and maintenance of motor vehicles, tools of trade, as well as provision of rations and housing for the personnel.

Legislative and Oversight

576. As the principal organ for law-making, representation and oversight of public resources, Parliament is central to deepening democratic governance and public accountability. In 2027, Government has set aside ZiG4.2 billion for Parliament to undertake its legislative and oversight role to discharge its constitutional mandate effectively.

577. This will go towards operations of the Parliament, procurement of vehicles, the Members of Parliament Vehicle Loan Scheme, the maintenance of Parliament infrastructure and the provision of tools of trade for Members, the Constituency Development Fund and the Parliamentary Constituency Information Centres, as well as capacity development for Members and staff. This also include the implementation of AI-driven digital solutions and the broader modernisation of ICT systems to improve legislative efficiency, access to information and the quality of oversight.

578. Furthermore, Government will support Parliament's participation in international parliamentary engagements and the payment of subscriptions to inter-parliamentary bodies, to promote parliamentary diplomacy and the sharing of best practice.

Office of the Auditor-General

579. The 2027 National Budget will continue to strengthen compliance and accountability in the use of public resources by capacitating the Office of the Auditor-General. In this regard,

ZiG855 million has been set aside for the Office of the Auditor-General to support its operations, the renovation of the Pegasus House, digitalisation, human capital development and fleet management.

580. Government will also support the digitalisation of audit processes, including the development of an Electronic Recommendations Tracker to monitor the implementation of audit findings.

581. To safeguard the independence of the Office and facilitate timely execution of the audit programme, Government will establish a mechanism to ensure timely release of their budget allocations.

Investment Promotion

582. As the country pursues the national aspiration of becoming an *Upper-Middle-Income Society by 2030*, Government is focusing on mobilising productive domestic and foreign investment by improving the investment climate, accelerating implementation of strategic projects and strengthening coordination between Government institutions.

583. During the first six months of 2026, ZIDA issued 564 investment licences with estimated investments of approximately US$6.8 billion. The actual Investment inflows amounted to US$992.7 million in 2025 and US$565.4 million during the first half of 2026. These figures demonstrate sustained investor interest, while highlighting the need to accelerate the conversion of investment commitments into actual capital inflows, operational projects, exports and employment. The licenses were mainly for mining, manufacturing, services, tourism, construction and agriculture.

584. In this regard, Government will continue to strengthen Brand Zimbabwe through coordinated promotion of the country's investment opportunities, tourism attractions, cultural heritage and development achievements. Diplomatic missions will work closely with ZIDA, ZimTrade and the Zimbabwe Tourism Authority to present an integrated national offering at business forums and international exhibitions.

Doing Business Reforms

585. Since 2024, under the leadership of His Excellency, the President of the Republic of Zimbabwe, Cde. Dr. E. D. Mnangagwa's, Government has embarked on a comprehensive review of Zimbabwe`s economic and business environment. The review has focussed on the ecosystem for the issuance of licences, permits, levies and fees impeding business growth, investment, enterprise development, industrial competitiveness and productivity.

586. As at September 2026, Cabinet had approved reforms on all the following fourteen (14) Sectors and a Mop Up Review:

- Livestock, Diary and Feedstock Manufacturing was approved by Cabinet on 5 August 2025;
- Tourism Sector was approved on 26 August 2025;
- Transport Sector was approved on 9 September 2025;
- Wholesale and Retail Sectors were approved on 7 October 2025;
- Energy Sector was approved on 18 November 2025;
- Broadcasting and Telecommunications Sectors were approved on 16 December 2025;
- Construction Sector was approved on 24 March 2026;
- Banking and Finance; Health as well as the Agriculture Sector (Focusing on Crop, Horticulture and Fisheries Sub Sectors) were approved on 31 March 2026;
- Mining Sector was approved on 5 May 2026; and
- Creative Industry, Sporting & Culture, approved through the Mop Up Review, on 4 August 2026.

587. MDAs are at various stages of implementation of the revised licences, permits, levies that were approved by Cabinet. One of the major challenges being encountered in the implementation of the approved changes include delays in finalisation and gazetting of amending Statutory Instruments on account of the overwhelming submissions by MDAs to the Attorney General's Office.

588. Continuous Mop Up Review is being conducted on licences, permits, levies and fees that are identified as having not been covered during the earlier reviews, in order to ensure the review process comprehensively covers all the sectors of the economy.

589. The first Mop Up Review was approved by Cabinet on 4 May 2026 covering identified outstanding areas in the following sectors: Agriculture, Education, Transport, Sporting Energy and natural stone which had not been reviewed in the previous review process. Further mop up reviews will be undertaken across all sectors of the economy to address any outstanding residual licences, permits and fees requiring review.

590. In order to document and publicise the approved licences, permits, levies and fees for use and reference by the public and all stakeholders, a detailed Compendium of Zimbabwe's Ease of Doing Business Reforms: Focussing on Approved Licences, Permits, Levies & Fees has been produced.

591. Going forward, in line with NDS2 and the broader national competitiveness agenda, Cabinet has directed that reviews of licences, permits, levies and fees should be informed by prior Regulatory Impact Assessment. In this regard, all MDAs have been directed to subject all new regulations to RIA before they are submitted to the Attorney General through a Circular of 14 August 2026.

CONCLUSION

592. The implementation of prudent fiscal policy and monetary policy by Treasury and the Central Bank, has broadly anchored the economy towards durable macroeconomic stability, characterised by low and stable inflation, as well as currency and exchange rate stability. The hard-won gains, particularly macroeconomic stability, must be protected, reinforced and further entrenched.

593. Enduring macroeconomic stability is the bedrock and foundation for inclusive growth and structural transformation. The business community should capitalise on a stable environment and invest in digital frontiers, including automation, artificial intelligence and energy, among others. This will position Zimbabwe not just in readiness for AfCFTA but position the country's economy to lead in a rapidly changing global economic environment.

594. The road to the Upper Middle-Income Status is built and paved in partnerships – Government and the private sector in a cojoined partnership for growth and transformation of the economy. Government is committed to this partnership for elevated growth of the economy, promoting business development at all levels, including micro, small, medium and large enterprises. Businesses and entrepreneurs are encouraged to use the open-door policy of a listening Government to collaborate in order to attract investment, nurture innovation and shape a modern, competitive economy.

Hon. Prof. Mthuli Ncube (M.P)
Minister of Finance

18 November 2026

ANNEXURE

ANNEX 1: OUTTURN JANUARY TO OCTOBER 2026 (ZiG MILLION)

	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
	Jan	Jan	Feb	Feb	Mar	Mar	Apr	Apr	May	May	Jun	Jun	Jul	Jul	Aug	Aug	Sep	Sep	Oct	Oct	Cumulative Total	Cumulative Total
Total Revenue	21,516	20,779	20,973	18,427	22,322	20,194	21,615	18,877	21,897	21,456	29,489	24,678	***26,793***	23,503	26,817	23,183	33,249	27,601	27,623	25,866	252,295	198,699
Tax Revenue	20,480	20,327	20,038	18,052	21,529	19,758	19,329	18,485	21,061	20,977	28,224	24,091	25,908	22,954	25,247	22,649	31,673	26,950	26,729	25,241	240,218	194,243
Tax on Income and Profits	6,005	6,938	6,431	6,171	7,377	6,776	6,770	6,305	6,212	7,189	10,853	8,130	6,794	7,795	6,318	7,673	12,853	9,069	6,937	8,488	76,550	66,045
Individuals	4,202	4,118	3,952	3,697	3,660	4,028	3,452	3,758	3,761	4,238	3,796	4,840	5,048	4,629	4,074	4,558	5,173	5,386	4,716	5,049	41,835	39,253
Companies	1,603	2,345	2,207	2,074	3,458	2,285	3,047	2,134	2,049	2,405	6,600	2,735	1,184	2,636	1,788	2,601	7,141	3,060	1,597	2,876	30,672	22,275
Domestic dividend and interest	184	261	256	228	245	253	254	238	280	334	203	310	295	297	303	354	280	348	430	323	2,732	2,623
Other income taxes	-	93	-	81	-	90	-	86	104	97	174	112	221	106	121	37	226	126	168	117	1,014	828
Presumptive tax	15	120	15	90	14	120	16	90	18	114	80	132	46	127	32	122	34	150	25	122	296	1,066
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Customs duties	1,411	1,389	1,295	1,238	1,635	1,364	1,659	1,268	1,644	1,428	1,793	1,680	1,833	1,600	1,919	1,577	2,001	1,872	2,158	1,743	17,349	13,415
Dairy Products	3	10	5	8	4	9	6	9	6	10	5	11	4	11	6	11	0	13	6	12	46	91
Surcharge on High Value Motor Vehicles	-	60	-	60	-	65	-	60	-	69	-	80	-	75	-	73	-	89	-	83	-	632
Other (Prime &Surtax)	1,411	1,323	1,294	1,172	1,636	1,293	1,658	1,202	1,647	1,353	1,792	1,593	1,835	1,518	1,918	1,496	2,007	1,775	2,157	1,652	17,355	12,725
Refunds Duty	-3	-3	-4	-3	-4	-3	-5	-3	-9	-4	-4	-4	-7	-4	-5	-4	-6	-5	-5	-4	-52	-33
Excise duties	2,115	2,608	1,931	2,312	2,062	2,547	1,204	2,372	2,040	2,700	2,347	3,011	2,575	2,959	2,210	2,914	2,541	3,484	2,723	3,256	21,749	24,906
Beer	205	240	195	210	198	243	186	228	212	259	220	298	229	283	223	278	250	334	244	306	2,161	2,373
Wines and Spirits	114	138	74	120	91	132	148	120	101	141	99	162	146	153	91	150	123	181	113	170	1,099	1,298
Tobacco	31	30	19	30	22	32	26	30	31	35	51	40	16	38	25	37	25	45	26	42	273	317
Second Hand Motors Vehicles	7	11	8	9	11	10	8	10	8	11	10	13	10	10	7	12	8	14	9	13	84	100
Fuels	1,596	2,032	1,491	1,804	1,610	1,984	702	1,843	1,545	2,098	1,822	2,315	2,030	2,300	1,708	2,264	1,980	2,693	2,140	2,534	16,623	19,332
Fast food	10	6	6	6	5	0	6	6	2	6	3	7	5	6	19	6	11	7	10	7	77	50
Plastic bag Tax	0	0	0	0	0	0	1	0	0	0	0	0	2	0	1	0	1	0	1	0	7	-
Special Surtax on Sugar Content	153	150	137	132	126	144	128	135	141	150	141	177	137	168	136	165	143	211	181	184	1,423	1,435
Taxes on Specific Services	1,576	1,448	1,435	1,272	926	1,409	942	1,308	761	1,464	1,520	1,689	1,973	1,640	1,482	1,617	1,645	1,927	1,720	1,806	13,979	13,774
Business Licences	268	17	202	16	181	17	200	16	111	18	217	21	219	20	217	19	199	23	206	22	2,021	167
Energy Taxes -Carbon Tax	218	265	206	234	223	259	83	240	57	274	75	316	81	301	69	297	75	352	82	330	1,169	2,536
Fuel levy (4 cents diesel levy)	1,089	1,166	1,027	1,022	522	1,133	658	1,052	593	1,172	1,229	1,353	1,672	1,320	1,196	1,301	1,371	1,551	1,432	1,454	10,789	11,070
Value Added Tax (VAT)	6,207	5,146	6,286	4,548	6,857	4,984	6,039	4,629	6,398	5,266	7,274	6,063	7,542	5,801	7,850	5,721	7,932	6,871	9,121	6,434	71,505	49,028
VAT on Domestic Goods	3,911	3,487	3,865	3,093	4,068	3,376	3,571	3,126	3,949	3,577	4,215	4,109	4,708	3,938	4,843	3,886	4,902	4,651	4,488	4,345	42,518	33,244
VAT on Withholding Tax	240	271	258	225	210	265	215	246	217	283	285	325	288	301	253	275	310	337	273	337	2,550	2,527
Imported Goods & Services	2,183	2,090	2,374	1,852	2,879	2,029	2,613	1,894	2,931	2,134	3,274	2,465	3,243	2,345	3,355	2,326	3,401	2,785	4,239	2,601	30,492	19,919
Value Chain Withholding Tax (Route to Market)	6	51	7	45	7	51	6	47	7	54	15	62	10	59	13	58	13	70	13	64	97	497
Export Tax on Unbeneficiated Minerals	0	29	205	26	12	28	9	26	-	30	-	34	-	30	-	32	-	38	483	36	709	273
Refunds	-133	-782	-423	-693	-319	-764	-376	-711	-707	-812	-515	-932	-706	-872	-614	-857	-695	-1,010	-375	-949	-4,861	-7,432
Taxes on gross Revenue	1,686	1,401	1,605	1,224	1,482	1,297	1,471	1,330	2,553	1,503	2,913	1,892	3,456	1,706	3,700	1,626	3,061	1,965	2,366	1,784	24,292	13,944
Tobacco Levy	2	0	6	0	16	2	106	75	165	150	141	246	70	150	24	92	8	122	4	61	543	838
Royalties-mining	865	902	791	782	992	812	953	805	1,145	902	1,206	1,052	1,622	992	1,491	979	1,624	1,181	1,295	1,102	11,983	8,406
Airtime (including Health levy)	349	361	348	319	339	349	341	325	451	370	393	427	371	406	380	400	421	477	407	447	3,800	3,433
Withholding tax on Tenders	40	60	69	54	94	60	40	56	60	-	40	73	48	69	79	67	52	80	76	77	599	519
I% levy on specific minerals	430	78	391	69	41	75	30	69	732	81	1,133	93	1,344	89	1,725	88	956	105	585	98	7,366	747

Taxes on financial and capital transactions	1,445	1,343	1,005	1,239	1,147	1,329	1,212	1,224	1,408	1,371	1,480	1,561	1,683	1,394	1,731	1,463	1,513	1,691	1,662	1,663	14,286	12,616
IMTT	1,442	1,334	1,003	1,232	1,145	1,321	1,210	1,216	1,405	1,362	1,472	1,551	1,681	1,384	1,729	1,453	1,511	1,680	1,660	1,652	14,259	12,531
ATM Levy	3	9	2	8	2	9	2	8	3	9	8	11	2	10	2	10	2	12	2	11	28	85
Other Indirect taxes	35	54	50	49	43	53	34	49	45	56	44	64	53	60	38	60	125	71	41	67	509	515
Stamp duty	29	28	33	26	38	27	31	25	39	29	30	33	50	30	34	31	124	37	41	35	448	266
Special Capital Gains Tax on Disposal of Mining Rights	0	18	0	16	0	18	0	17	5	19	11	22	1	21	0	20	0	24	0	23	17	175
Betting Tax	6	8	17	7	5	7	2	7	1	8	4	9	2	9	4	9	1	10	0	10	44	74
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax Revenue	1,037	452	935	376	792	436	2,286	392	836	479	1,266	587	885	549	1,570	533	1,576	651	894	624	12,077	4,456
Property income	1	50	0	42	13	49	9	44	-	54	419	63	6	59	666	59	-	73	16	66	1,131	493
Interest	-	50	-	42	-	49	-	44	-	54	-	63	-	59	0	1	-	1	-	66	0	363
Dividends	-	-	-	-	-	-	-	-	-	-	402	-	-	-	-	-	-	-	-	-	402	-
Withdrawals quasi -corporations	-	-	0	-	1	-	8	-	-	-	8	-	3	-	666	58	-	72	16	-	702	130
Rent	1	-	0	-	12	-	1	-	-	-	9	-	3	-	-	-	-	-	0	-	28	-
Sales of Goods and Services	1,008	352	914	290	753	339	2,243	303	813	379	816	464	847	433	876	424	1,135	520	726	495	10,132	3,504
Sales by Market Establishments	-	54	-	48	-	54	-	50	-	58	-	68	-	64	-	63	-	77	-	71	-	537
Administrative fees	653	134	294	108	231	126	466	112	321	140	331	174	387	162	424	271	414	206	392	186	3,913	1,433
Incidental sale By Non-Market Establishments	4	50	6	47	18	52	1,264	48	24	59	11	63	22	62	24	64	8	78	7	69	1,388	525
Toll fees & vehicle registration	347	101	602	75	468	94	485	80	453	108	459	142	405	130	420	11	709	141	305	153	4,653	883
Rentals	4	9	13	8	28	8	24	8	14	9	10	10	33	10	2	9	5	12	21	11	154	83
Motor Vehicle insurance	-	5	-	4	8	4	5	4	-	5	5	5	-	5	7	5	-	6	1	6	25	43
Fines ,penalties and forfeits	27	50	21	43	26	48	34	45	23	46	31	60	31	57	29	51	441	59	151	63	813	459
Judicial fines	0	24	0	21	0	23	0	21	-	25	0	30	0	28	0	28	-	31	15	32	17	232
ZIMRA penalties	27	26	20	23	26	25	33	23	23	21	30	30	31	29	28	23	441	27	136	32	796	227
Total Expenditure	18,014	18,273	16,272	15,932	23,270	21,201	21,442	20,948	18,465	23,610	22,165	27,744	24,453	24,345	21,963	24,062	22,656	30,346	27,310	24,986	216,011	206,462
Expenses	14,975	17,147	13,800	14,806	17,946	18,688	17,132	19,822	13,878	21,790	16,160	23,496	18,110	22,525	16,608	22,242	16,913	26,098	21,405	23,513	166,928	186,614
Compensation of Employees	5,220	5,814	5,762	5,814	7,715	5,814	5,990	9,094	6,577	9,094	6,362	9,094	7,641	9,094	7,978	9,094	6,215	9,094	8,704	9,094	68,164	72,007
Wages in cash	5,079	5,114	5,606	5,114	7,592	5,114	5,972	8,219	6,405	8,219	5,976	8,219	7,207	8,219	7,371	8,219	5,741	8,219	7,761	8,219	64,710	64,658
Wages in kind	-	94	28	94	0	94	-	94	27	94	-	94	9	94	-	94	4	94	8	94	75	845
Medical Insurance (PSMAS)	111	174	128	174	122	174	-	174	130	174	181	174	227	174	266	174	13	174	266	174	1,445	1,570
Social Contribution (NSSA)	-	136	-	136	-	136	-	136	0	136	0	136	0	136	-	136	-	136	-	136	0	1,228
Employer pension contribution	-	290	-	290	-	290	-	464	0	464	168	464	198	464	342	464	413	464	669	464	1,790	3,655
Funeral Expenses	30	6	-	6	-	6	19	6	15	6	37	6	-	6	-	6	44	6	-	6	144	50
Use of Goods and Services	3,891	4,432	2,859	3,582	4,550	4,590	4,330	1,940	3,099	3,732	4,038	3,340	4,012	4,532	3,355	4,732	3,829	6,940	5,584	5,532	39,546	37,820
Domestic Travel Expenses	264	445	160	628	160	603	348	300	345	598	642	300	504	628	535	648	606	1,821	732	648	4,296	5,970
Foreign Travel Expenses	362	253	125	200	443	253	261	16	319	253	146	169	420	253	303	253	505	253	838	574	3,722	1,903
Communication, Supplies and Services	409	269	639	269	635	269	984	269	155	269	366	269	297	269	486	269	580	279	235	269	4,784	2,429
Education supplies and Services	40	28	7	28	77	28	25	28	-	28	33	28	75	28	89	28	8	28	21	28	375	254
Medical Supplies and services	84	565	131	365	713	565	314	200	280	565	225	565	138	465	34	565	147	930	559	465	2,625	4,785
Office supplies and services	-	154	6	14	51	154	21	154	9	154	47	144	23	154	58	154	31	184	67	154	312	1,265
Training expenses	-	156	32	156	59	156	13	156	27	156	30	156	12	136	19	156	40	136	24	216	255	1,363
Rental and other service charges	708	538	529	538	664	538	180	100	360	538	344	538	361	538	424	538	596	538	924	977	5,090	4,407
Institutional provisions	486	317	277	317	289	317	549	317	292	317	400	317	369	317	408	317	481	317	480	317	4,031	2,855
Other Good and Services	1,476	1,053	547	413	1,110	1,053	1,158	200	985	200	970	200	1,153	1,090	327	1,150	368	1,800	786	1,053	8,880	7,159
Maintenance	63	654	405	654	351	654	477	200	327	654	836	654	661	654	672	654	468	654	918	832	5,176	5,429
Interest on debt	780	128	399	177	611	1,122	779	888	274	445	599	1,402	412	321	198	402	1,063	1,231	835	844	5,951	6,116
Foreign	312	-	105	-	211	-	213	-	265	100	515	-	329	-	133	402	364	-	482	-	1,951	100
Domestic	468	128	293	177	400	1,122	566	888	9	345	84	1,402	83	321	65	-	700	1,231	353	844	3,021	5,614
Subsidies	1,784	-	595	-	494	57	586	57	313	516	563	57	1,117	1,006	664	57	773	57	796	57	7,685	1,804
Subsidy	1,784	-	595	-	494	57	586	57	313	516	563	57	1,117	1,006	664	57	773	57	796	57	7,685	1,804
o/w Gold Incentives	1,784	-	595	-	494	-	586	-	313	-	563	-	822	-	664	-	773	-	696	-	7,291	-
Grants	1,367	2,726	863	2,726	2,067	3,473	1,678	3,261	1,705	3,635	1,621	4,943	2,021	3,635	1,988	3,635	1,885	4,943	1,559	3,448	16,754	32,977

o/w extra budgetary units - salaries	915	1,351	482	1,351	1,168	1,351	998	1,887	1,039	1,887	1,057	1,887	1,413	1,887	1,032	1,887	1,287	1,887	858	1,887	10,249	15,372
operations	328	768	381	768	736	768	561	768	546	768	422	768	454	768	340	768	424	768	367	768	4,560	6,912
Transfers to Provincial Councils and local Authorities	124	607	-	607	163	1,354	119	607	120	980	142	2,289	155	980	615	980	174	2,289	334	793	1,945	10,693
Social Benefits	1,931	4,047	3,263	2,507	2,503	3,539	3,645	4,583	1,856	4,369	2,870	4,568	2,814	3,938	2,283	4,323	3,100	3,741	3,893	4,539	28,159	35,614
Social Benefits	356	2,647	1,644	1,107	987	2,139	1,862	2,274	232	2,060	715	2,259	806	1,629	353	2,014	1,212	1,432	1,627	2,230	9,793	17,560
Pensions	1,575	1,400	1,620	1,400	1,517	1,400	1,783	2,309	1,624	2,309	2,155	2,309	2,009	2,309	1,930	2,309	1,888	2,309	2,265	2,309	18,366	18,054
Other Expenses	2	-	60	-	6	92	123	-	55	-	107	92	92	-	141	-	48	92	35	-	669	277
Domestic Transfers	-	-	0	-	1	-	-	-	-	-	-	-	0	-	-	-	-	-	13		14	-
Foreign Transfers	2	-	60	-	5	92	123	-	55	-	107	92	92	-	141	-	48	92	22	-	655	277
Non Financial & Financial Assets	3,039	1,126	2,472	1,126	5,324	2,514	4,310	1,126	4,587	1,820	6,005	4,249	6,343	1,820	5,356	1,820	5,743	4,249	5,904	1,473	49,083	19,848
Building and Structures	1,867	567	1,688	567	3,050	1,266	3,147	567	2,282	917	3,025	2,140	3,140	917	3,212	917	3,661	2,140	3,624	742	28,695	9,999
Machinery and Equipment	786	234	228	234	1,695	523	926	234	574	378	2,286	884	2,226	378	1,018	378	1,587	884	1,055	306	12,382	4,128
Other fixed assets	-	7	-	7	0	16	-	7	-	11	-	26	-	11	-	11	-	26	-	9	0	123
Inventories	61	-	64	-	51	-	-	-	37	-	-	-	540	-	450	-	20	-	547	-	1,770	-
Valuables	182	-	172	-	251	-	207	-	189	-	580	-	317	-	538	-	164	-	564		3,165	-
Non produced Assets	-	4	-	4	189	9	-	4	-	7	-	16	-	7	12	7	-	16	-	6	200	74
Capital Grants to other General Gvt units	142	240	320	240	88	535	30	240	1,385	387	114	905	120	387	126	387	311	905	114	314	2,750	4,226
Loans	-	60	0	60	-	134	-	60	-	97	-	226	-	97	-	97	-	226	-	78	0	733
Equity and Investments Fund Shares	-	14	-	14	-	31	-	14	120	22	-	52	-	22	-	22	-	52	-	18	120	242
Surplus/Deficit	3,502	2,507	4,701	2,495	-948	-1,007	173	-2,072	3,432	-2,154	7,325	-3,066	2,340	-842	4,854	-879	10,593	-2,745	313	880	36,284	-7,763
Financing	-3,502	-	-4,701	-	948	-	-173	-	-3,432	-	-7,325	-	-2,340	-	-4,854	-	-10,593	-	-313	-	-36,284	-
Domestic Financing (net)	-2,046	-	-2,488	-	3,024	-	-229	-	-2,317	-	-6,631	-	-839	-	-4,497	-	-8,132	-	1,075	-	-23,079	-
Banks (net)	-2,790	-	-2,270	-	3,322	-	-138	-	-2,102	-	-6,115	-	-405	-	-4,192	-	-7,614	-	2,056	-	-20,249	-
Mobilisation	-527	-	-962	-	5,205	-	1,806	-	1,039	-	-3,872	-	1,574	-	-1,998	-	-5,591	-	4,155	-	829	-
Changes in Government Deposits (current accounts)	-2,220	-	-1,924	-	4,410	-	1,759	-	-456	-	-4,071	-	901	-	-2,028	-	-8,190	-	2,134	-	-9,685	-
Changes in ZIMRA Bank Accounts	-411	-	573	-	418	-	-605	-	-40	-	-510	-	626	-	29	-	39	-	77	-	197	-
Treasury Bills	2,103	-	390	-	377	-	652	-	1,534	-	710	-	47	-	-	-	2,561	-	1,944	-	10,318	-
Loans	2,103	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,357	-	644	-	4,105	-
Issuances (TBs)	-	-	390	-	377	-	652	-	1,534	-	710	-	47	-	-	-	1,203	-	1,944	-	6,857	-
Repayments	2,262	-	1,309	-	1,884	-	1,944	-	3,141	-	2,243	-	1,980	-	2,194	-	2,024	-	2,099	-	21,078	-
Loans	202	-	710	-	383	-	91	-	1,258	-	213	-	373	-	443	-	456	-	467	-	4,597	-
Other - Loans	202	-	710	-	383	-	91	-	1,258	-	213	-	373	-	443	-	456	-	467	-	4,597	-
Treasury Bills	2,060	-	598	-	1,501	-	1,853	-	1,882	-	2,030	-	1,606	-	1,750	-	1,568	-	1,633	-	16,481	-
Maturities (TBs)	2,060	-	598	-	1,501	-	1,853	-	1,882	-	2,030	-	1,606	-	1,750	-	1,568	-	1,633	-	16,481	-
Non-Bank (net)	743	-	-217	-	-298	-	-91	-	-216	-	-516	-	-433	-	-305	-	-517	-	-980	-	-2,830	-
Mobilisation	1,272	-	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,312	-
Treasury Bills	1,272	-	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,312	-
Repayments	528	-	257	-	298	-	91	-	216	-	516	-	433	-	305	-	517	-	980	-	4,142	-
Loans	528	-	257	-	298	-	91	-	216	-	516	-	344	-	305	-	504	-	723	-	3,783	-
Treasury bills	-	-	-	-	-	-	-	-	-	-	-	-	89	-	-	-	13	-	257	-	359	-
Foreign Financing (net)	-258	-	-261	-	-141	-	-376	-	-936	-	-2,060	-	-1,016	-	-649	-	-80	-	-686	-	-6,463	-
Repayments	258	-	261	-	141	-	376	-	936	-	2,060	-	1,016	-	649	-	80	-	686	-	6,463	-
Other Financing (net)	-1,198	-	-1,952	-	-1,935	-	431	-	-178	-	1,367	-	-485	-	292	-	-2,381	-	-702	-	-6,742	-
Mobilisation	-1,198	-	-1,952	-	-1,935	-	431	-	-178	-	1,367	-	-485	-	292	-	-2,381	-	-702	-	-6,742	-
Zimra prepayments & unreceipted funds	208	-	-1,096	-	1,364	-	756	-	696	-	2,105	-	527	-	37	-	-1,162	-	-293	-	3,142	-
Temporary deposits	241	-	67	-	23	-	31	-	-	-	21	-	22	-	2	-	11	-	20	-	436	-
Outstanding ZIMRA Payovers	-1,647	-	-923	-	-3,322	-	-355	-	-874	-	-760	-	-1,034	-	253	-	-1,230	-	-429	-	-10,320	-
Opening Balances	910	-	1,321	-	748	-	330	-	935	-	974	-	1,485	-	859	-	829	-	791	-	9,182	-

Closing Balances	1,321	-	748	-	330	-	935	-	974	-	1,485	-	859	-	829	-	791	-	714	-	8,985	-
Opening Balances	9,064	-	11,284	-	13,208	-	8,798	-	7,040	-	7,496	-	11,567	-	10,666	-	12,693	-	20,883	-	112,700	-
Closing Balances	11,284	-	13,208	-	8,798	-	7,040	-	7,496	-	11,567	-	10,666	-	12,693	-	20,883	-	18,749	-	122,385	-
Primary balance	4,464	-	5,272	-	-86	-	1,160	-	3,895	-	8,504	-	3,069	-	5,590	-	11,820	-	1,712	-	45,399	-