

CITY OF HARARE



**ACCELERATING QUALITY SERVICE DELIVERY FOR
EVERYONE**

THE 2024 BUDGET SPEECH

PRESENTED TO COUNCIL ON 02 NOVEMBER 2023

BY

(CLR. COSTA MANDE)

**(FINANCE AND DEVELOPMENT COMMITTEE
CHAIRPERSON)**

1. INTRODUCTION

- **HIS WORSHIP, THE MAYOR OF THE CITY OF HARARE: COUNCILLOR IAN.M. MAKONE (IN ABSENTIA)**
- **THE DEPUTY MAYOR CLR. KUDZAI KADZOMBE**
- **HONOURABLE COUNCILLORS**
- **THE TOWN CLERK, ENG.H.A. CHISANGO**
- **HEADS OF DEPARTMENT**
- **ESTEEMED STAKEHOLDERS AND RESIDENTS WHO ARE WATCHING THIS BUDGET PRESENTATION LIVE ON ZTN AND ON OUR SOCIAL MEDIA PLATFORMS**
- **INVITED GUESTS**
- **MEMBERS OF THE MEDIA FRATENITY**
- **LADIES AND GENTLEMEN**
- **GOOD MORNING TO YOU ALL.**

Your Worship, allow me to extend my gratitude to all stakeholders whose input helped in modelling this budget through the budget consultation process we undertook. Due to the operating environment which affected the normal ward based physical meetings we had a hybrid approach. We had physical meetings for the following groups:

- i. Residents and Residents Associations

ii. Business Community

iii. Women

iv. Faith Based Organisations

iv. Youth

v. People living with Disabilities

These physical meetings were augmented by virtual meetings via WhatsApp and Facebook and written submissions from the various stakeholders. **Your Worship**, allow me to put it on record that this year's virtual consultations were very fruitful and comprehensive in terms of articulation of areas of focus by the residents and other stakeholders.

Your Worship, I would like to take a moment to express my sincere appreciation to the residents of Harare for their patience and understanding during these challenging times. As a local authority, we understand that they have been waiting for municipal services, and we are grateful for their fortitude and high levels of tolerance. We know that waiting can be frustrating, and we appreciate their willingness to work with us as we navigate the challenges of providing services in a difficult operating environment. Their patience has been a true source of strength and resilience for us, and we are grateful for that.

We understand that our services are essential to their daily lives, and we are committed to providing them as efficiently and

effectively as provided for by the Urban Councils Act (**Chapter 29:15**). We want to assure the residents that we are doing everything we can to provide the municipal services.

Secondly, I would like to acknowledge the Government of the Republic of Zimbabwe for disbursing devolution funds utilised mainly in the Water, Sanitation and Hygiene Sector particularly for waste water projects. The funds partially helped to alleviate major public health problems particularly in Mbare and other cholera hotspots in Harare. **However, we implore the government to disburse the devolution funds on time and at least as per the agreed disbursements during the budgeting process.**

Thirdly we also want to acknowledge ZINARA for the disbursement of road funds which enabled us to undertake road repairs and rehabilitation on certain roads under the Roads programme. We pray for the review and expeditious disbursement of these funds to enable us to perform our mandate effectively as the allocations are inadequate for the road infrastructure gap we have as a City.

Finally, commendations also go to our development partners particularly those who invested in the Water, Sanitation, and Hygiene and Social Services Sectors. These partners contributed towards the attainment of our key outcomes.

Your Worship, the theme for this budget is: **Accelerating Quality Service Delivery for Everyone**

2. MOTION

Your Worship, I move this motion in line with **Section 276** of the Constitution of Zimbabwe **No. 20 of 2013**, that gives Local Authorities the power to levy rates and taxes to raise sufficient revenue for them to carry out their objects and responsibilities.

Section 47 of the Public Finance Management Act [**Chapter 22.19**] requires that Council submits to the Minister of Local Government and Public Works, a budget of estimated revenue and expenditure for the **2024** financial year and the related annual strategic plan for approval. The Council approved budget shall be submitted to the Minister through the Accounting Officer, who may make recommendations to the Minister with regards to the **approval** or **amendment** of the budget. In line with this Act of Parliament, the **2024** budget neither has an accumulate surplus nor deficit.

Furthermore, Section 288 of the Urban Councils Act (Chapter 29:15) supports the Constitutional provision by demanding that each year, every Committee shall prepare detailed estimates of the income and expenditure on revenue and capital accounts of that committee for the ensuing financial year; and submit the estimates to the Finance and Development Committee. I hereby

present and lay a consolidation of these submissions before Council. It is my sincere hope that all the Committees of Council that have submitted their estimates would use them as their guide to steer them in **2024** in line with our endeavour to Accelerating Quality Service Delivery for Everyone. I am making an undertaking that every quarter of the year beginning in April **2024**, I will present before you an update of the budget performance in this Chamber for review.

3.OVERALL OUTLOOK

Your Worship, according to the 2024 Budget Strategy Paper issued by the Ministry of Finance and Investment Promotion in August 2023, the global economic growth is projected to be **2.8% in 2023**, before rebounding to **3%** in 2024. This is mainly due to China reopening its economy, the unwinding of supply chain disruptions and the fiscal and monetary stimulus support in major economies.

The Ministry of Finance and Investment Promotion also posits that the Sub-Saharan Africa region's economic growth outlook is expected to moderate to **3.6%** in 2023, before recovering to **4.2%** in 2024, driven mainly by higher private sector consumption and investment, as well as global economic recovery. The regional growth will be weighed down by inflationary pressures, higher borrowing costs and sluggish growth in the region's major trading partner, South Africa.

Your Worship, coming back home, the latest GDP estimates by ZimStats indicate that the economy (measured by quarterly GDP) grew by **6.5%** year-on-year during 2022, driven by continued strong performance in both the mining and non-mining sectors. **Furthermore, according to those estimates**, economic growth is expected to remain positive, and is projected at **5.3%, 5.2% and 5% for 2023, 2024 and 2025 respectively**, well within the NDS1 growth targets. Such bolstering of economic activities in the country will have a positive knock-on effect on Council as the ratepayers will have the capacity to pay taxes.

4. EXCHANGE RATE

Your Worship, again as advised by the Ministry of Finance and Investment Promotion, fiscal and monetary measures instituted by Government re-established stability in the foreign exchange market by containing liquidity injections in the economy and increasing demand for the local currency. Foreign exchange stability and convergence removes arbitrage opportunities and other distortions in the economy, reduces uncertainty and makes it easier for businesses to plan and budget for future transactions. The recent Statutory Instrument **218 of 2023** which extends the multiple currency regime to 2030 promulgated by government will also help us as local authorities to effectively plan. We continue to pray for economic stability which is a critical ingredient for **Accelerating Quality Service Delivery for Everyone**.

5. INFLATION

The 2024 Budget Strategy Paper also indicated that prices in domestic currency rose sharply from April 2023 in response to the rapid depreciation in the exchange rate, although US dollar prices continued to fall with USD month-on-month inflation averaging **-1.2%** for the period January to May 2023. In this regard, the weighted inflation rate slowdown that had been experienced since the second half of 2022 increased annual inflation to **175.8%** in June 2023. The month of September 2023 closed off with an official annual inflation rate of 18.4% signifying more stability in the key economic indicator.

Inflation posed a major challenge to the ratepayers negatively impacting on the performance of Council as disposable income was eroded. This led to failure to honour obligations by government, industry, commerce and domestic consumers of our goods and services.

6. LOCAL GOVERNMENT SECTOR ISSUES

Your Worship, the 2023 Harmonised election brought in a fairly new dispensation with only **17 Councillors who were in the previous Council** and a majority who are in the local government sector for the first time. The expectation of residents is that there

would be a positive transformation on how Council delivers services.

However, as we seek to ***Accelerate Quality Service Delivery for Everyone***, we need to take note of the following local government sector issues:

- i. **SERVICE DELIVERY CHALLENGES:** Harare faces service delivery challenges such as inadequate potable water, healthcare, potholed roads, poor public lighting and inadequate primary schools to service the ever-growing population. The country's economic performance, coupled with internal operational challenges has contributed to the short-fall in service delivery. In 2023, the persistent waste management challenges in Local Authorities led to the gazetting of Statutory Instrument **140 of 2023**. This helped in partially dealing with waste management challenges as the Environmental Management Agency came in with **two refuse compactors** to service the CBD and **one tipper truck** for dump clearance. However, the challenges persist and we believe the recapitalisation of the Amenities Division with the refuse compactors, tipper trucks and other waste collection assets is critical if we are to achieve our outcomes in this sector. The full implementation of the Integrated Solid Waste Management Plan will help in alleviating the challenges.

ii. **LIMITED FUNDING:** Cash-flow challenges makes it difficult for Council to provide essential services. Key to the above is our failure to renew infrastructure. We have aged infrastructure which makes it urgent to invest in infrastructure development projects particularly in WASH, Roads and Social Services Programmes.

iii. **ENTERPRISE RESOURCE PLANNING SYSTEM**

Your Worship, the City has been faced with ERP challenges that has affected revenue collection and the production of timeous financial statements. We have a tender that is running for the procurement of a new Enterprise Resource Planning System and we hope that by the beginning of the 2024 financial year we will have a system that will be running for effective financial management

iv. **LOW REVENUE COLLECTION EFFICIENCY**

- **Your Worship**, the City has suffered a low revenue collection efficiency of **47%** due to service delivery deficiencies among other issues. Comprehensive strategies which are all encompassing must be put in place to address this challenge.

v. **AUDITOR GENERAL REMARKS**

- The City must remedy issues raised by the Auditor General for the past audits to move away from disclaimer audit opinion which the City has been attracting over the years. It is our

intention that by 2025 we will have clean audits after having addressed the recurring issues.

- vi. **ENERGY COST. Your Worship**, the cost of energy (Electricity and fuel) has also caused the escalation of the cost of producing potable water.
- vii. **WATER TREATMENT CHEMICALS: Your Worship**, the prices of water treatment chemicals continue to be denominated in USD whilst the City is charging for water services in the local currency. The currency discrepancies mean that we continue to be overburdened by the continuous soaring of prices of the water treatment chemicals
- viii. **EMPLOYMENT COSTS: Your Worship**, in the period under review employment costs took an upward trajectory as employees continued to clamour for a living wage against the background of loss in value of the local currency. We responded by indexing the salaries to the USD to preserve value but this again has created a challenge for us as the depreciation of the local currency in June impacted negatively the salary bill resulting in the City having salary arrears. Concerted effort is being made to clear the arrears and to make the wage bill sustainable for the City. There is a direct correlation of Statutory Obligations and salaries, if we tame the salary bill we will be able to contain the statutory obligation burden.

7. DEBTORS: Your Worship, the debtors position remains a challenge as there is now a dilemma where residents say deliver we pay and we say pay and we deliver. To that effect, as we struggle with service delivery, the debtors position continues to rise and is now **ZWL486.58 billion** as of **30 September 2023** from the **1 January** position of **ZWL96.07 billion**. This position has placed council in a dire situation regarding funding of service delivery operations. In the 2024 financial year, we intend to implement strategies to recover this debt as our performance in collection of revenue has a direct bearing on budget performance and also on service delivery. Chief amongst the interventions are;

- i. **Timeous and efficient bill delivery** – we want to make sure that every billed household receives a bill either electronically or physically.
- ii. **Improving service delivery** – expenditure will be prioritized more towards refuse collection and water infrastructure to improve visibility of Council in communities
- iii. **Performance Management Framework** – Council has adopted a performance management framework which includes revenue collection targets for Departments
- iv. **Resolving the ERP issue** – as one of the key interventions, Council is in the process of resolving the ERP issue to bring

about an ERP system that will enhance Council performance.

- v. **Dealing with revenue leakages:** Through improvement in internal controls and ZERO tolerance to corruption and theft.

8. ENFORCEMENT:

- **Your Worship**, we seek to increase our presence in the City to enforce by-laws.

9. CREDITORS

Your Worship, creditors stood at **ZWL 193.65 billion** as at 30 September 2023 from the 1 January 2023 balance of **ZWL12.79billion** as Council faced constrained cash-flows. The major drivers to the creditor's position are statutory obligations at **35.20%**, electricity **20.70%**, Trade creditors **17.15 %**, Net salaries **13.11%**, and water chemicals **13.79%**. The surge in salaries in the month of June led to a significant increase in statutory obligations, as there is a direct relationship.

10. BILLING

Our tariffs are indexed in **USD** and payments will be done in compliance with **S.I. 185 of 2020**.

11. AUDITS

Your Worship, the City was last audited for 2019 financial statements. The **2020** financial statements are currently under audit and the **2021** and **2022** drafts are ready for audit awaiting

finalisation of prior audits. We target to be up to date with audits by the first half of 2024.

12. PROCUREMENT

Procurement for the City is negatively impacted by activities in the parallel market which has brought about distortions. Our suppliers continue to index goods and services to the parallel market against the position that we operate in compliance with the national official rates. Resulting from this, the City is procuring goods and services expensively. Furthermore, most companies in the quest to do business using a stable currency shun from responding to our request for supply of goods and services leaving the City vulnerable to extortionate service providers who exorbitantly peg their services in the local currency to compensate for speculative loss in value.

13. LOCAL ECONOMIC AND OPERATIONAL ENVIRONMENT

Your Worship, Zimbabwe's economy has a large informal sector which is not taxed. The SMEs in the Harare Metropolitan Province are estimated to be contributing **25%** to the National GDP. The SMEs sector in Harare is a pool of entrepreneurial talent that can be harnessed to fuel local economic growth. In response to the developments in this sector, we developed a Small to Medium Enterprises Policy which is meant to regulate the sector for seamless operations.

Your Worship, we reviewed **15** by-laws in 2023 including Model Building By-Laws, Traffic By-Laws, Parking Meters, Physical Examination and Occupation of Council Buildings. We also developed **5** new ones including Land use and Natural Resources, Funeral Parlours and Mortuaries and Development Control, which if gazetted will regulate activities and give us the legal basis to collect revenue to fund service delivery.

Your Worship, the Masterplan needs review and I am happy to note that it has been given due attention in the 2024 budget. This will give a conceptual layout of future growth and development of the City as Council envisages to make a significant contribution to the national fiscus through growth in Local Gross Domestic Product. It is important that this project is fully implemented in 2024 as it will set the tone for development in the City.

14. INVESTMENT OPPORTUNITIES

Your Worship, Public, Private Partnerships (**PPPs**) are an appropriate approach for the City of Harare to implement infrastructure development projects. PPPs provide access to private sector expertise, financing and ensures that risk is shared.

In view of the above, the following projects will be funded under the PPP model in 2024- Waste Transfer Stations (**6**) valued at **USD1,2 million**, Material Recovery Centres (**6**) valued at **USD800 thousand dollars** and installation of Public Lighting Management System valued at **USD345** thousand dollars. Other

than the aforementioned projects a key investment opportunity is renewable energy. Service delivery is negatively affected by power outages and the ballooning cost of electricity. The City's infrastructure and land presents an opportunity to set up solar plants that can directly feed the key service centres or feed into the grid for a net metering agreement. Other opportunities include development of a hotel and Conference centre at Harawa Dam, Greenwood Farm Industrial Park, Market Square Bus Terminus and Golden Quarry Bus Terminus among others.

The Water and Waste Water sector has potential for discerning investors particularly renewal and expansion of the reticulation network.

15. REVIEW OF THE 2023 BUDGET

Your Worship, for the period 1 January to 30 September 2023 the City received ZWL 330.21 billion against a potential of ZWL 703.12 giving a collection efficiency of 47%. The revenue inflows were predominantly from billed services constituting 57% of the total receipts. The City did not fully exploit potential revenue streams due to non-implementation of by-laws, which await approval and weak enforcement of existing by laws. The City failed to raise interest charges on outstanding debtors which we propose must be fully implemented on all overdue accounts.

16. EXPENDITURE

Your Worship, total expenditures for the same period amounted to **ZWL420.16 billion** against a proportionate budget of **ZWL697.07 billion**. Expenditure for the year is mainly attributed to major cost drivers namely salaries, electricity, fuel and water chemicals.

Your Worship, the escalating inflation and the existence of the parallel exchange market cannot be ignored. As the key economic indicators of inflation and exchange rate worsened around mid-year, the level of arbitrage by our service providers resulted in the City requiring suppliers to quote in USD and get payments in ZWL, converted at the ruling official exchange rate. This minimised the level of price variations from suppliers, but the existence of the parallel market still led to the suppliers overstating the USD quotations. Your Worship, your Council is working to manage these supplier relations and curtail expenditure so as not to over-stretch creditor days.

17. DEVOLUTION

Your Worship, Devolution funds amounting to **ZWL 2.32 billion** translating to **20.5%** of the budgetary provision of **ZWL11.3 billion**, were deposited into our accounts and utilised mainly for Mbare sewer lines rehabilitation, Kuwadzana outfall sewer and Crowborough aerated lagoons for sewer treatment. The balance

of **ZWL 850 million from the disbursed amounts** is awaiting partial payment for the procurement of tractors.

18. ZINARA

Your Worship, during the period under review the City received a total of **ZWL7.516 Billion** which was utilised for the rehabilitation of 4km of road length namely, Grosvenor, Sloane, Lavender, Glencova Avenue and Chimhanda street in Glenview 7 and for routine maintenance. Clearly, more is needed from ZINARA if we are going to reverse the further deterioration of the City's road network.

19. RECAPITALISATION

Your Worship, recapitalisation is the backbone which provides sustenance to any organisation. To that effect, using our own revenues we procured plant and equipment, service delivery vehicles and other assets at a total cost of ZWL14.096 billion We managed to procure the following in the 2023 financial year:

| No | ITEM | QUANTITY |
|-----------|------------------------|-----------------|
| 1 | Tipper Trucks | 5 |
| 3 | Backhoe Loaders (TLBs) | 4 |
| 4 | Flatbed Lorries | 3 |

| | | |
|----|--------------------------------|----|
| 5 | Service Delivery Vehicles | 9 |
| 6 | Desktop Computers and Printers | 25 |
| 7 | Grader | 1 |
| 8. | Excavators | 2 |

Below are the pictures of the various pieces of vehicles, plant and equipment.

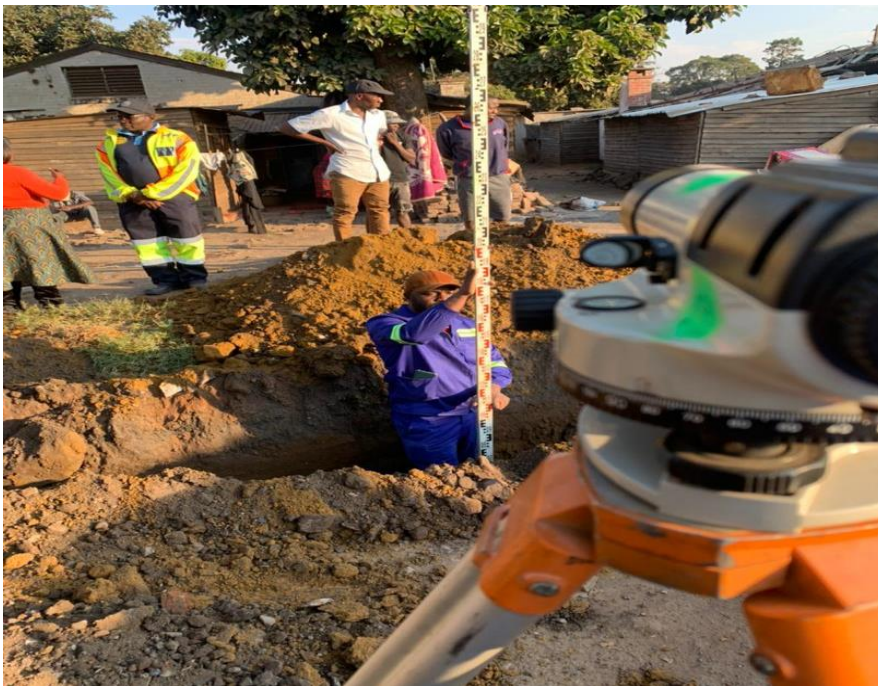


Newly acquired excavator at work in Mbare



Fire tenders

Your Worship, in the year **2023**, in addition to the recapitalisation drive, we also embarked on various projects in the water and wastewater sector in an effort to enhance service delivery. We utilised devolution funds to the tune of **ZWL1.335 Billion** to replace the water and waste water infrastructure in Mbare Annex and Joburg lines. The outcome is reduced environmental pollution. You will all appreciate that Mbare is one of the oldest suburbs in Harare and as such the infrastructure is also aged.



Men at Work – Mbare Annex Quality assurance of pipe laying



Pipe laying in progress

Your Worship, we began implementation of the chlorine dioxide project for modern treatment of water. The total project cost is **USD 5,370 Million** and we managed to pay **USD\$1,1 million** from our own revenues. The project is expected to result in the optimisation of the chemical dosing regimen at Morton Jaffrey. Water Treatment Plant. Chlorine dioxide generators were successfully installed and if completed the project will result in reduced cost of water treatment. This project is being carried over into **2024** and we hope to commission the plant in the first quarter of next year.

Chlorine Dioxide Generator installation



Chlorine Dioxide dosing point on the clarifiers



Your Worship, we also rehabilitated Arcturus Road Pump Station and installed new pump sets and associated pump gear in the pump station at a total cost of **USD 11.5 thousand**. This improved efficiency and reliability of the pump station and also enhanced water supply coverage for the targeted areas.



Newly installed pump sets and valves at Arcturus Road Pump Station

Your Worship, during the 2023 financial year, we managed to undertake rehabilitation works at Firle, our largest sewer treatment plant. We managed to rehabilitate **Firle Unit 5C** at a total cost of **USD 25 000**. The outcome was improved quality of effluent from the treatment plant and reduced environmental pollution

Dzivarasekwa District Office under construction



Rufaro Stadium Car Park



RUFARO STADIUM RENOVATION WORKS



Newly commissioned Firle Unit 5C Clarifier

20. 2024 BUDGET

Your Worship, as we prepared the **2024** budget, we were guided by the City of Harare Strategic Plan which is aligned to the national priorities. We were also alive to the need for the City as a key player to National Gross Domestic Product to contribute to the key fundamentals. The other major consideration was the need to decentralise service delivery operations so that residents are able to receive adequate services from the Districts. It is in this vein that the **2024** budget and the capital development plan will provide for the recapitalisation drive so that all the districts have plant and equipment which are critical in service delivery.

The budget before you is a responsive budget that has paid attention to the issues raised by stakeholders through the consultative process. Key among the issues raised were, the provision of water and sanitation, infrastructure development, social services delivery, public safety and security, protection of the environment and fairness in tariffs charged by City of Harare. The **2024** budget, whilst it takes cognisance of issues raised by stakeholders, it is also an outward looking financial plan. The budget seeks to facilitate economic growth and development which will act as a catalyst to national economic transformation. The pivotal role of the Capital City cannot be understated; Harare is the gateway to Zimbabwe. Through the 2024 budget we will create a City;

- i. That has full functionality across service delivery facets building our way to a smart city.
- ii. That is attractive to investors through vast business opportunities
- iii. That recognises the role played by Small to Medium Enterprise and therefore created the requisite infrastructure and regulatory environment to enable smooth orderly operations of this sector which contribute significantly to the national GDP
- iv. That has governance structures aligned to international best practices which promote transparency and accountability.
- v. That recognise that climate change is a reality and will therefore undertake projects to mitigate against this phenomenon.
- vi. That seeks to promote gender equality through gender mainstreaming in line with the national trajectory.

Your Worship, as the theme for this budget is: **Accelerating Quality Service Delivery for Everyone.** This means finding ways to improve the efficiency and effectiveness of public service delivery to meet stakeholder's expectations and needs and also appeal to potential investors. This is becoming increasingly important as residents expect value for money, they

do not honour their obligations when the service does not meet their expectations.

To achieve this, we must find ways to improve the quality of service, accessibility for all, and satisfactory customer experiences and outcomes, while being cost effective. This can be done by developing customer-centric models that put the customer at the heart of service design and delivery, drawing inspiration from the private sector's success in this area.

Improving stakeholder experience and satisfaction with our services will be achieved by focusing on the following:

- Providing efficient municipal services to the communities, Water provision, Waste Management, Health and Housing Delivery among others as per our mandate.
- Making services accessible to the residents
- Enhancing transparency and accountability through the relevant governance structures
- Providing excellent in-person service delivery for residents when they access services at physical locations.
- Understanding the customers and their needs through citizen engagement
- Offering multiple ways for stakeholders to provide feedback

- Adopting technology as a key enabler in improving service delivery through adopting modern payment methods and automation of our processes.

Your Worship, Fellow Councillors, it is My Honour to Present for Your Approval, The 2024 Revenue and Capital Estimates.

21. 2024 BUDGET FOCUS

The 2024 budget is a service delivery budget skewed towards water and sanitation underpinned by robust governance.

Your Worship, therefore, the budget before you, is a plan whose main thrust should be to accelerate service delivery improvement and advance the well-being of the residents of Harare. The 2024 estimates are advised by outcomes and outputs in the six programme areas to achieve the envisioned City.

Your Worship, The City of Harare endeavours to contribute to the national growth targets and bring about sustainability in service delivery. To align and support the National Development Strategy 1 (NDS1), Provincial Plans and Local Plans vision, the City's 2024 budget will embark on a range of infrastructural projects in following areas

- Water and sanitation
- Roads
- Public safety and security

- Health
- Education and social amenities

The 2024 budget seeks to:

- **Support infrastructure development:** the budget will prioritise completion of the chlorine dioxide project at Morton Jaffrey Water Treatment Plant. The project is expected to reduce the number of chemicals used in the purification of water. This will have a positive impact on the reduction of the cost of chemicals and the subsequent water tariff. Rehabilitation of intake works at Lake Chivero and Darwendale will improve quality of raw water abstracted. Refurbishment at Morton Jaffrey through rehabilitation of **14** filters and replacement of three pumps will improve water production and pumping to **520 Mega Litres/Day** from the current average of **300 Mega Litres/Day** once complete. Furthermore, interventions in the distribution network through pipe replacement and installation of **2000** commercial and **40 000** domestic prepaid water meters as well as replacement of **40 000** conventional water meters. This will result in reduction of nonrevenue water by **2%** from **60% to 58%**. These metering interventions are expected to improve revenue collection efficiency to **60%** from the current **40%** attributed to the targeted consumers.

- **Support infrastructure development** through road construction and rehabilitation, which is a key enabler for economic growth and development.
- **Support macro-economic stability** by proposing taxes and levies that are just and equitable resulting in reduction of cost of doing business and attracting both local and foreign direct investment.
- **Protect the vulnerable groups of the society:** The City will launch and implement Community Based Health Insurance (CBHI) in 2024. The target area for pilot implementation is Southern District which covers Mbare, Hatfield, Braeside, Arcadia, Waterfalls and Southern Incorporated Areas. Community Based Health Insurance attempts to ensure universal health coverage in Harare. More than 90% of Harare residents are not insured for health and many suffer catastrophic health expenditure as also noted by the World Bank in 2015. CBHI provides affordable health insurance that is owned and managed by the community.
- Results Based Financing (RBF) will continue to be implemented in all clinics ensuring that every pregnant woman in Harare have equal access to standard maternal health care. This program covers poor pregnant mothers who ordinarily may not afford to pay the **\$25** maternity fees at Council Clinics.

The cover package provides Anti-Natal Care(ANC), Delivery and Post-Natal Care (PNC) at all Council Clinics.

- The City will be constructing an enhanced poly-clinic in Marlborough to correct a long standing disparity that all the 12 poly-clinics in Harare are located only in the high density suburbs. The clinic will come with both private and public rooms to accommodate the needs of some residents who may need private services from our institutions. However, the public rooms will ensure affordable service provision to the general public.
- **Improve socio-economic development** through refurbishment of social amenities. The City seeks to embark on refurbishing of its Halls and Stadia to world class standards and complete the construction of markets across City's Wards. Specific to Community Centres, the City will renovate these for use by youths for different activities as part of the broader measures to fight against drugs and substances.
- **Protecting the environment** through the implementation of the Local Environmental Action Plan. The City is also continuing renewable energy programmes through installation of solar facilities in all the 26 district offices.

22. GENDER BUDGET STATEMENT

Given that the budget is an instrument used for translating people's aspirations into tangible results, the city is utilising

Gender Responsive budgeting as a strategy to promote and accelerate gender mainstreaming. Ultimately, it will contribute towards achievement of the NDS1 goal of inclusive socio-economic growth, as well as gender equality and women empowerment, supporting the achievement of the 2030 Sustainable Development Goals.

Your Worship, to facilitate mainstreaming of gender in our budgetary process, capacity building trainings were conducted from top to bottom. Furthermore, administrative measures were buttressed by amending the gender policy as formulation and implementation of gender sensitive policies and laws remain the cornerstone. The approach involves gender mainstreaming through the budgetary process, this include prioritising gender responsive service delivery.

Your Worship, this is the reason why the 2024 budget is skewed towards Water, Sanitation and Hygiene sector. The social service budget will attend to gender mainstreaming through primary schools' construction in four high density areas of Harare namely Glaudina, Budiro, Kuwadzana and Crowbrough. Street lighting project embarked on this year will follow through in subsequent years to provide well lit streets and work as a mitigatory measure towards violation of women and girls in our communities.

We did the ground breaking ceremony for Marlborough Clinic in 2023 and in 2024 the construction will take place availing additional maternity services for our women.

Your Worship, the total budget to achieve 2024 targets is as follows: -

| | AMOUNT USD MILLIONS |
|-----------------------|----------------------------|
| Capital expenditure | 135 994 300 |
| Recurrent expenditure | 442 554 600 |
| Total | 578 548 900 |

The capital funding structure is as follows:

| CAPITAL FUNDING STRUCTURE | AMOUNT IN USD |
|----------------------------------|----------------------|
| Own Funding | 91 182 300 |
| IGFT | 17 755 000 |
| PPP | 2 000 000 |
| Loan | 15 137 000 |
| PSIP | 6 000 000 |
| ZINARA | 3 250 000 |
| Donation | 270 000 |
| Total | 135 994 300 |

WATER AND SANITATION AND HYGIENE PROGRAMME:

(USD 216 478 100 Million)

The Water Sanitation and Hygiene Programme is a very key component of our City and if we perform well in this sector we would have dealt with downstream problems particularly in the public health sector. The key outcome is improved water, sanitation and hygiene. In 2024 and subsequent years we intend to undertake key projects that will turn around service provision in the WASH sector as highlighted below

PROJECT

REHABILITATION OF CHIVERO & DARWENDALE INTAKE WORKS

REHABILITATION OF PUMPSTATION NUMBER 3, (7-10 PUMPS)

REHABILITATION OF FILTERS MJ

REHABILITATION OF LETOMBO PUMP STATION

WATER DISTRIBUTION PIPE & VALVE REPLACEMENT 20KM

INSTALLATION OF PREPAID WATER METER

SKIP TRUCKS(5) & SKIP COMPACTOR METAL BINS(100)

REFUSE COMPACTOR[15)

TRACTOR & TRAILERS (52)

CONSTRUCTION OF MATERIAL RECOVERY CENTRES FOR SOLID WASTE (6)

SOLID WASTE TRANSFER STATIONS (6)

We have made the following allocations in the **Water, Sanitation and Hygiene Programme**:

| SECTOR | ALLOCATION USD |
|----------------------|-----------------------|
| Solid Waste | 49 574 300 |
| Waste water Services | 30 104 400 |
| Water Services | 136 799 400 |
| Total | 216 478 100 |

The programme will be funded as follows:

| Funding structure | Amount in USD |
|--------------------------|----------------------|
| IGFT | 14 785 500 |
| Own revenues | 186 220 600 |
| PPP | 2 000 000 |
| Loans | 9 072 000 |
| PSIP | 6 400 000 |
| Total | 216 478 100 |

ROADS PROGRAMME: USD 75 712 500

Your Worship, the strategic objective of the programme is to improve the trafficability of the road network. As a city we have an estimate of **5000km** of road network that we must maintain and rehabilitate. **Your worship, 87%** of our road network is in

need of rehabilitation, the city desires to rehabilitate **250km** of road network annually for the next 5 years at an estimated annual cost of **USD 250 million**. Furthermore, the City must carry out routine maintenance of **1200 km** annually at an estimated cost of **USD 60million**. For the year 2024, the City targets to rehabilitate **60 KM** of roads and carry out **500 KM** of routine maintenance with funding from ZINARA. The highlighted figures indicate the funding gap which must be met for the roads to be trafficable.

Your Worship, due to the capital intensive nature of the program, the City has been unable to mobilise adequate resources. From our own funds the City intends to procure operational assets for the roads program utilising funds from our Strategic Business Unit City Parking Private Limited and Harare Quarry to cut on costs of hiring specialised road equipment. The City will ring-fence City Parking funds for roads infrastructure and capital equipment. The City will also cover operational cost of the programme from its own resources. We therefore appeal to the Government, and other stakeholders to partner the City to help us meet the funding requirements highlighted above. ***(see annexure 1 for scheduled road rehabilitation and routine maintenance)***

The Roads programme will be funded as follows:

| Sub Programme | Allocation USD |
|----------------------|-----------------------|
| Road Infrastructure | 58 072 500 |
| Traffic Management | 17 640 000 |
| Total | 75 712 500 |

Sources of funding are as highlighted below:

| Funding structure | Amount in USD |
|--------------------------|----------------------|
| *ZINARA (provisional) | 3 250 000 |
| Own Revenues | 69 462 500 |
| Loan | 1 500 000 |
| IGFT | 1 500 000 |
| Total | 75 712 500 |

**The ZINARA amount is provisional as ZINARA had not communicated the 2024 allocation by the time of this budget.*

PUBLIC SAFETY AND SECURITY SERVICES: USD 49 801 100

Your Worship, the strategic objective of the programme to improve the safety of citizens in the City. Our emergency services remain in a dire state; our 2024 budget seeks to capacitate the sector for service delivery improvement. We intend to commence construction of a fire station in Marlborough and procure ambulances among other assets as

the fleet no longer meets the demands of the City. We also intend to undertake street lighting in the CBD as well as residential areas.

The budgetary allocation for the program will be as follows

| SECTOR | ALLOCATION USD |
|--------------------|-----------------------|
| Emergency Services | 13 517 500 |
| Municipal Police | 24 096 400 |
| Public Lighting | 12 187 200 |
| Total | 49 801 100 |

SOURCE OF FUNDING

| SOURCE OF REVENUE | AMOUNT IN USD |
|--------------------------|----------------------|
| Own Revenues | 47 101 100 |
| Loan | 2 500 000 |
| Donation | 200 000 |
| Total | 49 801 100 |

SOCIAL SERVICES (SOCIAL AMENITIES, HEALTH, EDUCATION AND HOUSING): USD 93 316 400

Your Worship, the strategic objective of the programme to improve the standard of living of the community by providing quality and adequate housing, education, health and social amenities. Under this program we propose to construct 2

primary schools in Budiro and Kuwadzana and complete Glaudina primary school. We will attend to our health facilities by doing upgrades Tariro, Rujeko, Glenview and commence construction of Ushewokunze District Hospital. On social amenities we will undertake works to complete Rufaro stadium and refurbish City Sports Centre and Gwanzura stadium as key projects. We intend to refurbish our community halls across the city to cater for our youth recreational facilities and curb drug and substance abuse. In 2024 in response to the demand for burial space we will construct a new burial site in Eyerstone, In the quest to support small to medium enterprises we will complete Seke Dieppe Market, construct and refurbish markets across the city.

To achieve the objectives of this programme, we have made the following allocations:

| SECTOR | ALLOCATION USD |
|------------------|-----------------------|
| Housing | 12 195 900 |
| Education | 7 44 300 |
| Social Amenities | 18 091 700 |
| Health | 50 746500 |
| Informal Sector | 4 938 000 |
| Total | 93 316 400 |

Sources of funding

| FUNDING STRUCTURE | AMOUNT IN USD |
|-------------------|-------------------|
| IGFT | 1 600 000 |
| Own revenues | 91 445 400 |
| Loans | 301 000 |
| Donation | 70 000 |
| Total | 93 316 400 |

GOVERNANCE AND ADMIN PROGRAMME: (USD 141 662 600)

Your Worship, the Governance and Administration Programme is a cluster of departments that provide governance and administrative support in Council. In essence, these are the Finance Department, the Human Capital Department, the Chamber Secretary's Department and Town Clerks' Office. The major outcome of this programme is: **Improved corporate governance and administration.** budget allocations to the various sub programs within the governance program were made as follows: -

| SECTOR | ALLOCATION USD |
|--------------------|--------------------|
| Council | 29 991 900 |
| CEO | 25 898 700 |
| Human Resources | 14 269 000 |
| Finance | 19 590 000 |
| Technical Services | 51 913 000 |
| TOTAL | 141 662 600 |

Below is the funding structure:

| FUNDING STRUCTURE | AMOUNT IN USD |
|--------------------------|----------------------|
| Own Revenue | 140 048 600 |
| Loans | 1 614 000 |
| TOTAL | 141 662 600 |

NATURAL RESOURCES, CONSERVATION AND MANAGEMENT (USD 1 330 200)

Your Worship, the strategic objective of the programme is to promote conservation of natural resources for sustainable development within the community. This programme has no sub programme and will be funded partly from its generated revenues of **USD 403 100** and deficit from property tax. Council has adopted Local Environmental Action Plan which will guide programs in this area.

23. 2024 REVENUE PROJECTIONS

Your worship, the following external and internal revenues will accrue to the city as follows:

| EXTERNAL | USD (MILLIONS) |
|---------------------------|-----------------------|
| IGFT capital grant | 17 755 000 |
| PSIP | 6 400 000 |
| Operational Grants | 3 111 700 |

| | |
|-----------------|-------------------|
| Loans | 15 137 000 |
| ZINARA | 3 850 000 |
| PPP | 2 000 000 |
| Donation | 270 000 |
| TOTAL | 47 923 700 |

| | |
|---------------------|--------------------|
| INTERNAL | USD |
| OWN REVENUES | 530 625 200 |

Your Worship, the above own revenue amounting to **USD 530.6252 million will come from the following income streams:**

| Source | Amount in USD |
|---------------------------|----------------------|
| Refuse collection | 30 847 300 |
| Parks fees | 568 300 |
| Wastewater | 24 473 900 |
| Property tax | 255 212 900 |
| Cemetery fees | 3 200 000 |
| Water services | 121 399 400 |
| Business licence | 9 477 200 |
| Municipal police services | 3 000 000 |
| Housing | 5 900 000 |

| | |
|--------------------------|------------|
| City parking | 3 300 000 |
| Estates | 15 520 900 |
| Welfare | 1 200 000 |
| Building inspectorate | 12 373 700 |
| Emergency services | 3 300 000 |
| Endowment fees | 3 250 000 |
| Education fees | 3 845 500 |
| Hospital and clinic fees | 3 200 000 |
| Rank Discs | 5 662 200 |
| Town planning fees | 1 781 900 |
| SMEs | 9 547 400 |
| Other | 9 064 600 |

24. 2024 PROJECTED EXPENDITURES

Your Worship I, Now Turn to the Projected Expenditures and Revenues for Various Programs.

WASH PROGRAMME

Your worship the WASH programme is the cornerstone of service delivery. It has a projected expenditure of **USD 216 478 100 million and** will fund its activities through cost recovery tariffs after taking into consideration funding from devolution, loans and other sources. The WASH program is expected to realise internal revenues amounting to **USD 176 720 600**

million to support its functions. The resultant tariffs remain the same for refuse and basic water consumption level with minimal increases of at most 5% in subsequent user bands for water. These are detailed in the tariffs ***annexure 2*** attached to this speech.

ROADS PROGRAMME

Your Worship, the Roads programme has a total expenditure of **USD 75.7125 million**. The revenue for this programme will be drawn from billboards **USD1.4066 million**, parking fees **USD 3.3 million** and endowment fees **USD3.25 million**. ZINARA fees amount to **USD 3.85 million**. The deficit will be covered by property tax.

SOCIAL SERVICES PROGRAMME

Your Worship, the social services with total expenditure of **USD93.5644 million** is expected to generate own revenue of **USD52.4593 million**. Business licence will realise **USD 12,667 million**, Health fees **USD947.8 thousand**, Housing **USD5.9 million**, Education **USD3.8455 million** and Small to Medium Enterprises **USD9.5474 million**. The shortfall from the programme is off-set by property tax.

Hospital and clinic fees in 2024 will remain the same as in 2023 to promote access to health by all. It is expected that

government grants for drugs and related programs will cover the shortfall as well as contribution from property tax.

Your Worship, Council rented accommodation will be rationalised as on ***annexure 2***.

PUBLIC SAFETY AND SECURITY

Your Worship, Public Safety and Security with a projected expenditure of **USD49.80 million** is expected to generate own revenue of **USD6.6 million**. The programme shortfall will be subsidised by property tax.

Ambulance fees will remain the same as in year 2023.

GOVERNANCE AND ADMINISTRATION

Your worship, this is the programme where property tax resides and is responsible for offsetting shortfalls incurred by other programmes The programme total expenditure is **USD141.66 million**. The programme is expected to generate own revenues amounting to **USD 271.22 Million**. The revenue will come mainly from property tax **USD 255.21 Million**, on implementation of the recently completed General Valuation Roll. Technical services comprising City Architect, and Town Planning will yield **USD12.37 million** and **USD1.71 million respectively**.

NATURAL RESOURCES AND CONSERVATION

The programme with total expenditure of **USD1.3302 million** is expected to generate own revenue amounting to **USD307.6 thousand** with shortfall being offset by property tax.

25. RECOMMENDATIONS

Your Worship, some of the recommendations listed below were pronounced in the 2023 budget but were not fully implemented. I therefore propose that these be carried forward to 2024 in addition to new ones.

- i. **ERP:** Council should bring to finality within the first quarter of 2024 the procurement of a robust ERP system to improve financial management.
- ii. **IPSAS IMPLEMENTATION.** Council needs to be IPSAS compliant by 31 December 2024 to enhance transparency and accountability.
- iii. **DECENTRALISATION OF SERVICES:** Council should prioritise the capacitation of the decentralisation strategy, this will ensure that residents have ease of access to services.
- iv. **RECAPITALISATION-** Council should prioritise investment in capital expenditure to enhance capacity to provide quality services and ensure sustainability.

- v. **ANTI CORRUPTION REFORMS.** Council should implement policies and measures in alignment to national policies that deter, detect and respond to corruption.
- vi. **DISPOSAL OF UNSERVICEABLE ASSETS;** Council should dispose all assets that no longer have service potential in order to reduce cost of repairs and replace the assets.
- vii. **COMMUNITY BASED REFUSE COLLECTION;** The City should increase awareness programs to promote responsible waste management at community and household level.
- viii. **ELECTRICITY CHARGES-** Council should expedite the feasibility study for the proposed solar farm project and look for development partners to undertake the project which when actualised will curb the ever increasing energy cost which have become a major cost driver affecting service delivery.
- ix. **REHABILITATION OF SOCIAL AMENITIES:** Council must rehabilitate social amenities for quality services.
- x. **ESTABLISHMENT OF A REHABILITATION CENTRE.** Council must identify from its many buildings one

which can be converted into a rehabilitation centre for victims of drugs and substance abuse.

xi. WATER METER REPLACEMENT. We propose that residents purchase their own replacement meters from Council accredited suppliers and the cost reimbursed by council through their monthly bills. Council will retain the responsibility of installing the meters.

xii. PROJECT MONITORING AND EVALUATION- Institute program project monitoring to ensure accountability, transparency and enhanced efficiency.

26. CONCLUSION

Before I close Your Worship, and Fellow Councillors, allow me to recognize the following: -

- The various stakeholders including the residents of Harare who through physical and virtual meetings have given Council valuable feedback, which has been broadly incorporated in the preparation of these Estimates.
- My fellow Councillors for deliberating on these Estimates and giving guidance during their preparation.
- The Town Clerk, Heads of Departments and their staff who were involved in the preparation of these Estimates.

Your Worship, the successful implementation of the programmes spelt out above requires that the various

stakeholders including the residents/ ratepayers of the City of Harare to pay their bills when they fall due. Everyone must pay for services, there is a cost to doing business or living in an urban set up. This is the only way your Council will be able to provide services to their expectations.

FINALLY, Your Worship, the budget that is before you is reasonable. Residents were consulted and we listened. Council took heed and responded with a budget that aims to provide the accelerate service delivery improvement as demonstrated by our theme: **2024 BUDGET: ACCELERATING QUALITY SERVICE DELIVERY FOR EVERYONE** Water, wastewater, refuse collection and roads have been given preference in the budget before you, Your Worship. Our goals and targets are purely products and by-products of the financial performance of the City. It is quite imperative to note that service delivery is a function of the financial performance of Council.

I NOW HAVE THE PLEASURE, YOUR WORSHIP, FELLOW COUNCILLORS, IN ASKING COUNCIL TO APPROVE THE 2024 ESTIMATES OF EXPENDITURE REVENUES.

CITY OF HARARE 2024 BUDGET: ACCELERATING QUALITY SERVICE DELIVERY FOR EVERYONE

I THANK YOU! TATENDA SIYABONGA