



CITY OF HARARE

**"ENHANCING SERVICE DELIVERY: BUILDING A
SUSTAINABLE GREEN FUTURE TOGETHER."**

THE 2025 BUDGET SPEECH

PRESENTED TO COUNCIL ON 12 NOVEMBER 2024

BY

CLR. COSTA MANDE

FINANCE AND DEVELOPMENT COMMITTEE

CHAIRPERSON

- HIS WORSHIP, THE MAYOR OF THE CITY OF HARARE:
COUNCILLOR JACOB MAFUME
- THE DEPUTY MAYOR CLR. ROSE MURONDA
- HONOURABLE COUNCILLORS
- THE ACTING TOWN CLERK, ENG.P.M. MOYO
- HEADS OF DEPARTMENT
- ESTEEMED STAKEHOLDERS WHO ARE FOLLOWING THIS
BUDGET PRESENTATION ON LINE
- INVITED GUESTS
- MEMBERS OF THE MEDIA FRATENITY
- LADIES AND GENTLEMEN
- GOOD AFTERNOON TO YOU ALL.

1. INTRODUCTION

Your Worship, my profound and deep gratitude is directed to all stakeholders who contributed towards this budget through the consultations that were held in terms of the relevant sections of our principal legislation, the Urban Councils Act (**Chapter 29:15**). Their insightful feedback, innovative ideas, and unwavering support were instrumental in shaping a budget that reflects the needs and aspirations of our community. By working together, with our stakeholders, we have been able to develop a budget that is both fiscally responsible and responsive to the evolving needs of our

residents, stakeholders and businesses. We have crafted a budget that will ensure sustainability.

We conducted **45 ward based budget** consultation meetings. We also managed to get input from the following esteemed stakeholders through both physical meetings and our online platforms.

- i. Residents and Residents Associations
- ii. Business Community
- iii. Women
- iv. Faith Based Organisations
- v. Youth
- vi. Persons with Disabilities

These physical meetings were augmented by virtual meetings through WhatsApp and written submissions from the various stakeholders. **Your Worship**, the consultations were a crucial step in the budget development process because stakeholder input helped us to identify their most pressing needs and priorities. By understanding the specific needs, the budget was therefore tailored towards addressing the critical areas.

Your Worship, before I explain the theme for the City of Harare 2025 budget, allow me on behalf of the Council, Stakeholders and residents of Harare to express our deep gratitude to the Government of the Republic of Zimbabwe for the rehabilitation of **83,28km** of roads ahead of the SADC Summit of Heads of State and Government

hosted by Zimbabwe in August 2024. Road rehabilitation is a vital investment which we continue to enjoy way after the summit. The programme significantly impact Harare's economic, social, and environmental well-being. This has created a more prosperous, safer, and sustainable future for the communities.

Your Worship, the theme for this budget is: "**Enhancing Service Delivery: Building a Sustainable Green Future, together**" denotes a commitment to improving the quality and efficiency of public services while prioritizing sustainability. The theme is anchored on the following key tenets:

- i. **Enhancing Service Delivery:** This emphasizes the goal of improving the quality, accessibility, and responsiveness of municipal services. Residents and stakeholders put forward their pain points in the water, sanitation and hygiene sector, roads, public safety and security, social services and environmental conservation. This part of the theme reacts to the concerns by the residents and we have responded by allocating efficiently to address the priority areas.
- ii. **Building a Sustainable Green Future:** This signifies a holistic approach to development that considers the needs of both present and future generations. It emphasizes the need for a balanced and integrated approach that addresses service delivery, environmental, social, and economic issues that affects the residents and the stakeholders.

- iii. **Sustainability:** This relates to providing essential services to the residents and stakeholders in a way that is environmentally responsible, socially inclusive, and economically viable.
- iv. **Resource Efficiency:** Managing the consumption of natural resources like water and energy.
- v. **Waste Reduction:** Implementing effective waste management and recycling programs.
- vi. **Green Infrastructure:** Investing in green spaces and parks to improve air quality and biodiversity.
- vii. **Climate Change Adaptation:** Developing strategies to mitigate the impacts of climate change.
- viii. **Renewable Energy (Solar):** One key anchor item on this theme is the prioritisation of investment in renewable sources of energy to hedge against rising costs of power and reducing grid dependency: **Your Worship**, electricity bills have remained a major cost driver in our service delivery operations so by generating a portion of our own electricity requirements, we can decrease our reliance on the grid, potentially leading to lower utility bills.

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 mandate 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 **2025** 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 makes recommendations to the Minister with regards to the **approval** or **amendment** of the budget. In line with this Act of Parliament, the **2025** 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. **Your Worship**, the budget is programme based and the estimates are based on the following:

- i. Governance and Administration
- ii. Water, Sanitation and Hygiene
- iii. Social Services
- iv. Roads
- v. Public Safety and Security

vi. Natural Resources and Environmental Conservation.

I hereby present and lay a consolidation of these submissions before Council.

3. OVERALL OUTLOOK

Your Worship, according to the 2025 Budget Strategy Paper issued by the Ministry of Finance, Economic Development and Investment Promotion in July 2024, the global economy remains remarkably resilient, with growth holding steady, as global inflation continues its downward trend. Global growth is estimated at **3.2%** during the last half of **2024** and is expected to continue at the same trajectory into **2025**, according to the **April 2024** International Monetary Fund World Economic Outlook projections.

The same paper notes that in Sub-Saharan Africa, growth is projected to increase to **4% in 2025 from 3.8% in 2024**, as the negative effects of earlier weather shocks subside, and supply side fundamentals gradually improve.

Your Worship, focusing on Zimbabwe, according to recent reports, in the outlook, the economy is projected to grow by **2%, 6.5%, 5.1% and 5.2% in 2024, 2025, 2026 and 2027**, respectively. Growth in **2025** is expected to benefit from the recovery in agriculture, attributable to the expected normal to above normal rainfall season, as well as increased activities in the manufacturing sector. We pray for the growth of the economy. A robust economy can significantly

benefit the City of Harare in increased revenue through property tax and disposable incomes which allow ratepayers to honour their obligations. The growth of the economy also means that more businesses will be operating translating to more revenue from business licenses, permits, and fees. This will give Council the fiscal space to enhance sustainable service delivery.

4. EXCHANGE RATE

Your Worship, our economy experienced significant changes in the monetary system during this current financial year. The 2024 budget fundamentals changed during the first quarter of 2024. Starting the year at a **USD/ZWL** exchange rate of **1: 6, 192**, the exchange rate moved to **1:14, 912** by the end of February and a high of **1:30, 674** by the 5th of April 2024. During the period January to March 2024, the inflation rate rose from **34.8% to 55.3%** indicating a hyper inflationary environment which to its credit, the Government had worked to contain over the previous year. On the 8th of April 2024, the Central bank introduced the Zimbabwe Gold (**ZiG**) as the new currency replacing the **ZWL**. The new currency brought with it genuine hopes of more sustained stability and hence positive economic growth. Starting off at an exchange rate of **USD 1: ZWG 13.5616**, the move by the Central Bank was indeed a ray of hope.

Your Worship, Council, like most of other economic agents, experienced an initial slow-down in business as the financial systems were adapting to the new currency on the market. We registered a revenue collection efficiency as low as **30%** in April 2024. Gradual improvements with notable stability was experienced in terms of both inflation and exchange rates to the point of registering negative month on month inflation figures in June 2024. However, in September 2024 the monetary authorities officially adjusted the ZiG by **42.5%** against the USD. Whilst this was a move to liberalise the exchange rate regime, the move negatively impacted cash inflows as rate payers adopted a wait and see attitude. **Furthermore, this eroded the value of our receivables.**

5. INFLATION

According **Zim-Stats**, the month on inflation rate was **5.8%** in September 2024, gaining **4.4** percentage points on the August 2024 rate of **1.4%**. The year-on-year inflation rate for September 2024, as measured by all-items was USD Consumer Price Index was **4.2%**. This negatively impacted our operations by eroding the purchasing power which hampered our ability to deliver quality services.

Your Worship, we pray that the measures being implemented by the government will be fruitful to maintain currency stability.

6. LOCAL GOVERNMENT SECTOR ISSUES

Your Worship, as we seek to enhance service delivery and build a sustainable future together, we need to take note of the following local government sector issues:

i. Roads Funding

- Government through ZINARA took over the vehicle licensing portfolio whose revenues were dedicated towards the roads programme in terms of rehabilitation, maintenance and construction of new roads. The City now depends on ZINARA disbursements. Expectations are that, because of the high vehicle population, City of Harare was supposed to get a larger portion proportionate to the vehicle licensing revenue collected. Road construction, maintenance and rehabilitation without adequate funding creates a financial burden on the City. There is need for government to relook at the arrangement with ZINARA because it is our considered view that the arrangement is not producing optimum results thereby affecting critical operations in the Roads Programme.

- ### **ii. Infrastructure Deficiencies:**
- The City of Harare has old infrastructure, such as water and sewer systems, that require significant investment to rehabilitate. The City used to benefit from World Bank funded projects under **Urban 1 and Urban 2**. The focus was on improving basic infrastructure and services in

Harare. World Bank pulled out from funding of the Construction of Major Water Projects and Sewer reticulation programmes and the projects which are capital intensive cannot be funded from own resources. This challenge continues to haunt the City because the infrastructure is not matching the growth in population. There is therefore need for the reintroduction of the Productive Sector Investment Programme (PSIP) and other special grants for infrastructure development projects.

- iii. **Lack of resources:** Harare lacks the resources to maintain and upgrade existing infrastructure, leading to deterioration and service disruptions. The repairs and maintenance budget is less than **15%** of the total and the cash flows hinder the implementation of programmed maintenance. The lack of resources is exacerbated by the unwillingness of customers to pay. Measures to enforce payment are being instituted but the collection efficiency remains below the optimum levels.
- iv. **Limited capacity:** The City has insufficient plant and equipment to deliver essential services such as water, sanitation and waste management. For the City to operate effectively in the waste management sector, **51** refuse compactors are required.**45** to serve the **45** wards, **6** to act as buffer for repairs and maintenance.
- v. **Rapid urbanization:** City of Harare has been experiencing rapid growth, placing a strain on existing infrastructure and services. Local authorities abutting the City have been

developing from the boundaries. This has put pressure on Harare in terms of provision of water and other services.

- vi. **Informal settlements:** The growth of informal settlements presents significant challenges for the City of Harare in terms of providing basic services and managing urban developments.
- vii. **Costs:** Cost of water treatment chemicals and power remains high. Electricity costs (Water Treatment Plants and Public Lighting) average around **ZwG45 Million** per month.
- viii. **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.
- ix. **Shortage of plant and equipment:** City operations are resource hungry and most of the plant and equipment were provided for under devolution funds in 2024. However, the City is procuring using own resources as alternative funding is not coming through.
- x. **Procurement processes:** bureaucratic procurement processes have also hindered service delivery in Harare. There is need to relook at the stringent procurement laws which inhibit timeous delivery of service.
- xi. **Climate Change: Extreme weather events:** Increased frequency and intensity of droughts and floods are straining

infrastructure and resources. Droughts have affected the ability of the City to provide water to residents and for the past years the City has had to decommission Prince Edward Water Works due to low water levels at Seke and Harava Dams.

- xii. **Currency Issues:** The introduction of the ZiG currency brought currency stability from April 2024 and planning was possible. The recent movement in the local currency in September 2024 posed a major challenge as the City bills its services in ZIG and residents delayed payment in anticipation of exchange rate loss. The value of the ZwG is on a downward trajectory and the City does not have a solid foreign currency base.
- xiii. **Drugs and substance abuse:** Following the launch of the Multi-Sectorial Action Plan on Drug and Substance Abuse by His Excellency, The President of the Republic of Zimbabwe, Dr. E.D. Mnangagwa, the City has responded to the prevalent drug menace. To that effect a budgetary allocation has been made to respond to the pandemic prioritising its expenditure against other competing needs. The City is now being mandated to establish rehabilitation centres for drug addicts hence the establishment of Tendai Rehabilitation Centre at Beatrice infectious disease hospital.

7. DEBTORS: Your Worship, Debtors stood at **ZWG 2.747 billion** as at 30 September 2024 from the 31 August 2024 position of **ZWG 2.550 billion**. Debtors increased by **9.95%** from previous month

position growth. The debt configuration is as follows, commerce, industry **66.13%**, domestic **26.63%**, government, **3.09%**, and Dormitory towns **3.91%**.

Below are some are some interventions that the City of Harare is implementing to arrest the growing debtors book and improve on revenue collection:

- i. Implementation of the new ERP to enhance bill accuracy and resultantly bill acceptance and payment
- ii. Extensive data clean up to reduce errors
- iii. Litigation through Final demands, summons and warrants
- iv. Blacklisting of delinquent clients
- v. Integration of new payment platforms to increase ratepayer payment convenience
- vi. Review of SOPs to tighten controls and thereby eliminate or reduce leakages
- vii. Prioritisation of revenue collection resourcing
- viii. Prioritising service delivery expenditure in order to encourage payment compliance
- ix. Decisively dealing with corruption through reporting cases and creating of a whistle-blowers framework
- x. **In addition to the above**, the City intends to implement City wide faulty meter replacement through tenders and self-replacement by rate payers.

Your Worship, Council is in the process of resolving the ERP issue to bring about a system that will enhance performance. After more than four attempts to procure an ERP, we made a decision to re-engage the previous service provider but this hit a snag because we had to seek condonation from the Procurement Regulatory Authority of Zimbabwe.

Our request for condonation was not acceded to and we were advised to approach the Ministry of Local Government and Public Works for assistance in sensitive procurement. We indeed sought assistance from the Ministry and we managed to get the authority to engage Quill Associates for **12 months** as we procure an ERP system. We hope that this will give us adequate time to go through the procurement processes. This remains urgent and the City has allocated adequate resources for the procurement of the ERP.

8. CREDITORS

Your Worship, Creditors stood at **ZWG 716 million** as at 30 September 2024 excluding leave pay obligations from the 1 January 2024 position of **ZWG109 million**. Council creditors continues to rise as we face cash flows constrains. Electricity charges constitute **35%** of the total creditors. Furthermore, Council has an outstanding

obligation of **US \$68.583 million** loan facility from China EXIM bank for Morton Jaffray Water Treatment Plant rehabilitation project.

9. AUDITS

Your Worship, the City was last audited for **2020** financial statements. The **2021** financial statements are currently under audit and the **2022** and **2023** drafts are ready for audit awaiting finalisation of prior audits. We target to be up to date with audits by the first half of 2025.

10. PROCUREMENT

Your Worship, issues of procurement have negatively affected our operations. The following is worthy to note:

- **Inefficient bureaucracy:** The bureaucracy surrounding public procurement is very slow and inefficient, which delays projects and make it difficult for the City to get the goods and services needed for service delivery.
- **Higher procurement costs:** Forward pricing is another key issues as this inflates the cost of goods and services, leading to increased cost for the City. This limits our budget for essential services like infrastructure development, waste management, and social services programs.

11. LOCAL ECONOMIC AND OPERATIONAL ENVIRONMENT

Your Worship, the Small to Medium Enterprises Sector in Harare SMEs contributes significantly to economic growth. The recent fire outbreak which affected more than 4000 traders was a wakeup call for Council to invest more in infrastructural development so that the traders are able to operate in a stable environment. If the SMES are organised the City can be able to get return on investment.

Your Worship, we reviewed 4 by-laws in 2024. These are the Harare Cemeteries and Crematorium By-laws, Anti-litter by-laws, Water by-laws and the Licensed Premises by laws. These by-laws will enhance the regulation of activities and give us the legal basis to collect additional revenue to fund service delivery.

Your Worship, the review of the Masterplan started in 2024 and is expected to be completed in line with the deadlines set by the government. The Masterplan serves as a comprehensive blueprint for the future development of our City. It outlines a long-term vision, guiding decisions on land use, infrastructure, transportation, housing, and economic development. The full implementation of the Masterplan will guide our development trajectory going forward.

12. INVESTMENT OPPORTUNITIES

Your Worship, Public-Private Partnerships (PPPs) have emerged as a powerful tool for local authorities to accelerate development,

improve service delivery, and stimulate economic growth. By combining the strengths of both the public and private sectors, PPPs can address challenges that may be difficult for either sector to tackle alone.

In view of the above, the following projects will be funded under the PPP model in 2025- Waste Transfer Stations **(3)** valued at **USD150 thousand** and **1** Material Recovery Centre valued at **USD 50 thousand**. One of the signature projects for the 2025 financial year is the Harare **50 megawatt** solar plants. The project involves the establishment of the **50 megawatt solar** plant at the Council-owned farm in Crowborough at a total cost of **USD50 million**. In 2025 **USD5 million** injection has been proposed. The solar plant will generate electricity to power the city's water and sewer treatment plants, with any excess energy being supplied to the national grid under net metering arrangements. This project is very important for the City because it will reduce operational costs significantly and also reduce our dependence of the national grid. Furthermore, the project is poised to assisting the City in reducing the carbon footprint and ensure environmental sustainability. Sustainability is the cornerstone of modern urban planning. The solar farm project aligns with sustainable development goals by promoting the use of renewable resources. It ensures that Harare's growth is environmentally responsible and that natural resources are preserved for future generations. Building a **50-megawatt** solar energy farm is not just

about generating electricity; it's about creating a sustainable, economically viable, and environmentally friendly future for Harare. The project promises significant cost savings, enhanced energy security, environmental benefits, and economic growth. It positions Harare as a leader in renewable energy in Africa, setting a benchmark for other cities to follow. By investing in solar energy, Harare is lighting the path to a brighter, greener future.

13. REVIEW OF THE 2024 BUDGET

Your Worship, budget performance over the period January to September 2024 was mainly affected by the late budget approval due to a number of issues which are being addressed progressively. The 2024 budget was approved in July 2024. Throughout the first and second quarter activity was mainly concentrated on priority expenditure in line with the need to conform to provisions of the law given the budget status.

Your Worship, total revenues for 1 January to 30 September amounted to **ZwG 2.008 billion** against a billing of **ZwG5.064 billion**. Revenue collection was subdued in the first and second quarter with average collection efficiency of **35%**. The third quarter witnessed significant improvement to **52%** comparative to average **35%** obtaining in the previous quarters. With constrained cash flows to fund both recurrent and capital expenditure the result was that capital expenditure was substantively subdued with the city expending **10%**

of its targeted expenditure for the period under review. Hamstrung by cash flows there was a significant growth in creditors as the City struggled to pay for immediate recurrent expenditure, mainly water chemicals and power. Debtors also grew significantly exacerbated by the recent exchange rate upsurge in September.

14. EXPENDITURE

Your Worship, total expenditures for the same period amounted to **ZwG 2.342 billion** against a proportionate budget **ZwG5,884 billion**. Analysis of expenses indicate that compensation of employees, goods and services, continued to be major cost drivers to the total expenditure. Compensation of employees remain pegged in USD and paid at the ruling ZWG interbank rate. Expenditure on water chemicals and electricity remain key drivers to goods and services expenditure. There was marginal capital expenditure from own revenues totalling ZwG **40.521 million**. The major capital expenditure was on plant and equipment. These included **5** refuse compactors, **3** hook loaders and **3X20 cubic metre** bins for the high traffic areas.

15. DEVOLUTION

Your Worship, Devolution funds amounting to **ZwG 1.218 Million** translating to **1.91%** of the budgetary provision of **ZwG 63.570**

Million were deposited into our accounts and utilised for the rehabilitation of Mottorn Jaffray Water Treatment plant filters.

We continue to implore government to disburse the allocated funds on time.

16. ZINARA

Your Worship, during the period under review the City received **ZWG equivalent 3.439 million** January to March for road routine maintenance and **ZWG89.050 million** April to September which was utilised for the reconstruction of Dzivarasekwa road **5.1 km** of road length and reconstruction of **3,4 km 4th** avenue Warren Park road. The City also received **50 000** Litres diesel coupons with a market value of **USD 75000**. This was utilised for routine maintenance across the City. Our argument remains the same, it is our considered view that the City is not getting the right allocation from ZINARA considering that Harare has the highest vehicle population. The state of our roads is a clear testimony that the current arrangement is not working. The authorities must therefore review the formula as a matter of urgency.

17. CITY PARKING PRIVATE LIMITED

The City received **USD 1.026 million**. The USD remittances were mainly utilised to fund the purchase of plant and machinery whilst ZiG remittances of **ZWG12.993 million** were used to fund the

procurement of raw materials for road repairs and the maintenance of plant and machinery.

18. RECAPITALISATION

Your Worship, recapitalization initiatives are essential for the City to fulfil its mandate of providing quality services, promoting economic development, and ensuring the well-being our communities.

To that effect, using our own revenues we procured plant and equipment and other assets at a total cost of **ZWG 40.521 million**.

We managed to procure and fund the following projects in the 2024 financial year:

Description	Amount ZWG
Rehabilitation of M J Clarifiers	1,004,098
ICT Equipment	3,347,197
Rehabilitation (Rufaro Stadium)	2,718,778
Purchase of 6 tractors (Grass Cutting)	3,445,361
Refurbishment of Hatcliffe Poly Clinic	106,139
Construction of Mabvuku Administration block	550,336
Office Furniture and Equipment	2,365,014
Refuse compactors (5) Hook Loader (3)	16,697,003
Tractor trailers x6	326,771
Chitubu Clinic Construction (Finishings)	1,249,633
Land Improvements	778,972
Water Pipe Replacement	4,775,539
Plant and Equipment	936,798
Network upgrade	2,219,500
Total	40,521,139

Below are the pictures of the various pieces of vehicles, plant and equipment that were procured during the course of the year.



Five refuse compactors procured during the 2024 financial Year



Some of the tractors procured during the 2024 financial year



Some of the trailers procured in 2024



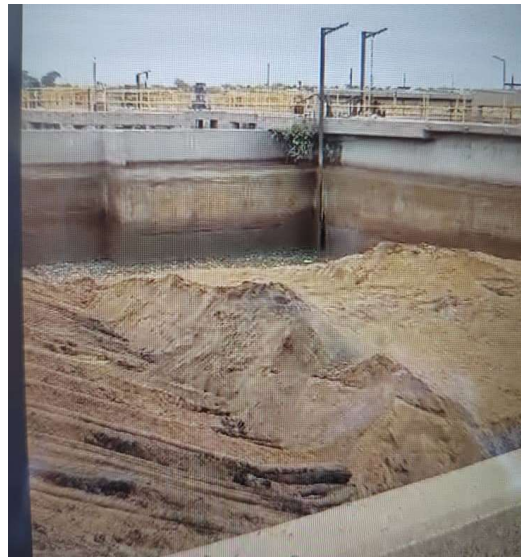
One of the three hook loaders and 3 bins procured in 2024

VARIOUS PROJECTS

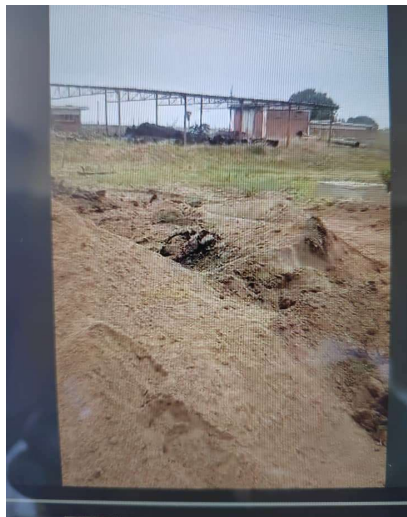
Your Worship, in the year **2024**, in addition to the recapitalisation drive, we also embarked on various projects in the water and wastewater sector in an effort to enhance service delivery.



1Installation of power cables for Firle Units 5A and B



Sand removal at Firle Sewage Works



Sand removal at Firle Sewage Works

SOCIAL SERVICES



Construction of Marlborough Clinic



Tendai Drug Rehabilitation Centre established at Beatrice Infectious Diseases Hospital

19. 2025 BUDGET

Your Worship, the **2025** budget was guided by the Call to action by his Excellency the President of Republic of Zimbabwe Dr E.D Mnangagwa. The City of Harare has been actively integrating the "**Call to Action**" into its budget, particularly in response to the directives outlined in the blueprint. This integration aims to improve service delivery and align with the national vision of becoming an upper-middle-income economy by **2030**. Key interventions under the Call to Action include ERP System Adoption to improve financial management and reduce revenue leakage, Prioritization of Service Delivery, Infrastructure Development: The budget allocates funds for the rehabilitation of roads, water and sanitation systems, and other critical infrastructure and Social Services which entails increased funding towards social services. The budget prioritizes waste management solutions to address the city's waste challenges.

Your Worship, the budget is also informed by the City of Harare Strategic Plan, which is aligned to the national priorities and the wishes and aspirations of the residents of Harare. Recognizing Harare's pivotal role in boosting the National Gross Domestic Product (GDP), we aimed to decentralize service delivery operations, ensuring residents receive adequate services directly from the districts.

This strategy is critical as we seek to enhance the City's efficiency and responsiveness. The 2025 budget and the accompanying

capital development plan are structured to support a robust recapitalization drive, ensuring that all districts are capacitated with the necessary plant and equipment essential for efficient service delivery. A regional plant and equipment allocation plan has been put in place to guide implementation once the operational assets have been procured. This budget is not just a financial document; it is a responsive and adaptive blueprint that has taken into account the diverse concerns and inputs raised by stakeholders through an extensive consultative process which cut across all sectors operationally and demographically.

Among the key issues highlighted by stakeholders were the critical areas of water and sanitation, infrastructure development, social service delivery, public safety and security, environmental protection, and ensuring fairness in the tariffs charged by the City of Harare. These concerns are not just noted; they are the cornerstone upon which the 2025 budget is built.

Water and sanitation are fundamental human rights and essential services that underpin the health and wellbeing of our citizens. Thus, a significant portion of the budget is dedicated to upgrading and expanding the City's water supply systems, ensuring access to potable water. In parallel, we are committed to enhancing our sanitation infrastructure to prevent disease and promote public health.

Your Worship, infrastructural development is a cornerstone for the growth and prosperity of the City of Harare. It serves as the backbone of the community, facilitating economic activity, improving quality of life, and enhancing overall sustainability. Our budget prioritizes the rehabilitation and maintenance of roads, to facilitate mobility and economic activities. A well-connected Harare is not only a convenience for its residents but also an attractive destination for businesses and investors. However, funding constraints has been a major impediment to roads infrastructural development.

Social services are crucial for nurturing a resilient and inclusive community. The budget allocates resources for the construction of new primary school in high-density areas of Kuwadzana, **10** and extension of Budiro **7**. This is aimed at improving educational services coverage.

Additionally, the budget supports the ongoing street lighting project, which aims to illuminate our streets, thereby enhancing public safety and reducing the risk of crime, particularly against women and girls.

Public safety and security are fundamental to the overall well-being and prosperity of a community. The City plays a crucial role in ensuring the safety and security of residents by investing in effective law enforcement, public lighting and emergency response initiatives,

The budget includes provisions for upgrading our law enforcement capabilities, enhancing community policing, and investing in modern technology in the form of **CCTVs** to deter crime. We are committed to creating a safe environment where residents can live, work, and thrive without fear.

Your Worship, the protection of our environment is not just an obligation but a necessity for sustainable development. The budget incorporates various green initiatives, including the promotion of renewable energy, waste management programs, and tree-planting campaigns. These efforts are aimed at mitigating the adverse effects of climate change and preserving our natural heritage for future generations.

Fairness in tariffs charged by the City of Harare is a vital issue raised by stakeholders. We have reviewed and adjusted our tariff structures to ensure that they are equitable and reflect the true cost of services. This approach ensures that residents receive value for their money while maintaining the city's financial sustainability.

While addressing these stakeholder concerns, the **2025** budget also adopts an outward-looking perspective. It is designed to facilitate economic growth and development, serving as a catalyst for national economic transformation. The budget is not just about addressing immediate needs but also about laying the groundwork for a **prosperous and sustainable future.**

Harare's role as the gateway to Zimbabwe cannot be overstated. The City's strategic importance is reflected in our commitment to creating a City that is functional, attractive to investors, supportive of Small to Medium Enterprises (SMEs), transparent in its governance, and resilient in the face of climate change induced challenges.

Through the **2025** budget, we envision a City that has full functionality across all service delivery facets, paving the way towards becoming a smart and sustainable City. This involves leveraging technology to enhance efficiency, reduce costs, and improve the quality of services provided to residents. We aim to create an environment where innovation thrives, and public services are seamlessly integrated into the daily lives of our citizens.

Furthermore, the budget seeks to make Harare an attractive destination for investors by showcasing the vast business opportunities available. We recognize the importance of creating a conducive environment for investment, which includes modern infrastructure, efficient service delivery, and a stable regulatory framework.

The role of SMEs in our economy cannot be understated. They are the engine of growth and job creation. Therefore, the budget prioritizes the creation of the requisite infrastructure and regulatory environment to enable smooth and orderly operations of this sector. By supporting SMEs, we are directly contributing to the national GDP and fostering a culture of entrepreneurship and innovation.

Good governance is at the heart of our mode of operations as Harare. The budget includes measures to align our governance structures with international best practices, promoting transparency, accountability, and public participation. We believe that a well-governed City is a prosperous City, and we are committed to building trust with our residents through open and accountable administration.

Climate change is a reality that we cannot ignore. The 2025 budget includes projects aimed at mitigating the impacts of climate change, such as flood control measures, green energy initiatives, and community-based environmental programs. We are dedicated to building a resilient city that can adapt to and thrive despite environmental challenges.

Gender equality is a fundamental principle that guides our budgetary process. Through gender mainstreaming, we ensure that the needs and perspectives of men, women, youths and persons with disability are considered in all aspects of our planning and implementation. This approach is reflected in our investment in social services, infrastructure, and public safety, which aim to create an inclusive and equitable city for all.

In conclusion, the **2025** budget is a comprehensive and forward-looking plan that addresses the immediate needs of our residents while laying the foundation for a prosperous and sustainable future. It is a budget that responds to the voices of our stakeholders,

promotes economic growth, and commits to good governance and environmental stewardship. Through this budget, we are building a Harare that is not only the gateway to Zimbabwe but also a beacon of progress and innovation.

20. GENDER BUDGET STATEMENT

Your worship, the budget is our tool of turning aspirations into reality, and in 2025, we are fully embracing Gender Responsive Budgeting to fast-track gender mainstreaming. This effort will push us closer to achieving the national goal of inclusive socio-economic growth, gender equality, and women's empowerment, all while supporting the 2030 Sustainable Development Goals.

Your Worship, to effectively integrate gender considerations into our budget, we have conducted comprehensive capacity-building trainings across all levels. We have also fortified our administrative measures by updating the gender policy, ensuring our policies and laws are gender-sensitive and impactful. This strategy has resulted in gender mainstreaming permeating the entire budget process, particularly emphasizing gender-responsive service delivery. Thus to that effect the 2025 budget focuses heavily on the Water, Sanitation, and Hygiene sector and alleviate perennial issue bedeviling the sector.

The social services budget underscores gender mainstreaming by planning the construction and extension of primary schools in two

high-density areas of Harare: Kuwadzana **10** and Budiro 7 respectively. In Warren park we have made a provision to construct an early childhood development centre. We have plans of rehabilitating Mbare vocational training which will take in women who desire to break the ceiling and undertake training in male dominated industry of plumbing and carpentry. Additionally, our ongoing street lighting project will continue, providing safer, well-lit streets and reducing the risk of violence against women and girls.

Your worship, in order to expand maternity services to better serve our women, in 2023, we celebrated the ground-breaking ceremony for Marlborough Clinic, and in 2024, construction commenced. The project has been stalled by funding constrains and will be carried forward to 2025. This much awaited facility, which is expected to be commissioned in 2025, will address some health service delivery inequalities in Marlborough.

Your Worship, Fellow Councillors, it is My Honour and privilege to Present for Your Approval, The 2025 Revenue and Capital Estimates.

Your Worship, the total budget to achieve 2025 targets is as follows:

	AMOUNT USD MILLIONS
Capital expenditure	137.335 Million
Recurrent expenditure	410.860 Million
Total	548.195 Million

The capital funding structure is as follows:

CAPITAL FUNDING STRUCTURE	AMOUNT IN USD
Own Funding	72 809 270
IGFT	12 703 600
PPP	5 200 000
Loan	21 299 800
ZINARA	23 708 600
Donation	985 000
Total	137.335 Million

WATER AND SANITATION AND HYGIENE PROGRAMME:

USD 195.614 690

The key outcome for this programme is improved water, sanitation and hygiene. By prioritizing WASH in our budget will significantly improve the lives of their citizens, promote economic growth, and protect the environment. Your Worship, we intend to implement key projects that will improve service delivery in the WASH sector.

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

SECTOR	ALLOCATION USD
Solid Waste	38 527 090
Waste water Services	39 174 900
Water Services	117 912 700
Total	195.614 Million

The programme will be funded as follows:

Funding structure	Amount in USD Million
IGFT	7 625 000
Own revenues	169 254 690
PPP	5 200 000
Donation	700 000
Loans	12 835 000
Total	195.614 Million

ROADS PROGRAMME: USD93.882 207 MILLION

Your Worship, the strategic objective of the programme is to improve the trafficability of the road network. Our desire to rehabilitate 250km annually out of a total road network of **5000 km** has over the years been hampered by financial constraints. Adequate funding for road programs is crucial, as it directly impacts the economic, social, and environmental well-being of a community. An efficient road network stimulates economic growth, attracts investment thereby

creating a more prosperous, sustainable, and equitable future for our communities. The roads programme is capital intensive, and if we are to rehabilitate the **250km** annually we would require **USD250 million**.

In addition, the City must carry out routine maintenance of **1200 km** annually at an estimated cost of **USD 60 million**. For the year 2025, the City targets to rehabilitate **33,4 KM** of roads and carry out **500 KM** of routine maintenance with funding from ZINARA. The above figures indicate a serious funding gap which must be dealt with so that we improve the state of our roads.

Your Worship, the resources required for the Roads Programme are beyond the capability of the City. We cannot raise the millions of dollars needed. Utilising the resources from City Parking Private Limited, we are going ahead with the recapitalisation drive for the Roads Programme. In 2024 there was a proposal to merge Harare Quarry and City Parking Private Limited in order to capacitate the entity to produce aggregates required by the roads program however, the anticipated merger did not materialise. An appeal is being lodged to the Government of the Republic of Zimbabwe and funding partners to collaborate with the City of Harare in the Roads Programme.

The Roads programme will be funded as follows:

Sub Programme	Allocation USD
Road Infrastructure	86 961 507
Traffic Management	18 437 800
Total	105.399 Million

Sources of funding are as highlighted below:

Funding structure	Amount in USD
*ZINARA (provisional)	23 708 600
Own Revenues	65 799 307
Loan	2 874 300
IGFT	1 500 000
Total	105 .399 Million

**The ZINARA amount is provisional as ZINARA had not communicated the 2025 allocation by the time of this budget.*

PUBLIC SAFETY AND SECURITY SERVICES: USD 43 512 500

Your Worship, Our emergency services require urgent capacitation. Out of a requirement of 32 ambulances only 4 are functional. To this effect, we are proposing the introduction of an emergency services and street lighting levies in the 2025 fiscal year to augment funding. Households will be charged 1USD as an emergency services levy and 1USD as street lighting levy. An

emergency services levy is a crucial financial tool which will provide a dedicated source of revenue to fund essential emergency services. In addition, a street lights levy will also provide dedicated source of revenue to fund the installation of street lighting infrastructure.

The budgetary allocation for the program will be as follows:

SECTOR	ALLOCATION USD
Emergency Services	11 547 800
Municipal Police	24 375 000
Public Lighting	7 089 700
Total	43.012 Million

SOURCE OF FUNDING

SOURCE OF REVENUE	AMOUNT IN USD
Own Revenues	40 459 700
Loan	1783 200
Donation	200 000
Total	43.012Million

SOCIAL SERVICES (SOCIAL AMENITIES, HEALTH, EDUCATION AND HOUSING): USD 96 308 191

Your Worship, the strategic objective of the programme to improve the standard of living of the communities by providing quality and adequate housing, education, health and social amenities.

To achieve the objectives of this programme, the following provisions have been made:

SECTOR	ALLOCATION USD
Housing	11 537 700
Education	6 387 606
Social Amenities	8 956 604
Health	59 281 583
Informal Sector	5 569 648
Total	97.741 Million

Sources of funding

FUNDING STRUCTURE	AMOUNT IN USD
IGFT	2478 600
Own revenues	94 779 377
Loans	398 000
Donation	85 000
Total	97.741 Million

GOVERNANCE AND ADMIN PROGRAMME: USD 103 091 130

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	9 316 450
CEO	16 871 650
Human Resources	11 961 150
Finance	17 165 700
Technical Services	49 809 980
Total	105.124 Million

Below is the funding structure:

FUNDING STRUCTURE	AMOUNT IN USD
Own Revenue	100 556 430
IGFT	1100 00
Loans	3408 700
TOTAL	105.124 Million

NATURAL RESOURCES, CONSERVATION AND MANAGEMENT
(USD 1 302 849)

Your Worship, the strategic objective of the programme is to promote conservation of natural resources for sustainable development within the community.

23. 2025 REVENUE PROJECTIONS

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

EXTERNAL	USD (MILLIONS)
IGFT capital grant	12 703 600
Loans	21 929 195
ZINARA	23 708 600
PPP	5 200 000
Donation	985 000
Health grant	737 447
TOTAL	65.863 Million

INTERNAL	USD
OWN REVENUES	482.332 Million

Your worship to raise the proposed funds of **482.332 million** |
 propose the following key tariffs:

WATER CHARGE RESIDENTIAL

RESIDENTIAL LOW DENSITY	EXISTING 2024 USD	PROPOSED 2025 USD
water-domestic (0-5 cubic meters)	1.70	1.70
water-domestic (>5-10 cubic meters)	2.10	2.31

RESIDENTIAL HIGH DENSITY	Existing 2024 USD	PROPOSED 2025 USD
Water-domestic (0-5 cubic meters)	1.24	1.24
water-domestic (>5-10 cubic meters)	1.74	2.09

WATER CHARGE COMMERCIAL

Commercial	Existing 2024 USD	Proposed 2025 USD
Fixed Charge based on water billed		
0- 100 cubic meters	120	50

>100-200 cubic meters	150	75
>200-300 cubic meters	300	150
CONSUMPTION (0-100cubic meters)	2.20	2.20
Bulk(>100 cum)	1.95	2.34

SEWER CHARGES

(Area)	EXISTING 2024 USD	PROPOSED 2025 USD
Residential High Density	6.12	6.12
Residential Low Density	8.50	9.00
Commercial (per fitment)	3.51	10.00

REFUSE COLLECTION

Domestic Once a week Collection (Area)	EXISTING 2024 USD	PROPOSED 2025 USD
Residential High Density	8	9
Residential Low Density	11	13

REFUSE COLLECTION	Existing 2024 USD	PROPOSED 2025 USD
COMMERCIAL1 to 7 times a week Collection		
Commercial	22-39	30-44
Industrial	22-39	30-44

BUSINESS LICENCES

CATEGORY	Existing 2024 USD	Proposed 2025 USD
Shop license (below 50m2)	600	400
Shop license (50m2-100m2)	600	600
Shop license (Above 100m2)	600	800
Hair Dresser – Class A (Shop)	460	400
Hair Dresser – Class B (Shop)	345	300

The full tariffs schedule will be available for inspection during the public deposit period.

Your Worship, the **USD 482 332 006 million** has been disaggregated into the following income streams:

Source	Amount in USD
Refuse collection	30 967 090
Wastewater	26 164 900

Property tax	209 336 303
Cemetery fees	1 349 490
Water services	112 122 700
Business licence	9,035,736
Municipal police services	2 000 000
Housing	8 264 000
City parking	3 600 000
Estates	22 031 900
Welfare	1 429 900
Building inspectorate	19 754 300
Emergency services	2 650 000
Endowment fees	5,000,000.00
Education fees	2 697 200
Hospital and clinic fees	2,962,092
Rank entry fees	5 000 000
Town planning fees	1 515 800
SMEs	2 840 769
Other	36 098 826

24. 2025 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 **USD195.614 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 169.254 million** to support its functions. The resultant tariffs are cost recovery with basic water consumption level 0-5 cubic meters with no increases and marginal increases of at most 10% in subsequent user bands for water.

ROADS PROGRAMME

Your Worship, the Roads programme has a total expenditure of **USD 105.399 million**. The revenue for this programme will be drawn from City Parking remittance **USD 3.600 million**, bus termini fee **USD2.33 million**, parking fees **USD 7.4 million**, road design and approval fees **USD 4.937 million** and ZINARA fees amount to **USD 21 .299 million**. The deficit will be covered by property tax.

SOCIAL SERVICES PROGRAMME

Your Worship, the social services with total expenditure of **USD 97.742 million** is expected to generate own revenue of

USD57.062 million. Business licence is targeted to realise **USD 9.035 million**, Health user fees is projected to rake in **USD2.96 million**, Housing **USD 8.264 million**, Education **USD 2.697 million** and Small to Medium Enterprises **USD 2.84 million**. The shortfall from the programme is off-set by property tax.

Hospital and clinic fees in 2025 will remain the same as in 2024 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 maintain the same tariff as in 2024.

PUBLIC SAFETY AND SECURITY

Your Worship, Public Safety and Security with a projected expenditure of **USD 43.012 million** expected to generate own revenue of **USD 4.65 million**. An emergency services levy of **1USD** per household will be billed per month. The programme shortfall will be subsidised by property tax. Ordinary ambulance fees will be reduced by 15% in year 2025.

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 **USD 105.125 million**. The programme is expected to generate own revenues amounting to **USD 219.659 million**. The revenue will come mainly from property tax **USD 197.819 million**. Technical services comprising City Architect, and Town Planning will yield **USD 19.754 million** and **USD 1.515 million respectively.**

NATURAL RESOURCES AND CONSERVATION

The programme with total expenditure of **USD 1.303 million** is expected to generate own revenue amounting to **USD 306.7 thousand** with shortfall being offset by property tax.

25. RECOMMENDATIONS

Your Worship, some of the recommendations listed below were pronounced in the 2024 budget but were not fully implemented. I therefore propose that these be carried forward to 2025 in addition to new ones.

- i. **ERP:** Council should bring to finality within the first quarter of 2025 the procurement of a robust ERP system to improve financial management.
- ii. **DECENTRALISATION OF SERVICES:** Council should prioritise the capacitation of the decentralisation strategy, this will ensure that residents have ease of access to services.
- iii. **DISTRICT SUPPORT FUND.** Council proposes to introduce a District Support Fund to aid decentralisation
- iv. **RECAPITALISATION-** Council should prioritise investment in capital expenditure to enhance capacity to provide quality services and ensure sustainability.
- v. **DISPOSAL OF OBSOLETE ASSETS:** Council should dispose all assets that no longer have service potential in order to reduce cost of repairs and replace the assets.
- vi. **HOUSING AND URBAN DEVELOPMENT:** Council must Support affordable housing initiatives to address the housing shortages and ensure that only serviced stands are allocated. In addition, urban renewal programs must be implemented to revitalize city neighbourhoods.

vii. IMPLEMENTATION OF SOLAR PROJECTS - Council should expedite the implementation and operationalisation of the solar farm project which will curb the ever increasing energy cost which have become a major cost driver affecting service delivery.

viii. GREEN SPACES AND URBAN FORESTRY: Council must invest in urban parks and green spaces to improve air quality and enhance the city's aesthetic appeal. In addition, an intensive tree planning programme must be implemented particularly focussing on the replacement of the old jacaranda trees.

ix. REHABILITATION OF SOCIAL AMENITIES: Council must continue the rehabilitation of social amenities for quality services.

x. 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.

xi. STRENGTHENING PROJECT IMPLEMENTATION - by prioritizing project implementation, the City can achieve strategic goals, improve operational efficiency, and contribute to sustainable development.

26. CONCLUSION

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

- I would like to express our sincere gratitude to all our residents and stakeholders for their invaluable contribution to the development of the City of Harare budget for the year 2025. Their insights, expertise, and willingness to participate in the budget process were instrumental in shaping a comprehensive and fiscally responsible budget.
- Their contributions helped us: identify priorities, allocate resources effectively. We believe that the involvement of residents and stakeholders involvement has strengthened our commitment to transparency, accountability, and community engagement.
- My fellow Councillors for deliberating on the Estimates and giving guidance during their preparation.
- The Town Clerk, Acting Finance Director and His team, 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 resources and these are contributed by residents, industry and commerce, government, and satellite towns when they

honour their obligations. If they pay on time this will help us maintain essential services like water supply, sanitation, waste collection, and street lighting. If all ratepayers honour their obligations, we will be able to fund infrastructure projects.

FINALLY, Your Worship, the budget that is before you is sustainable. Residents contributed and we listened. Council took heed and responded with a budget that aims to enhance service delivery as demonstrated by our theme: **2025 BUDGET: 'ENHANCING SERVICE DELIVERY: BUILDING A SUSTAINABLE GREEN FUTURE TOGETHER'**

I NOW HAVE THE PLEASURE, YOUR WORSHIP, FELLOW COUNCILLORS, IN ASKING COUNCIL TO APPROVE THE 2025 ESTIMATES OF EXPENDITURE REVENUES. CITY OF HARARE 2025 BUDGET: "ENHANCING SERVICE DELIVERY: BUILDING A SUSTAINABLE GREEN FUTURE TOGETHER"

I THANK YOU! TATENDA! SIYABONGA!