



CITY OF HARARE

THE 2026 BUDGET STATEMENT

***A COMMITMENT TO INCLUSIVE GROWTH,
SUSTAINABLE SERVICE DELIVERY, AND
STRONG FISCAL STEWARDSHIP***

PRESENTED TO COUNCIL ON 30 OCTOBER 2025

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 COUNCILORS**
- **THE ACTING TOWN CLERK, ENG P.M MOYO**
- **HEADS OF DEPARTMENT**
- **ESTEEMED STAKEHOLDERS WHO ARE FOLLOWING THIS
BUDGET PRESENTATION FROM VARIOUS ONLINE
PLATFORMS**
- **INVITED GUESTS**
- **MEMBERS OF THE MEDIA FRATENITY**
- **LADIES AND GENTLEMEN**
- **GOOD AFTERNOON TO YOU ALL.**

1. INTRODUCTION

Your Worship, I wish to start my statement by extending my genuine gratitude to every resident, associations, civic communities and organizations that contributed to the development of the **2026** budget for the Capital City of the Republic of Zimbabwe.

The **2025** fiscal year has been a difficult period for both the City and the residents of Harare due to the significant challenges in the service delivery value chain. Significant challenges that were afflicting our communities range from limited access to clean water to deteriorating infrastructure. The willingness to engage with us reflects not just cooperation, but a deep belief in the future of our city. We recognize the **value** of this and will treat it with the **respect** it deserves.

The whole process of developing the 2026 financial plan was done in line with the guiding principles of the Urban Councils Act (**Chapter 29:15**), ensuring that this budget was crafted through consultations. The participation of our stakeholders was invaluable. The feedback and honest conversations were essential insights that grounded us in the realities of our community's needs. This allowed us to develop a budget that is both financially sound and highly responsive to social concerns, aimed at recovery and long-term sustainability.

The strength of this process lies in the extensive outreach we undertook. We held comprehensive ward-level consultation

meetings. We believe that the process was intensive enough and ensured that no voice was left unheard across our City.

We engaged:

- **Residents and Residents Associations:** the key stakeholders who live the daily realities and clamour for improved services.
- **The Business Community:** Key partners in economic resilience and job creation.
- **Women, Youth, and Persons with Disabilities:** These are critical stakeholders in financial planning who ensure that the needs of the most vulnerable are prioritised.
- **Faith-Based Organizations:** Providing moral guidance and supporting community networks.

Your Worship, these consultations were the foundation of the **2026** budget's development. By concentrating on the areas of greatest need, we crafted a budget specifically aimed at addressing critical concerns such as water supply, sanitation, health, public safety, road rehabilitation and infrastructure development.

We are nearing the completion of the **2021-2025** planning period, which is coinciding with the conclusion of the **National Development Strategy 1**, our vision to achieve **World Class City status by 2025** has had its fair share of wins and losses. Although we have made strides, some key challenges have hindered the full realization of our

targets. Looking ahead to 2030, we will be aligning our ambitions with the National Vision.

Your Worship, before I introduce the theme of the City of Harare 2026 budget, allow me, on behalf of the Council, stakeholders, and residents of Harare, to express our profound gratitude to the Government of the Republic of Zimbabwe for its persistent support in several transformative projects that are vital to our city's progress.

We deeply appreciate the **Smart Water Metering project**, a critical initiative that will significantly address Harare's water supply challenges by enhancing access to clean and safe water for thousands of residents. This project represents not only an investment in infrastructure but a commitment to improving public health and the community's well-being.

In addition, we acknowledge the government's contribution facilitating the trial of alternative water treatment chemicals which will play an essential role in maintaining the quality of our water supply through deployment of the chlorine dioxide project. The deployment of advanced equipment, including state-of-the-art Chlorine Dioxide Generators and specialized coagulation blending and dosing systems, will elevate the efficiency, safety, and sustainability of water treatment processes.

Furthermore, we want to recognize the government for facilitating the construction of the state-of-the-art market in **Mbare**. This modern market facility will stimulate local economic activity, provide a safer and more organized space for traders, and empower small-scale entrepreneurs. We are genuinely thankful for the Government's continuous partnership and support in advancing Harare's development.

Your Worship, the theme for this budget is: ***A COMMITMENT TO INCLUSIVE GROWTH, SUSTAINABLE SERVICE DELIVERY, AND STRONG FISCAL STEWARDSHIP.*** The theme shows a commitment to improving the quality and efficiency of public services while prioritizing sustainability.

The theme is rooted on the following key tenets:

- i. **Financial Management** through implementation of a robust Enterprise Resource Planning System. An efficient ERP is critical for the overall financial performance of the City. That is why a central, non-negotiable commitment in this 2026 Budget is the comprehensive implementation of a robust Enterprise Resource Planning (ERP) System.
- ii. **Enhancing Service Delivery:** The **2026** budget reaffirms our commitment to advancing the quality, availability, and responsiveness of municipal services. Recognizing persistent concerns from residents and stakeholders—particularly in water,

sanitation, hygiene, roads, public safety, social services, and environmental management—we have strategically prioritized and allocated resources to these critical sectors. Building on last year's foundation, efforts now focus on scalable and sustainable interventions that respond effectively to evolving community needs while strengthening infrastructure and administrative capacity to ensure lasting impact and improved living standards for all Harare residents.

iii. Sustainable Progress: The City of Harare is firmly committed to sustainable progress for all its residents. This means expanding access to essential services in a way that respects and preserves our environment. We are investing in infrastructure projects that provide clean energy, water, sanitation, and efficient waste management. We will be guided by the relevant Masterplan Proposals in ensuring sustainability of all our operations.

2. MOTION

Your Worship, in my capacity as Chairperson of Finance and Development Committee, I hereby move this motion in accordance with **Section 276** of the Constitution of Zimbabwe, **No. 20 of 2013**. This provision constitutionally empowers Local Authorities with the authority to levy rates and taxes, thereby enabling Council to generate sufficient revenue essential for fulfilling our mandated roles and responsibilities effectively. It is under this constitutional mandate

that we proceed to ensure financial sustainability and enhanced service delivery for our city.

Your Worship, let me draw your attention to **Section 47** of the Public Finance Management Act [**Chapter 22.19**] which requires that Council submits to the Minister of Local Government and Public Works, a budget of estimated revenue and expenditure for the **2026** financial year and the related annual strategic plan for approval. **Furthermore, Section 288** of the Urban Councils Act (Chapter 29:15) supports the Constitutional provision by demanding that each year, every Committee of Council shall prepare detailed estimates of income and expenditure on the revenue and capital accounts of that committee for the ensuing financial year; and submit the estimates to the Finance and Development Committee. These legal provisions are critical because they guide our operations as a local authority.

Your Worship, this budget answers the President's Call to Action by focusing on real and measurable results. Each programme is clear on how their spending will help meet clear, time-specific goals in the areas of concern. **Minimum Service Delivery Standards:** launched earlier this year also guided the budget preparations. The Minimum Service Delivery Standards are the basic quality levels we must meet in all services.

Your Worship, the budget is in the following programmes:

- 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 **2026** Budget Strategy Paper issued by the Ministry of Finance, Economic Development and Investment Promotion in **July 2025**, the global economy remains resilient, with growth recording a steady growth rate of **3.3% in 2024**. In the outlook, GDP growth is expected to stabilise at around **3% in 2026** before rising by **3.2% both in 2027 and 2028**. This marks a modest improvement from the slower pace of **2.8%** projected for **2025**, suggesting that the world economy will regain some momentum after weathering recent uncertainties.

The same paper notes that in Sub-Saharan Africa, growth is projected to accelerate from **3.8% in 2025 to 4.2% in 2026**, before edging up to **4.5% both in 2027 and 2028**, as the impact of previous weather shocks subsides and supply side fundamentals improve. The region's outlook is supported by a rebound in agriculture and

mining, as well as increased investment in green energy and technology.

The positive growth that is being projected is good news for Harare. Harare's performance is strongly correlated with national and regional trends because it contributes about one-third of Zimbabwe's GDP, with the services sector accounting for the largest share of its output. In addition, the predicted growth in agriculture and mining in Sub Saharan Africa, combined with increased green energy and technology investment in the region, provides favourable conditions for Harare. Any major economic developments on the continent and in Zimbabwe is good for Harare because of the growth in business which leads to disposable income and the fiscal space to honour municipal obligations for the residents of the City.

4. EXCHANGE RATE

Your Worship, following the introduction of the Zimbabwe Gold (ZiG) currency in April of 2024, the country has experience a largely stable exchange rate environment. The September 2024 ZiG:USD exchange rate shock from **13.56 to 25:1**, the ZiG has shed only **7%** to date, with a current rate averaging **26.8:1**. The Reserve Bank of Zimbabwe (RBZ) has maintained a tight stance on money supply levels which, coupled with some efforts from Treasury, has contributed to the stability being experienced. There remains need for strict financial discipline across the economy in order to sustain the stability and promote economic growth. The use of the local

currency has increased since **2024** as economic agents continue to demand the currency to meet their daily and statutory obligations. This has impacted the City and local authorities in general as liquidity has slightly improved as both ZiG and USD flows improve.

The exchange rate stability has also diminished rate payers' tendency to engage the black market in search of exchange gains as the premium has become too low to attract the associated risks of arrest and or being coned by illegal street foreign currency operators. As one of the major recipients of the local currency, Local Authorities will benefit from the anticipated ZiG stability.

4.2 INFLATION TRENDS

Your Worship, as the year 2025 draws nears closure, average month-on-month inflation is projected at **2.2%** while the year on year inflation rate is expected to average **69%**. As alluded by the Ministry of Finance, Economic Development and Investment Promotion, ***quote*** ("this trajectory is anchored on the continuation of prudent fiscal and monetary policies, positive supply-side responses boosting production and exports and a firm commitment to avoid monetization of the budget deficit."). Harare has recorded an average month-on-month inflation rate of **1.9%** in 2025 to August, a sign of stability from a 2024 average of **7.8%** in the ZiG era. The City will also seek to reinforce the same trajectory with responsive service efficiency and sustainable tariff regimes to improve livelihoods.

4.3 NATIONAL ECONOMIC OUTLOOK

Your Worship, movements in key economic indicators, including the exchange and inflation rates, point to improved sustainability across the economic divide. Promotion and sustainability of the prevailing stability will benefit the generality of the nation including local authorities as one of the major recipients of the local currency. The projected economic growth for **2026**, and the pathway to **2030** national vision, requires all economic agents in the country to embrace the same work ethic that puts the national interests first.

Your Worship, the City is finalizing **2025-2045** master-plan which is still going through scrutiny and input from all stakeholder groups. The masterplan will be key to achieve the City's contribution towards vision 2030, starting with ensuing operating year. Residents and stakeholders alike, share the same mission as in the spirit of the masterplan to provide enabling environment to economic sustainability. Employment creation and the development of the SMEs sector will be central to the intended trajectory.

Your Worship, let me also take this opportunity to call upon our esteemed Reserve Bank of Zimbabwe (**RBZ**) Governor, Dr. John Mushayavanhu and team, to improve communication of the de-dollarization road-map. This will have the impact of uniting the economy towards the same agenda of economic sustainability and reduce speculative tendencies in the business environment. It will

also impact on our planning as a local authority as we plan towards vision 2030 and beyond.

6. CHALLENGES

Your Worship, as we seek to attain the tenets of our theme: “A COMMITMENT TO INCLUSIVE GROWTH, SUSTAINABLE SERVICE DELIVERY, AND STRONG FISCAL STEWARDSHIP.”

we need to be alive to the following challenges:

- i. **Licence fees loss:** the significant, regulatory changes being introduced by the Central Government, specifically the wide-ranging reduction and scrapping of various national and local authority license fees. These measures, intended to improve the Ease of Doing Business, fundamentally reshape our municipal revenue landscape. **Your Worship**, we are faced with an immediate fiscal reality which I have named ***the revenue shock***. The move will definitely have an immediate impact on our municipal purse. As a local authority, we have historically relied on business operating licenses, liquor fees, and other permits as critical pillars of our own revenue. The projected deficit resulting from the slashing of fees, such as the Liquor License application fee from **USD1,080** to a capped **USD20** in most categories, and the removal of fees like the local bakery license, translates into an initial annual shortfall of approximately half a million united states dollars of our non-

rates revenue per annum. The shortfall, if left unaddressed, would immediately jeopardize our core mandate.

- ii. **Introduction of pre-paid metering system for public lighting infrastructure** and traffic signals. This strains the already tight fiscal space and it is a burden to administer the system in light of the number of street lights and traffic signals in the City. Furthermore, the risk of lights and signals being disconnected when the tokens run out poses serious public safety and traffic management concern. Engagements with ZETDC on the matter are ongoing as we seek a sustainable solution.
- iii. **Cost Burden:** The high cost of essential inputs, particularly **water treatment chemicals**, remains an operational threat. These chemicals are priced in **USD**, yet the City bills for services primarily in the local currency (ZiG).
- iv. **Inadequate Road Funding (ZINARA): Your Worship**, the current vehicle licensing revenue allocation framework has presented funding constraints for the City's road infrastructure programme. While the existing model has facilitated national coordination of road financing, the allocations received by the City of Harare have not been sufficient to meet the growing demands of road construction, maintenance, and rehabilitation. Given the City's expansive road network and high vehicle density, there is scope for continued engagement and collaboration with ZINARA and other stakeholders to explore ways of enhancing the adequacy of disbursements.

Strengthening this partnership will be key to ensuring sustainable investment in Harare's road infrastructure and improving mobility for all residents.

- v. Low Collection Efficiency:** Despite measures to enforce payment, overall collection efficiency remains below optimal levels. This affects service delivery initiatives.
- vi. Deteriorating Infrastructure:** The City's infrastructure, much of which is very old, requires massive investment that current resources cannot meet.
- vii. Bureaucratic Procurement Processes:** The delayed implementation of the e-government procurement system internally created procurement bottlenecks resulting in limited recapitalisation of service delivery operations and slowed down project implementation across programmes.

BELOW IS A SUMMARY OF THE CHALLENGES AND INTERVENTIONS TO BE IMPLEMENTED IN 2026 TO ADDRESS THE CHALLENGES

CHALLENGE	PROPOSED INTERVENTION
Financial Constraints	Streamlining of expenditure to critical items
Cost Burden	Continued engagement with government to allow the City to charge demand driven services in foreign currency to build capacity for

	procurement of chemicals and other critical consumables
Inadequate Road Funding	Continued engagement with ZINARA
Infrastructure Decay	Leverage on PPs for aggressive reinvestment
Bureaucratic Procurement Systems	Streamline Procurement processes to ensure efficiency

7. AUDITS

Your Worship, let me address the critical issue of financial reporting. The City was last audited for the **2021 financial statements**. The audits for the **2022, 2023, and 2024 fiscal years are currently underway**, and we are working diligently to conclude this backlog. We are optimistic that by the end of the first quarter of **2026**, the City will be fully compliant and up to date with its statutory reporting. The delay in completing these audits is acknowledged, and concerted efforts are being made to bring financial reporting fully up to date.

The City remains committed to addressing audit findings and strengthening internal controls. In this regard, the implementation of the ERP system, BIQ, will be instrumental in improving financial oversight and addressing recommendations raised by the Auditor-General. Going forward, all audit recommendations will be

systematically implemented to ensure transparency, accountability, and the efficient utilization of public resources.

Achieving current and reliable audited accounts is more than just a compliance issue; it is the **cornerstone of good governance, accountability, and transparency**. An investor, whether local or international, must be able to confidently measure the financial health of the City through reliable, verified accounts.

8. PROCUREMENT

Your Worship, last year we were battling with procurement bottlenecks and this challenge still persists. An efficient and well-oiled procurement system is the central engine of service delivery. When procurement is slow, our residents suffer from poor services. The investment in the **Governance Programme** in the 2026 budget is targeted precisely at fixing this system by introducing digital, transparent, and swift controls, ensuring every dollar is maximized for the public good.

9. LOCAL ECONOMIC AND OPERATIONAL ENVIRONMENT

Your Worship, the City of Harare is existing in a dynamic local economy shaped by steady population growth, changes in employment patterns, and fresh interest from the private sector. The 2026 Budget is based in a clear understanding of these realities, aiming to balance effective service delivery, financial stability, and inclusive growth. As the urban economy grows, so does the demand

for housing, transport, utilities, and jobs—creating both new opportunities and challenges for our municipal infrastructure.

9.1. Urbanisation Trends

- **Population Growth:** Harare's population is projected to surpass **2.3 million residents by 2026**, up from 2022 census figure of 1,489 million, reflecting an annual urbanisation rate of approximately **2.5 percent**. This growth has intensified demand for water, waste management, transport, and housing, with informal settlements expanding on the city's periphery, especially in **Budiriro, Epworth, Hatcliffe, and Caledonia**.
- **Urban Sprawl vs. Densification:** The **Harare Master Plan (2025–2045)** promotes compact, vertical growth within serviced areas to limit urban sprawl, reduce infrastructure pressure, and improve service delivery efficiency. The city is also prioritising **infill housing development**, redevelopment of underutilised municipal land, and the creation of **mixed-use urban nodes** that integrate commercial, residential, and transport functions.
- **Commuter Patterns:** Daily urban mobility exceeds **800,000 commuter trips**, underscoring the need for improved public transport, parking management, and pedestrian infrastructure. The decentralisation of administrative and service functions into

five regional zones has also reshaped urban movement and fiscal decentralisation patterns.

9.2. Employment Levels and Economic Structure

- **Employment Trends:** Employment levels remain uneven across sectors, with the formal sector estimated to account for **35–40 percent** of the working population, while the informal economy absorbs the remainder. The city's informal economy encompassing vending, small-scale manufacturing, transport services, and construction have become a major livelihood source, generating approximately **USD 1.5 billion annually** in local trade.

9.3. Sectoral Shifts: Harare's economy is gradually shifting from heavy industry toward **services, logistics, technology, and light manufacturing**, in line with global urban trends. The **Workington, Msasa, and Graniteside** industrial clusters remain critical production nodes but require recapitalisation and infrastructure support.

9.4. Labour Market Challenges: Despite economic resilience, youth unemployment remains above **40 percent**, with many school leavers and graduates entering the informal economy. The 2026 Budget therefore places emphasis on **skills development, entrepreneurship support, and youth-oriented infrastructure projects** to promote inclusive economic participation

9.5. Strategic Implications: Urbanisation, employment, and private sector dynamics present both opportunities and fiscal pressures. To remain sustainable, the City must continue to:

- Strengthen economic planning through **data-driven policy tools** and **GIS mapping**;
- Align infrastructure investments with **urban growth corridors**;
- Promote **entrepreneurship and innovation ecosystems**; and
- Deepen collaboration with the private sector to ensure Harare's transformation into a **smart, resilient, and inclusive capital city** under the national Vision 2030 Agenda.

10. INVESTMENT OPPORTUNITIES

Your Worship, in the absence of the traditional grants and donor funding, the City of Harare has evolved to embrace private sector practice and finance to improve service delivery. The global funding economy is evolving, and the City must adapt to remain effective and efficient. It is crucial that we not only recover but thrive in this changing environment.

To that end, I am excited to present a range of investment opportunities that will drive the City forward. Key sectors such as technology, renewable energy, and infrastructure are poised for growth.

- i. Technology:** with advancements in digital solutions, we encourage investments in digital solutions that will

complement the ERP and other Council processes. In line with the 2030 vision, City of Harare will use technology to improve efficiency and quality of service. Opportunities include, Council services online submission and processing, City camera surveillance and interactive customer platforms etc.

- ii. **Renewable Energy:** Our commitment to sustainability opens doors for investments in solar, wind, and other renewable sources, aligning with global trends toward greener practices. The City is currently finalizing external approvals for a **100MW** solar farm at Crowborough farm. The project is expected to contribute immensely to lowering power costs and ensuring continued power supply. Other renewable opportunities exist in the form of rooftop solar projects and utilization of the wetlands for solar farms to generate a target of **30MW**.
- iii. **Masterplan:** Your Worship, alongside these opportunities, our masterplan is awaiting approval. This masterplan aims to promote sustainable development, enhance quality of life, and create jobs for our citizens. Major initiatives include the development of smart commercial corridors, improved public transport systems, densified housing projects, industrial parks and green spaces that foster community and well-being. We anticipate to rolling out these initiatives over the next five years

by way of Expression of Interest or any other relevant bidding processes.

10.1. Public-Private Partnerships

Your Worship, to realize our ambitious goals, we are expanding our focus on public-private partnerships. PPPs are essential in leveraging private expertise and capital for public benefit. Through PPPs, we can efficiently deliver projects while sharing risks and rewards. This collaborative approach will enable us to innovate and improve service delivery.

10.2. CURRENT PROJECTS

Your Worship, the following is a summary of current projects:

- i. **Shawasha Market:** Feasibility study done, awaiting submission and approval by the Zimbabwe Development Agency (**ZIDA**).
- ii. **Mbare and Glenview Market:** Mbare phase 1 market constructed and operational. Phase 2 (Tsiga) works in progress. Glenview project preparation in progress.
- iii. **Waste Management BOT:** Council resolved to include waste collection as part of the waste to energy agreement. Door to Door Waste collection commenced and the City has received positive reviews for areas serviced. Full implementation in progress.

- iv. **Smart Water Metering Project:** Ministry of Local Government and Public Works, City of Harare and a private investor signed an agreement for the supply and installation of **320,000** prepaid water meters and a billing system, rehabilitation of MJ and water infrastructure valued at **USD342 million**. The project will address key challenges of the high non- revenue water low collection efficiency and low production capacity. The project commenced with capacitation of technical staff and installation of prepaid meters on a pilot run.
- v. **Wastewater:** The rehabilitation of wastewater infrastructure is planned to be done through a combination of a PPP with the Ministry of Local Government and Public Works, City of Harare and a private investor and also the through the City's internally generated funds. Subject to all relevant approvals being granted, the total investment for the PPP is estimated at **USD 750 million**. The project entails the introduction of new treatment technology that is compliant to environmental standards and also the replacement and upgrading of the wastewater pipe network

11. REVIEW OF THE 2025 BUDGET PERFORMANCE

During the period January to September 2025, the City of Harare recorded total receipts of **ZwG 4.286 billion**, against a billing of **ZwG 8.286 billion**. The collection efficiency trend has been **48.4%** in the first quarter **47.5%** in **the second quarter** and **54% in the third**

quarter. Although this represented an improvement compared to earlier quarters, liquidity remained tight with limited fiscal space. Improvements in the third quarter signals early success from ongoing reforms embarked on by the city such as compliance checks, stringent debtor follow ups, increase in electronic payment platforms and integration of the systems.

The main challenge is that many residents are reluctant to pay because they feel the services are not satisfactory. This creates a cycle where payment is not as per budget and less payment means there is inadequate funding to improve services. In 2026, the City must change this cycle by introducing clear service-for-payment initiatives and strengthening revenue collection enforcement to rebuild public trust.

Liquidity problems are still making it hard to manage our working capital. For 2026, the budget includes monthly cash flow forecasting and clear cash allocation systems that prioritize essential services to keep them running smoothly. A fully integrated ERP system will help track income in real time, allowing better decisions on how to use our resources.

11.1. REVENUE PERFORMANCE AND MIX

Your Worship, revenue inflows remain concentrated in a few major lines property tax, water, and refuse collection, which together make up nearly **60%** of total receipts. This limited diversification increases

fiscal vulnerability of the city. Property tax base growth is affected by delays in processes of addition of new properties, while water revenue is weakened by billing gaps. Non-billed income, primarily from plan approvals and licences, remains a crucial source generating **ZwG 900million** from the total receipts of **ZwG 4.286 billion**.

Your Worship, The City introduced three ring-fenced levies for specific recapitalisation of critical areas which were billed starting March 2025. The levies are:

- I. Emergency services levy: aimed at capitalisation of fire and ambulance services. By September 30th, **ZwG45.9 million** was billed with **ZwG19.7 million** being collected. 3 ambulances were procured from the collected funds.
- II. Public lighting levy: aimed at renewal and expansion of the City's public lighting infrastructure. **ZwG39.3 million** was billed with **ZwG16.9 million** being collected. 2 platforms were procured which are critical operational assets for the public lighting section.
- III. Special Water Infrastructure Levy: aimed at building the capacity of water infrastructure renewal for the City. **ZwG77.9 million** was billed with **ZwG33.5 million** being collected. Processes are currently underway to have foreign payments be facilitated by the Reserve Bank of Zimbabwe for foreign obligations.

Going forward, the City must maximise these high-impact non-billed streams through fast-tracked approvals, e-platform integration, and improved customer interfaces. Additionally, the City must regularly clean up billing data in order to identify under-assessed properties and reduce leakages. The 2026 budget plan should focus on both strong enforcement and using digital tools to work more efficiently. It is based on the idea that it is better to increase the number of people paying than to put too much pressure on those who already do.

11.2 DEBTORS:

Your Worship, as of 30 September 2025, the total outstanding debt owed to the City of Harare amounts to a substantial **ZwG8.61billion**. The debtor structure reveals that domestic consumers account for **60.44%**, commercial/industrial **31.81%**, dormitory towns **4.42%**, and government entities **2.95%**. To contextualize, this sum is sufficient to fully recapitalize our vehicle fleet, rehabilitate key trunk roads, and secure water treatment chemicals for an entire year. This funds rightfully belong to our residents, and their absence severely restricts our operational capability. The current situation is unsustainable and demands immediate, decisive intervention. Over **60%** of this debt—amounting to more than **ZwG5.20 billion**—originates from the domestic consumers. The Commercial and Industrial sectors collectively account for approximately **26%**, totaling around **ZwG 2.26 billion**. Therefore, our debt recovery strategy must be precisely

targeted, with an urgent focus on addressing the domestic arrears to restore the City's financial stability.

For 2026, the City will operationalise a segmented arrears reduction strategy:

- Domestic ratepayers will be offered conditional amnesties linked to consistent current bill settlement.
- Commercial entities will face strict enforcement, including disconnection, garnishee, and litigation options.
- Government arrears will be predominantly settled through inter-governmental offsets.

11.3. CREDITORS

As of 30 September 2025, the City owes **ZwG 2.114 billion**, up from **ZwG 1.4 billion** in January 2025. More than half of this debt—**54.83%**—comes from electricity bills. The high electricity costs, mainly from power-intensive water and sewer systems, use up a large part of the limited funds meant for running and maintaining services. The 2026 budget plan focuses on cutting energy costs by using solar power across the city. For staff leave, the City will enforce a policy to use up leave to stop extra leave from building up, which currently costs **ZwG 1.540 billion**. On top of this, the City still owes a **USD 93.5 million** from the **Development and Rehabilitation of Municipal Water and Sewage Treatment Works for the City of Harare project of 2010**, funded through the China-Exim Bank, which

adds extra pressure on finances because it must be repaid in foreign currency, making it harder to manage daily operations. We are in the process of finalising the payment modalities using the Special Water Levy which was provided for in the 2025 budget.

11.4 COST STRUCTURE & WAGE PRESSURE

Your Worship, employee compensation remains one of the City's most significant cost drivers. As of September 2025, accrued salaries totalled **ZwG 3.164 billion**. The dominance of personnel expenditure constrains allocations to capital and maintenance programmes. The 2026 budget includes several ways to control staff costs, mainly by limiting new hires and moving staff from positions that are no longer needed. The City will also review and adjust staff numbers in departments to focus on key services. The main goal is to lower staff costs compared to the money the City receives, following local government limits, to balance employee benefits with the City's budget health.

12. CAPITAL EXPENDITURE

Your Worship, between January and September 2025, capital expenditure amounted to **ZwG235 million**, reflecting subdued investment levels. Expenditure during this period was primarily directed towards the procurement of sewer pipes, road rehabilitation, the acquisition of three ambulances valued at **ZwG7.59 million** through the emergency levy, operational equipment and vehicles,

and infrastructure works at Rufaro Stadium. The underperformance in capital spending is attributable to constrained liquidity, procurement bottlenecks, and the prioritization of unavoidable recurrent obligations such as water treatment chemicals, staff salaries, and fuel costs. Consequently, critical infrastructure renewal, particularly in water and wastewater treatment as well as road rehabilitation, has significantly lagged behind schedule.

Going forward, the City intends to prioritize capital expenditure within the first two quarters of 2026, with a strategic focus on “quick-win” projects that will positively influence customer perception and improve collection rates. Key initiatives include the replacement of water network pipes, installation of water meters, refurbishment of sewer networks, and procurement of heavy machinery. To enhance oversight and ensure efficient fund utilization, a Performance Monitoring Dashboard will be introduced to track project milestones in real time. Furthermore, Public-Private Partnerships (PPPs) within the Water, Sanitation, and Hygiene (WASH) sector will be actively pursued to bridge funding gaps and secure tangible advancements in service delivery during the first half of the fiscal year.

13. DEVOLUTION

The Devolution Funds remains a key part of the Government of Zimbabwe’s commitment to decentralizing fiscal resources, as outlined in **Section 301** of the Constitution, which ensures fair

distribution of national funds to local governments. However, as of September **30, 2025**, the City of Harare has yet to receive its allocation for the year.

Despite this delay, the City continues to prioritize devolution goals within its overall plans for capital projects and service delivery, hopeful that the funds will be released before the financial year ends. The hold-up has slowed down important infrastructure work, especially in the water sector, where funds were meant for rehabilitating water treatment facilities and upgrading sewer lines. Still, the City is prepared to move forward immediately once the funds become available.

While the 2025 transfers are still pending, the City is guided by the approved budget which focuses on vital infrastructure and social services.

Below is the 2025 Devolution Allocation Overview.

PROGRAMME	ALLOCATION (USD M)	FOCUS AREAS (UPON DISBURSEMENT)
WASH	7.6 M	Water treatment rehabilitation, sewer works,
Roads	1.5 M	Resealing of major roads, drainage network upgrades, and maintenance

Social Services	3.7M	Construction of a primary school, clinic upgrade
Total Indicative Envelope	12.8M	Subject to actual release by Treasury before year end

The failure to release the allocated devolution funds has significantly impacted the City's progress. Many important infrastructure projects, which had already been approved, are now put on hold because they are waiting for funding to move forward.

14. ZINARA

Your Worship, During the year 2025, the Zimbabwe National Road Administration (ZINARA) continued to provide critical support towards the maintenance and rehabilitation of the City of Harare's road network, the City, as a designated Road Authority, received total disbursements amounting to **ZWG 85.2 million** as at 20 October 2025. Of this amount, **ZWG 24.496 million** was allocated towards Routine Maintenance, while **ZWG 60.7 million** was earmarked for Periodic Maintenance works towards the reconstruction of Dzivarasekwa road **(5.1km)** and 4th Avenue Warren Park **(3.4km)**.

In addition to these financial allocations, ZINARA further supported the City's operations through the provision of **110,000** litres of diesel

fuel, valued at approximately **USD 177,600** during the first three quarters of the year. This fuel allocation greatly assisted in sustaining on-the-ground maintenance activities and ensuring continuity of service delivery.

Furthermore, the Ministry of Transport and Infrastructural Development, through the Emergency Road Rehabilitation Programme Phase II (ERRP 2), has complemented the City's efforts by undertaking major rehabilitation works on major roads within the capital. This coordinated approach between ZINARA, the Ministry of Transport and Infrastructural Development, and the City of Harare have gone a long way in improving the condition of key roads within the capital, enhancing connectivity, and facilitating economic and social activity.

15. STRATEGIC BUSINESS UNITS

i. City Parking Private Limited: revenue collection from parking fees has shown significant growth, towards targets. This is a testament to the efficiency of operations and the dedication of staff.

- **Remittance to Shareholder:** In line with the mandate, City Parking Private Limited remitted **30%** of parking fees collection to the shareholder, amounting to **USD 1.739 million** and **ZwG 23.19 million** for the period January to August 2025. The entity also remitted **60%** of the enforcement fees collection, amounting to

ZwG 4.036 million and USD0.411 million for the period January to mid October 2025. These remittances demonstrate the commitment to supporting the City's revenue streams.

- **Summary of key issues on City Parking Private Limited:** City Parking Private Limited is taking several important steps to improve parking services and support our community. There are plans to expand parking zones into growing commercial areas, increasing convenience and boosting revenue. By using advanced technology, including surveillance vehicles, the entity has enhanced compliance and reduced revenue losses.
- **Your Worship,** we are proud that our strategic business unit has achieved ISO certification, reflecting commitment to quality and customer satisfaction. In addition, City Parking Private Limited will continue offering exemptions to the elderly and war veterans as part of our social responsibility. Finally, there are plans set to develop the Mbare Bus Terminus, a key transport hub, to improve infrastructure and passenger experience.
- **Rufaro Marketing:** Rufaro Marketing Private Limited continue to navigate the effectiveness of their operations and has made significant strides in delivering value to the shareholders and stakeholders. The entity remits **80% (20% cash and 60% ring-fenced** for social infrastructure. To date, RM has remitted of total of **USD53 354 and ZwG 240 000** and contributed USD 160 062 and ZwG 720 000 towards Rufaro Stadium rehabilitation works.

- **Rufaro Stadium:** The development of Rufaro Stadium remains a key priority for Rufaro Marketing Private Limited. The stadium e potential to be a major revenue-generating asset for the City, and ensuring that it is developed to its full potential. The plans for the stadium include upgrading the facilities, increasing seating capacity, and hosting major events that will attract visitors and revenue to the City.

16. GENDER BUDGET STATEMENT

Your Worship, as we present the 2026 City of Harare Budget, it is important to underscore the principle that guides our planning: inclusive service delivery is both a social and economic imperative. We acknowledge that women, youth, and vulnerable groups have long borne the brunt of inadequate municipal services—especially in critical areas such as water access, sanitation, waste management, and public safety.

In response, this Budget intentionally integrates gender-responsive and social inclusion objectives across both operational and capital allocations. Our commitment is clear: no ward, no community, and no demographic shall be left behind as we steer Harare’s recovery and growth. This is not merely compliance with national policy frameworks such as the Zimbabwe National Gender Policy (2022–2027), the National Development Strategy 1, and Vision 2030 — all of which emphasize equitable participation in economic and civic life

— but a deliberate commitment to harness gender equity as a catalyst for sustainable urban transformation.

We firmly believe that fostering inclusive growth and equality will create a stronger, more resilient Harare, empowered to meet the challenges of today and seize the opportunities of tomorrow.

16.1. Allocations Targeting Women, Youth, And Vulnerable Groups

- i. Water, Sanitation and Hygiene (WASH): 30% of WASH rehabilitation funds** are for projects that directly ease the domestic water burden on women and girls such as boosting of water provision in Mabvuku, an area which has perennially suffered from inadequate water supply through rehabilitation of Letombo pump station. Funds have been allocated to construct **public ablution blocks** with ramps for social inclusion of persons with disabilities.
- ii. Solid Waste Management:** Waste recycling clusters in Mbare, Glen View, and Mabvuku will prioritise **youth cooperatives** turning waste into income.
- iii. Social Services and Community Development: Clinic upgrades** to maternity facilities in areas of service provision gaps like Marlborough, Tariro and Rujeko. Markets modernisation (Mupedzanhamo, Glen Norah, Kuwadzana) will incorporate **safe trading zones** with storage and lighting for female traders. The city has a disability and inclusion policy

and deliberate efforts will be made to allocate significant **trading spaces** to persons with disabilities and widowed household heads.

iv. Drug and Substance rehabilitation centres: The city intend to establish 3 drug and substance rehabilitation centres Halfway Home, Old Highfield rehabilitation centre and Matapi rehabilitation centre.

v. Public Safety and Street Lighting: Expansion of **public lighting in hotspots** improves women's safety during night. High mast towers will be installed progressively in different wards of the city, Hatcliffe Mabvuku, Glen View, Glen Norah and Budiriro among others

16.2. Mainstreaming Gender Equity in Service Delivery

To institutionalise inclusivity, every programme in the 2026 Budget carries **gender and social inclusion markers**:

- **Governance and Administration:** gender-balanced representation in budget consultations and ward development fora.
- **Roads** design of pedestrian infrastructure with safety rails, lighting, and ramps for the physically challenged.
- **Housing:** transparent housing allocation, accommodating female-headed households.

- **Environmental Conservation:** women and youth groups to lead community tree-planting and wetland protection initiatives under the Green Harare campaign.

16.3. Expected results for 2026

- 10% improved access to water provision from 300 Mega litres to 560 Mega litres
- 1 000 youths trained and employed through municipal projects.
- 10% of all small business space allocations reserved for vulnerable groups.
- Reduction in reported safety incidents in previously unlit markets and bus termini.
- Demonstrable improvement in gender-disaggregated access to essential service

The City commits to allocate **at least 5% of its capital and recurrent budget** to gender and inclusion-specific initiatives, tracked through programme-based budgeting lines. This aligns municipal action with national SDG 5 (Gender Equality) and SDG 11 (Sustainable Cities and Communities), ensuring Harare's development path is inclusive, safe, and equitable.

17. 2026 REVENUE AND CAPITAL ESTIMATES:

The 2026 financial plan for the City of Harare is built on two strategic pillars:

- i. **Enhanced revenue mobilisation** and fiscal discipline, ensuring predictable cash flows to sustain service delivery; and
- ii. **Accelerated capital investment**, anchored on infrastructure renewal, digital modernisation, and community resilience.

The consolidated estimates present a total resource envelope of **USD 690.8 million**, of which approximately **USD 234.8 million (34 %)** is directed towards capital expenditure programmes, while **USD 455.3 million (66%)** supports recurrent operations and service maintenance.

17.1. Revenue Estimates

a) Overview of Revenue Performance

Projected total revenue for 2026 amounts to **USD 690.8 million**, reflecting a **19%** growth from the 2025 out-turn. Growth is driven by projected improved billing efficiency under the new ERP, property base increase due to inclusion of new properties which had not been captured over the years due to bottle necks in surveying, regularisation of properties, moderate tariff adjustments, and stronger enforcement measures across key revenue streams.

Your Worship, internally generated revenues amount to **USD 515.9 million** disaggregated into the following income streams.

Source	Amount in USD
Refuse collection	34 667 000
Wastewater	40 276 500
Property tax	211 774 350
Cemetery fees	1 750 000
Water services	123 512 400
Business licence	6 141 700
Municipal police services	2 000 000
Housing	13 140 600
City parking	4 680 000
Estates	23 189 100
Welfare	5 863 000
Building inspectorate	21 810 300
Emergency services	2 930 000
Endowment fees	4 500 000
Education fees	2 827 800
Hospital and clinic fees	4 449 600
Rank fees	3 098 300
Town planning fees	2 150 000

SMEs	4 266 900
Other	2 872 450

B) KEY REVENUE ENHANCEMENT MEASURES FOR 2026

- i. **Digital Billing & E-Receipting:** Full deployment of ERP for real-time billing of water, refuse, property tax, and licences.
- ii. **Tariff Rationalisation:** Implementation of cost-reflective yet socially sensitive tariffs across utilities.
- iii. **Debt Recovery Drive:** Enforcement of payment plans and automation of reminders to substantively reduce arrears by 25%.
- iv. **Licensing Compliance Audits:** Targeting informal and small-enterprise segments for inclusion in the revenue net.
- v. **Investment and PPP Promotion:** Attracting private participation in water, waste water, SME's development and solar projects.
- vi. **Asset Optimisation:** sweating of council assets to get maximum benefits.

These measures are expected to stabilise monthly cash inflows and gradually improve the City's liquidity position, enabling predictable disbursements to service departments.

17.2 CAPITAL EXPENDITURE PRIORITIES

a) Service Delivery Projects

Capital investment in 2026 totals **USD 234 million**, with focus on asset renewal and service-delivery expansion

PROGRAMME	USD MILLION	PRIORITY PROJECTS
WASH	127.4 (54.2%)	Refurbishment of Morton Jaffray and Prince Edward Plants; replacement of critical water and sewer mains; procurement installation of prepaid water meters and Rehabilitation of waste water Conveyance network including Amalinda stream crossings.
Roads	38.1 (16.2%)	Overlay and reseal of 200 km roads; Glen View and Budiriro drainage upgrades; smart traffic signals for 10 intersections.
Social Services	43.2 (18%)	Clinic rehabilitation; construction of market stalls and recreation centres; construction of drug and substance rehabilitation centres
Governance & Administration	21.4(9.11%)	ERP roll-out; civic centre upgrades; fleet recapitalisation for finance and audit teams; building maintenance.
Public Safety & Security	4.1 (1.7%)	Fire tenders and ambulances; CCTV systems; street lighting.
Natural Resources Conservation Management	0.5 (0.2%)	Wetland rehabilitation; tree-planting; climate resilience projects.

b) Infrastructure Modernisation

The 2026 Budget introduces a structured Infrastructure Modernisation Agenda centred on technology, sustainability, and resilience.

i. Digital Infrastructure:

- Full ERP integration for finance, HR, billing, procurement, and asset management.
- Smart metering for high-consumption clients (**Phase 1: 100 000 connections**).
- Data-driven performance dashboards accessible to management and Council.

ii. Operational assets:

- Acquisition of front end loader, 2 graders, 10 tipper trucks, 5 backhoe loaders, 10 flatbeds, 2 low bed trucks, and 2 excavators and 1 reclaimer, motorised water bowser, asphalt mixing plant, bitumen distributor, road marking machine among others to restore service capacity.
- Installation of fleet-tracking systems.

iii. Energy Efficiency and Green Transition:

- Solar street-lighting (20 km priority corridors).
- Rooftop solar on municipal clinics and district offices to reduce grid dependence.

iv. Smart Water Management:

- Non-revenue-water monitoring through digital pressure zones.
- Real-time water-quality sensors at treatment plants.

v. Urban Resilience and Climate Adaptation:

- Storm-water master plan implementation and green infrastructure expansion.
- Community early-warning systems for flood-prone areas.

vi. PPP and Innovative Financing:

- Structured PPP pipeline for water, waste water, and SMEs development.
- Use of devolution funds and loan funding for capital leveraging.

17.3 Expected Outcomes for 2026.

- **Capital Delivery:** more than **50%** execution rate on infrastructure projects bolstered by PPP, Devolution and loans.
- **Liquidity Stability:** Predictable monthly cash flows and enhanced creditworthiness.
- **Service Improvement:** Reliable water supply, clean streets, safer roads, and responsive public health facilities.
- **Institutional Efficiency:** Automated billing, audit transparency, and reduced leakages.

Your Worship, the 2026 Revenue and Capital Estimates present a fiscally realistic yet transformative roadmap. They balance cost

recovery with affordability, channel resources to infrastructure renewal, and embed digital transformation across service departments. Through disciplined implementation, the City of Harare will reinforce public confidence and move closer to Vision 2030 aspiration of a modern, sustainable, and inclusive capital city.

18. KEY TARIFFS

18.1. Residential and Commercial Water Charges (2026)

i. Introduction of Prepaid Smart Water Meters

Your worship, to enhance billing efficiency and promote responsible water usage, the City of Harare will roll out prepaid smart water meters across residential and commercial/industrial properties through a Public–Private Partnership (PPP) arrangement. The initiative is part of the 2026–2030 WASH modernisation strategy, aligning with Vision 2030 and the City’s commitment to financial sustainability, transparency, and improved customer service. Consequently, **Your Worship**, this initiative comes with a heavy investment which translates to increased tariffs as presented below.

Tariff and Customer Policy

Water consumption will be charged on a **pay-as-you-use basis**, allowing households to monitor usage in real time and avoid estimated billing. This model ensures predictable revenue streams for the City while promoting equity, conservation, and transparency.

Your Worship, the 2026 water tariff review aims to align rates with cost recovery while maintaining affordability for low-consumption households.

- **Residential:** Lifeline band (0–5 cubic metres) remains moderately subsidised to protect vulnerable households, while consumption above 20 cubic metres incurs incremental cost recovery.
 - Example ranges: **USD 2/m³** (domestic), progressively rising by usage band.
 - Commercial & Industrial: Indexed to supply cost and energy inputs, ensuring industrial users contribute proportionately

iii. WATER CHARGE RESIDENTIAL

RESIDENTIAL HIGH DENSITY	EXISTING 2025 USD	PROPOSED 2026 USD
Water domestic (0-5 Cubic meters)	1.24	2.00

RESIDENTIAL LOW DENSITY	EXISTING 2025 USD	PROPOSED 2026 USD
Water domestic (0-5 Cubic meters)	1.70	4.90

WATER COMMERCIAL CHARGE

Commercial Fixed Charge based on Water Billed	EXISTING 2025 USD	PROPOSED 2026 USD
0-100 Cubic meters	50.00	50.00
>100-200 Cubic meters	75.00	75.00
>200-500 Cubic meters	150.00	150.00

WATER COMMERCIAL CONSUMPTION	EXISTING 2025 USD	PROPOSED 2026 USD
BULK 0-100	2.64	6.00
Bulk>100 Cubic Meters	2.31	4.00

Sewerage Charges (2026)

Sewerage tariffs have been adjusted to cover pumping, treatment, and maintenance costs at Crowborough and Firle works.

- **Residential:** Fixed monthly charge of **USD9 and USD13 respectively** for high and low density properties.
- **Commercial/Industrial:** Charge based the number of fitments installed on a property.

SEWER CHARGES

AREA	EXISTING 2025 USD	PROPOSED 2026 USD
Residential High Density	8.00	9.00
Residential Low Density	11.00	13.00
Commercial (per Fitment)	15.00	17.20

REFUSE COLLECTION (2026)

Refuse collection remains a key pillar of visible service delivery and public health protection.

- **Domestic (High to low density): USD9 and USD13** scaled by property class.
- **Commercial/Industry:** aligned with waste volume and frequency of collection.

Domestic Once a Week Collection Area	EXISTING 2025 USD	PROPOSED 2026 USD
Residential High Density	9.00	9.00
Residential Low Density	13.00	13.00

REFUSE COLLECTION COMMERCIAL 1-7 Times a Week Collection	EXISTING USD 2025	PROPOSED USD 2026
Commercial	26-39	26-39
Industrial	22-39	22-39

BUSINESS LICENCES – Key Tariffs (2026)

In line with the **Government of Zimbabwe's** directive for municipalities to rationalise and reduce business licence fees, the City of Harare has recalibrated its 2026 tariff framework to support investment growth, enterprise formalisation, and economic recovery. This proposed budget tariff structure seeks to make Harare a competitive, inclusive, and business-friendly city, while maintaining adequate fiscal capacity to sustain service delivery.

The City has adopted a **tiered reduction model**, balancing compliance with the national directive and its own fiscal sustainability. This model recognises Harare's strategic role as the national capital and commercial hub, where affordable licensing is essential to attract investment, create jobs, and formalise the small to medium enterprises.

Your Worship, it is however important to note that the 2025 and prior licensing regime was crucial for the City to subsidise the provision of public health services to make them affordable to all. The City has

reconfigured other sources to keep health services within reach for all.

2026 Key Business Licence Fee Structure

Category	Existing 2025 (USD)	Proposed 2026 (USD)	% Reduction	Ease of Doing Business Adjustment
Shop Licence (below 50m ²)	400.00	200.00	↓ 50 %	Simplified flat-rate annual licence
Shop Licence (50m ² – 100m ²)	600.00	300.00	↓ 50 %	Standardised documentation; same-day approval
Shop Licence (above 100m ²)	800.00	500.00	↓ 38 %	Consolidated inspection; one-stop business clearance
Hairdresser – Class A (Shop)	460.00	230.00	↓ 50 %	SME-friendly rate; supports women and youth operators
Hairdresser – Class B (Shop)	345.00	173.00	↓ 50 %	Informal-to-formal transition incentive
Hawkers (Non-Food)	115.00	58.00	↓ 50 %	Reduced barrier to entry; simplified hawker permit
Hawkers (Food)	115.00	58.00	↓ 50 %	Encourages food safety compliance through affordable licensing

The 2026 tariffs are structured to:

- i. Support full cost recovery for essential utilities without compromising affordability.
- ii. Anchor environmental sustainability—encouraging water conservation, recycling, and waste minimisation.

- iii. Advance digital transformation by enabling e-billing, e-licensing, and integrated receipting to enhance transparency and ease of payment.

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

19. 2026 PROJECTED EXPENDITURE BY PROGRAMME

19.1 OVERVIEW AND FISCAL INTENT

Your Worship, the 2026 City of Harare Estimates represents a total consolidated expenditure envelope of approximately **USD 690.8 Million**, translating to a growth of **19%** over the 2025 approved budget.

This expansion accommodates inflationary pressures, and deliberate front-loading of capital expenditure to restore reliability in water, waste management, roads, and emergency services. Expenditure distribution follows the Programme-Based Budgeting (PBB) framework, which aligns city functions to service-delivery outcomes and outputs.

The six core programmes are

- Governance and Administration
- WASH
- Social Services
- Roads

- Public Safety and Security Services
- Natural Resources Conservation and Management

Together they embody the 2026 Budget theme: ***“A COMMITMENT TO INCLUSIVE GROWTH, SUSTAINABLE SERVICE DELIVERY, AND STRONG FISCAL STEWARDSHIP”***,

19.2. AGGREGATE ALLOCATIONS SUMMARY

PROGRAMME	2026 ALLOCATION (USD MILLION)	% OF TOTAL	FUNCTIONAL FOCUS
Governance & Administration	105.97M	15.34%	Financial management, policy coordination, ICT modernisation, corporate services
WASH	297.01M	43.03%	Water production, sewer rehabilitation, solid-waste management
Social Services	123.97M	17.94%	Health, education, housing, markets, recreation
Roads	119.56M	17.31%	Road rehabilitation, and, traffic management
Public Safety and Security Services	42.62M	6.17%	Municipal policing, Emergency services and Public lighting
Natural Resources conservation and Management	1.68M	0.24%	Wetland protection and climate resilience
Total	690.8 Million	100%	

Your Worship, capital expenditure represents **34% (USD 234 million)** of the total 2026 proposed budget, reflecting a deliberate shift from the 2025 budget recurrent to asset ratio of **25%**, creating capital outlays bolstered by PPP financing in the water sector, while recurrent operations—including salaries, fuel, power, and repairs and maintenance account for **66%** of the total budget.

21.2 GOVERNANCE & ADMINISTRATION

Your Worship, this programme underpins City operations by providing strategic leadership, management, ICT systems, and human-resource administration. Its 2026 allocation of **USD105.97 million** aims to strengthen institutional performance and compliance.

Major Cost Drivers

- Employee Costs – **USD 42.7 million (41% of programme total)**
- ICT modernisation and ERP roll-out – **USD 12.95 million**
- Repairs & Maintenance of buildings – **USD 5.56 million**
- Audit & Governance functions – **USD 3.8 million**

2026 PRIORITIES

- ERP Deployment:** Full migration to a robust ERP covering all core modules.
- Fiscal Discipline:** Prioritise expenditure towards service delivery adhering to expenditure limits and cash flows

- iii. **Human Capital Development:** Capacity-building in IPSAS and Public Finance Management Act compliance for all key employees.
- iv. **ICT & Cybersecurity:** City data centre backup and secure networking for district offices.

Expected Outcome 2026: Improved audit opinion; automated financial reporting; wage-to-revenue ratio within the statutory provision.

21.3. WASH PROGRAMME

At **USD 297.01 million (43.0% of total)**, WASH remains the City's largest programme, underscoring water security and sanitation as core public health obligations.

SUB-PROGRAMME	ALLOCATION (USD MILLION)	PERCENTAGE
Water Services	199.83M	67%
Wastewater Services	58.64M	20%
Solid Waste Management	38.54M	13%

Key Investments 2026

- Installation of smart water meters **-100 000**
- Pump Refurbishment and Chemical Procurement: Ensure **24-hour** operation at Morton Jaffray and Prince Edward.

- Trunk Main Replacement: Rehabilitation of aged mains in Greendale, Mabvuku, and Highfield.
- Rehabilitation of waste water Conveyance network including Amalinda stream crossings
- Crowborough & Firle Upgrades: Bio-filter restoration and sludge-handling units.
- Solid-Waste: Construction of Material recovery centres

Performance Targets guided by the Minimum Service Delivery Standards

- Potable water production up to **520 ML/day** (from **335 ML/day** in 2025).
- **60%** reduction in sewer blockages.
- Refuse collection coverage of 100%.
- Non-revenue water reduction to **30%** in line with the Minimum Service Delivery Standards.

Your Worship, the programme directly advances SDG 6 (Clean Water and Sanitation) and SDG 11 (Sustainable Cities).

21.4. SOCIAL SERVICES PROGRAMME

The total allocation **USD 123.95 Million (17.94%)** funds health, housing, education, markets, recreation, and social protection.

COMPONENT	ALLOCATION (USD MILLION)	% OF PROGRAMME
Health Services	52.38	42%
Housing & Estates	13.79	11%
Education Facilities	7.26	6%
Parks & Cemeteries	10.59	8%
Markets & SME Development	27.9	22%
Welfare	13.18	11%

MAJOR PROJECTS 2026

- Clinic Rehabilitation: upgrading of **15 clinics** with solar back-up
- Maternal Health: Upgrading of Rujeko Tariro and Marlborough into maternity centres
- Specialist service: Establishment of Wilkins Infectious Disease Hospital diagnostic centre and Wilkins theatre
- Markets Modernisation: Upgrades at Mupedzanhamo, Kuwadzana, Glen View, and Mbare Siyaso; lighting and sanitation.
- Housing: Servicing of infill stands and title regularisation for **5 000 units**.
- Youth & Gender Programmes: **1 000** youths trained under urban skills and recycling initiatives.

Expected Outputs

- Patient attendance up by **15%** at our health facilities.
- **1 000** market stalls rehabilitated and allocated with **25%** reserved for women & Persons with Disabilities.
- **20 hectares** of new green space restored.

21.5 ROADS PROGRAMME

USD 119.56 million (17.31%), co-funded by ZINARA and Council own-revenues. Programme emphasises preventive maintenance and traffic efficiency.

SUB-PROGRAMME	ALLOCATION (USD MILLION)	% OF PROGRAMME
Road Maintenance & Rehabilitation	92.60	77%
Drainage and Storm-Water Management	9.43	9%
Traffic Management & Planning	17.51	16%

PROJECTS 2026

- Overlays/Reseals: 35 km arterial and district roads. Periodic maintenance across the city 200km

- Drainage Upgrades: Glen View 8, Budiro, and Mbare catchments.
- Upgrading of existing signalised junctions to solar (LED and poles).
- Bus Termini: Upgrading of Rezende bus terminus
- Digital systems: installation of CCTV at intersections and Traffic Management system
- Road Markings & Signage: rehabilitation of critical corridors (Samora Machel, Seke, Mutare Roads).

21.6. PUBLIC SAFETY & SECURITY PROGRAMME

Allocated **USD 42.62 million (6.17%)**, supporting fire, ambulance, municipal policing and public lighting.

COMPONENT	ALLOCATION (USD)	% OF PROGRAMME
Emergency services	12.87 MILLION	30%
Municipal Police	22.27 MILLION	52%
Public Lighting	7.48 MILLION	18%

Operational Focus 2026

- Refurbishment of 3 fire stations and procurement of 2 fire tenders.

- Procurement of 10 ambulances and a fleet dispatch system.
- CCTV at traffic junctions and public lighting in crime hotspots (Glen View, Mbare, Kuwadzana).
- Gender-Based Violence (GBV) awareness campaigns in markets and ranks.

Envisaged Outcomes

- Fire response time 5minutes/5km radius
- Improved public order and compliance through ERP-linked licence enforcement.

21.7. NATURAL RESOURCES CONSERVATION AND MANAGEMENT

Your Worship, USD 1.68 million (0.24%), have been targeted towards urban resilience and environmental governance.

2026 Interventions include the following:

- Wetland rehabilitation in Hillside
- Tree-planting of about **30 000** under the Green Harare initiative.
- Climate-awareness education communities and schools.

Intended Outputs

- **10** wetlands secured under community co-management.
- **15** schools integrated into climate education programme.
- **5** community recycling centres established.

21.8. CROSS-PROGRAMME ANALYSIS AND POLICY IMPLICATIONS

- **Capital Bias:** **34%** of expenditure devoted to asset creation, vital for service reliability and confidence rebuilding.
- **Wage Control:** Target wage-to-cash to within **30%** to release fiscal space for Repairs and Maintenance.
- **PPP Acceleration:** Private capital mobilised for water distribution expansion solid waste SMEs investment street lighting and public lighting infrastructure.
- **Gender & Inclusion:** Every programme tagged for beneficiary tracking.
- **Devolution Funds:** Dedicated to capital projects with high community impact (WASH, Health and Roads).
- **Accountability Mechanisms:** Quarterly performance reports and performance dashboards to measure programme outcomes.

Your Worship, the 2026 Projected Expenditure Plan shows our commitment to careful and well-planned spending on important city projects. It makes sure we use funds wisely while urgently focusing on the things that matter most to our residents — clean water, good

roads, adequate waste management, safety, and a better living environment. This plan will help the City of Harare make progress toward becoming a modern, inclusive, and sustainable capital city that aligns with **Vision 2030**.

22. RECOMMENDATIONS

- **Accelerate ERP Implementation and Staff Capacity Building:** Expedite the rollout of a comprehensive Enterprise Resource Planning (ERP) system to integrate financial management, real-time reporting, and internal controls. Prioritize extensive staff training on ERP, Environmental, Social, and Governance (ESG) frameworks, and IPSAS.
- **Strengthen Governance and Financial Oversight:** Achieve full Public Finance Management Act (PFMA) compliance by December 2026. Publish Quarterly Budget Performance Bulletins.
- **Decentralize Services and Enhance Citizen Engagement:** Deepen decentralization by empowering district offices with resources and capacity-building, improving access to basic services. Increase citizen participation mechanisms to foster inclusive governance and responsiveness.
- **Enhance Fiscal Management and Revenue Mobilization**
Strengthen revenue collection by integrating ERP with cost-reflective tariffs, maintaining employee costs within the statutory

thresholds, implementing digital receipting, e-billing, and online payments, and conducting value-for-money audits alongside quarterly cash flow reviews.

- **Prioritize Capital Investment and Asset Management**

Focus on essential service delivery investments—water, sanitation, roads—by implementing a 3-year fleet recapitalization and rolling asset renewal plans with lifecycle management. Implement a strategic asset disposal program to remove obsolete assets and recycle funds for productive use.

- **Promote Renewable Energy and Environmental Sustainability**

Accelerate solar and other renewable energy projects to reduce utility costs and dependency. Expand green infrastructure, including storm-water resilience, waste segregation, recycling incentives, urban forestry, and a city-wide tree planting program with attention to replacing aging species.

- **Advance Smart Technologies and Digital Transformation**

Complete council-wide ERP rollout, introduce smart water metering to reduce non-revenue water and improve billing efficiency, develop GIS asset/property databases, offer e-services to residents/businesses, and leverage data analytics dashboards for real-time decision support.

- **Support Social Protection, Inclusion, and Urban Renewal**

Maintain lifeline tariffs for vulnerable households, mainstream gender and disability budgeting with clear targets, upgrade clinics, schools, and markets in high-density areas, and continue rehabilitation of social amenities. Promote affordable housing initiatives limited to serviced stands and launch urban renewal programs for aging neighborhoods and public spaces.

- **Foster Strategic Partnerships and Collaboration:** Strengthen coordination with Treasury, Local Government, ZINARA, and development partners (UNDP, World Bank, UN-Habitat).

23. CONCLUSION

Before I conclude, Your Worship and Fellow Councilors, I would like to sincerely acknowledge the following:

- Our heartfelt thanks go to all residents and stakeholders whose invaluable input helped shape the 2026 budget. Your insights, and active participation played a crucial role in creating a budget that is both comprehensive and financially responsible.
- Your contributions allowed us to set clear priorities and allocate resources efficiently. We believe that the engagement of our community has strengthened our shared commitment to transparency, accountability, and meaningful collaboration.

- I also want to thank my fellow **Councilors** for their thoughtful deliberations and guidance during the budgeting process.
- Appreciation goes to the **Town Clerk, Acting Finance Director** and their teams, as well as Heads of Departments and staff, for their hard work in preparing these Estimates.

Your Worship, the success of these programs depends on the resources contributed by residents, businesses, government, and satellite towns when they meet their payment obligations on time. Prompt payments help us maintain critical services: water supply, sanitation, waste collection, and street lighting—and enable us to invest in important infrastructure projects.

Finally, Your Worship, this budget, built on your input and Council's careful consideration, is a bold commitment by the City of Harare to recover and transgress to sustainable urban transformation. It reinforces fiscal discipline, digital modernization and inclusive service delivery as the pillars upon which the City's renewal will stand as captured by our guiding theme for 2026: **"A COMMITMENT TO INCLUSIVE GROWTH, SUSTAINABLE SERVICE DELIVERY, AND STRONG FISCAL STEWARDSHIP"**,

I NOW HAVE THE PLEASURE, YOUR WORSHIP, FELLOW COUNCILORS, TO REQUEST COUNCIL TO APPROVE THE 2026 ESTIMATES OF EXPENDITURE AND REVENUES

I THANK YOU! TATENDA! SIYABONGA! TWALUMBA!

SIGNED:

CLR COSTA MANDE

CHAIRPERSON FINANCE AND DEVELOPMENT COMMITTEE