2025 CITIZENS' BUDGET

"BUILDING RESILIENCE FOR SUSTAINED ECONOMIC TRANSFORMATION"



CITIZENS' GUIDE TO THE NATIONAL BUDGET

Table Of Contents

01 WHAT IS A NATIONAL BUDGET? 4

02 THE 2025 CITIZENS' BUDGET 5

03 BUDGET THEME 5

04 NATIONAL BUDGET FORMULATION 6

05 RECAP OF 2024 ACHIEVEMENTS 7

06 SOCIAL PROTECTION 8

07 PUBLIC FIANANCES PERFOMANCE 9

08 DEBT MANAGEMENT 10

09 2025 GROWTH PROSPECTS 12

10 2025 BUDGET ASSUMPTIONS 12

11 2025 BUDGET SNAPSHOT 13

12 REVENUE & EXPENDITURE 14

13 FINANCING 15

14 2025 SECTORAL INTERVENTIONS & FUNDING 16

15 DEVELOPMENT PARTNER SUPPORT 18

16 REVENUE MEASURES 19

17 VOTE APPROPRIATIONS 20

WHAT IS A NATIONAL BUDGET?



A national budget is a financial plan for how a country expects to spend its money and pay for Government programs and services over the coming year. Just like families create household budgets, national governments draft annual budgets to outline expected income sources like taxes and expected expenses like infrastructure, healthcare, defence, education and other priorities. The budget spells out how much money will be allocated to different Ministries and Departments. It's a blueprint that the entire government uses to guide spending.

THE 2025 CITIZENS' BUDGET



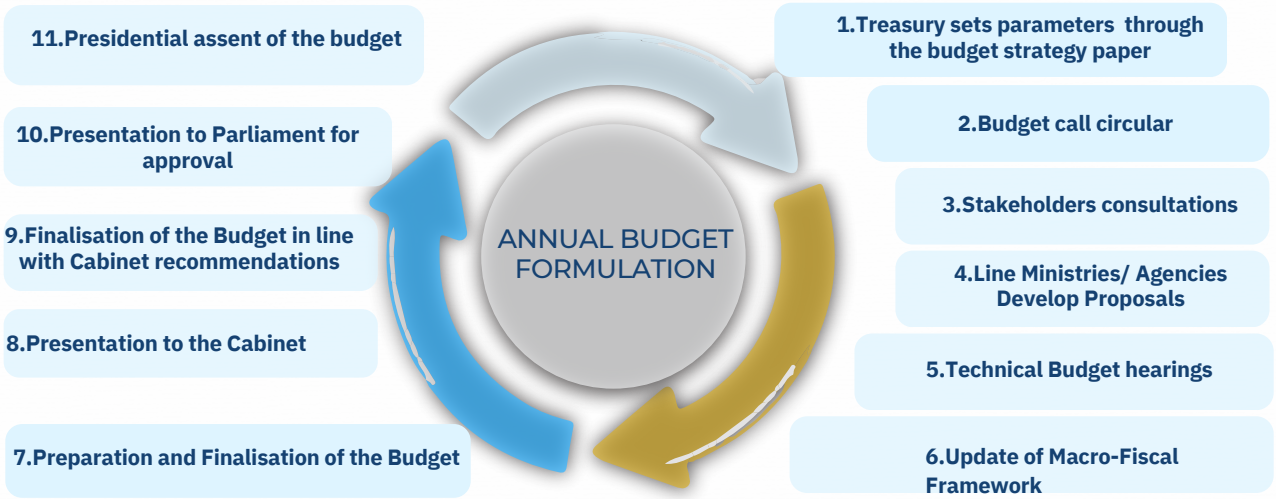
The citizens' budget is a simplified and accessible summary of the Government's national budget, designed to inform and engage ordinary citizens in understanding how their tax money is being spent. It translates complex financial data into clear and relatable terms, highlighting key aspects like revenue sources, expenditure allocations, and the impact on public services. A citizens' budget aims to promote transparency, accountability, and public participation in fiscal decision-making.

BUDGET THEME

"BUILDING RESILIENCE FOR SUSTAINED ECONOMIC TRANSFORMATION"

NATIONAL BUDGET FORMULATION

The budget formulation process in Zimbabwe is a multi-stage process that involves various stakeholders, including the Ministry of Finance, Economic Development and Investment Promotion (MOFEDIP), MDAs, the Parliament of Zimbabwe, labor, citizens, Development partners and the private sector. The process typically begins with the preparation of a Budget Strategy Paper by MOFEDIP followed by public consultations and presentation to parliament for approval and enactment into law.





RECAP OF 2024 ACHIEVEMENTS

Despite suppressed economic activity in 2024 due to the El-Nino induced drought, a 2% GDP growth is anticipated. The government managed to undertake major Capital projects and Social Protection Programs.



Chairman Mao Boulevard



RGM International Airport VIP Pavilion



Gwayi-Shangani Lake



Dzivarasekwa Civil Servants Flats



Manyame Bridge



Mbudzi Interchange

SOCIAL PROTECTION



During Phase 1 of the drought mitigation program (from May to July 2024), the Government distributed grain to 5.5 million people and in Phase 2, (from August to October 2024) to 4.5 million of the targeted food insecure households.

Grain Distributed by Provinces as at 31 October

	Total Population to benefit	Grain Rqmnt/3 months	Cumulative (mt)	% Coverage	Balance (mt)	Total Population to benefit	Grain Rqmnt/3 months	Cumulative (mt)	% Coverage	Balance (mt)
	1st Phase Blitz (May- 30 July 2024)					2nd Phase Blitz (Aug-30 Oct 2024)				
Province										
Manicaland	1,087,314	24,465	21,922	89.6	2,542	1,087,314	24,464.57	18,405.40	75.2	6,059.17
Mash Central	626,735	14,102	14,102	100.0	-	698,256	15,710.76	11,043.53	70.3	4,667.23
Mash East	925,210	20,818	14,879	71.5	5,939	925,210	20,817.23	18,195.49	87.4	2,621.74
Mash West	803,370	18,076	16,896	93.5	1,180	803,370	18,075.83	11,802.55	65.3	6,273.27
Masvingo	951,466	21,408	20,824	97.3	584	954,205	21,469.61	14,269.35	66.4	7,200.26
Mat North	520,524	11,712	9,988	85.3	1,724	520,524	11,711.79	9,049.55	77.3	2,662.24
Mat South	322,336	7,252	7,252	100.0	-	322,927	7,265.86	6,901.25	95.0	364.61
Midlands	903,969	20,339	17,431	85.7	2,908	903,969	20,339.30	11,318.38	55.6	9,020.92
Total	**6,140,924**	**138,171**	**123,293**	**89.2**	**14,877**	**6,215,775**	**139,854.94**	**100,985.50**	**72.2**	**38,869.44**

Government plans to enhance Social Protection measures to cushion vulnerable groups and households in 2025.

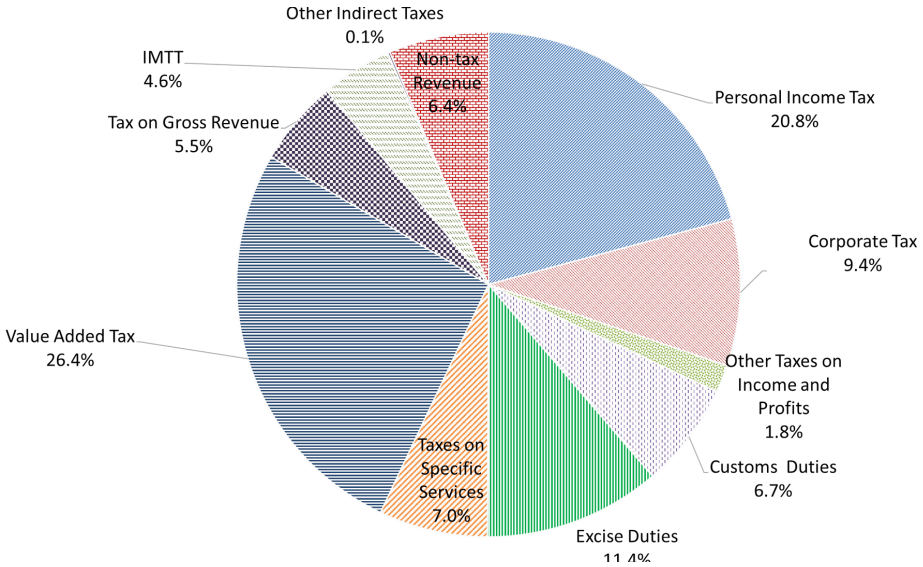
PUBLIC FINANCES PERFORMANCE JAN - SEPT 2024

Total revenue collected: Jan-Sept 2024 amounted ZiG62. 40 billion comprising of tax revenue of ZiG58.40 billion (93.6% of total revenue) and non-tax revenue of ZiG4 billion (6.4% of total revenue).

	ZiG
Total Revenues	62.40
Tax Revenues	58.40
Non-Tax Revenues	4.00
Total Expenditures & Net Lending	66.54
Compensation of Employees	28.88
Use of Goods and Services	18.88
Social Benefits	2.51
Subsidies	0.41
Interest	0.92
Transfers to Provincial Councils and Local Authorities	0.30
Net Acquisition of Financial and Non- Financial Assets	14.63
Deficit	4.14

Source: MoFED&IP (2024)

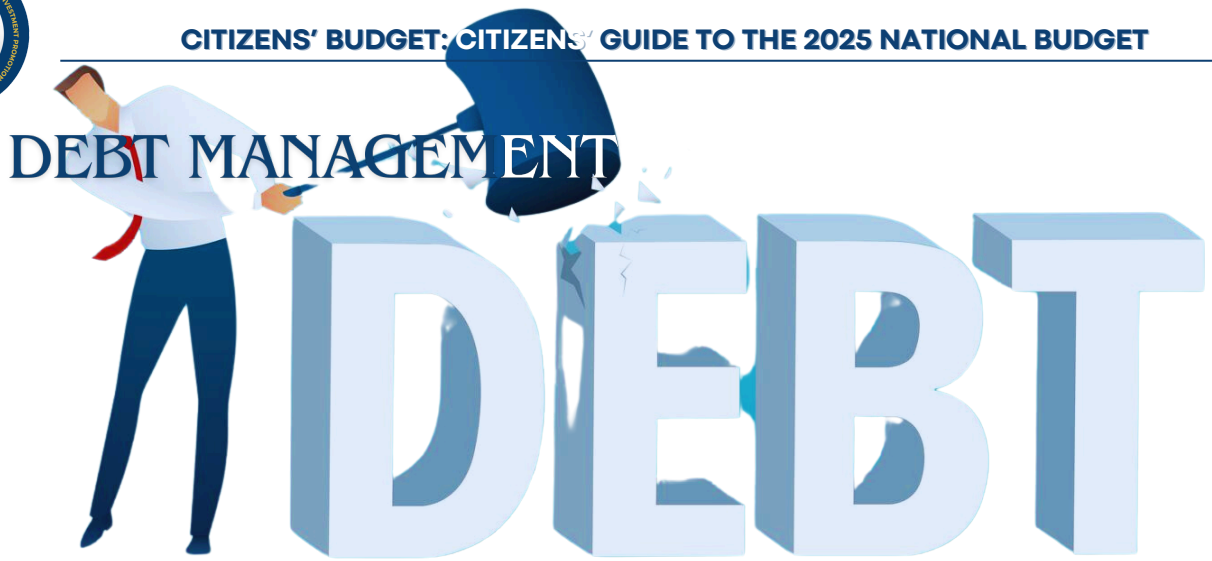
CONTRIBUTIONS TO TOTAL REVENUE JAN-SEPT 2024



EXPENDITURE OUTTURN JAN - SEPT 2024

	2024 Actual	2024 Target
Total Expenditures & Net Lending	66.54	65.64
Recurrent Expenditure	49.58	53.89
Compensation of Employees	29.91	31.65
Use of Goods and Services	14.11	16.22
Social Benefits	2.71	1.27
Subsidies	1.28	0.55
Interest	0.92	0.66
Other expenses	0.18	0.08
Transfers to Provincial Councils and Local Authorities	0.46	3.45
Capital Expenditure	16.96	11.76

DEBT MANAGEMENT



2024 DOMESTIC DEBT ZiG218 billion

2024 EXTERNAL DEBT ZiG307 billion

2024 TOTAL PUBLIC DEBT ZiG524 billion

Fiscal Outlook to Year End

- Total Revenue collections are projected at ZWG110.7 billion
- Expenditures are expected at ZWG119.97 billion
- Projected deficit ZWG9.3billion
- Continued use of the multicurrency regime
- Tight fiscal and monetary policies

2025

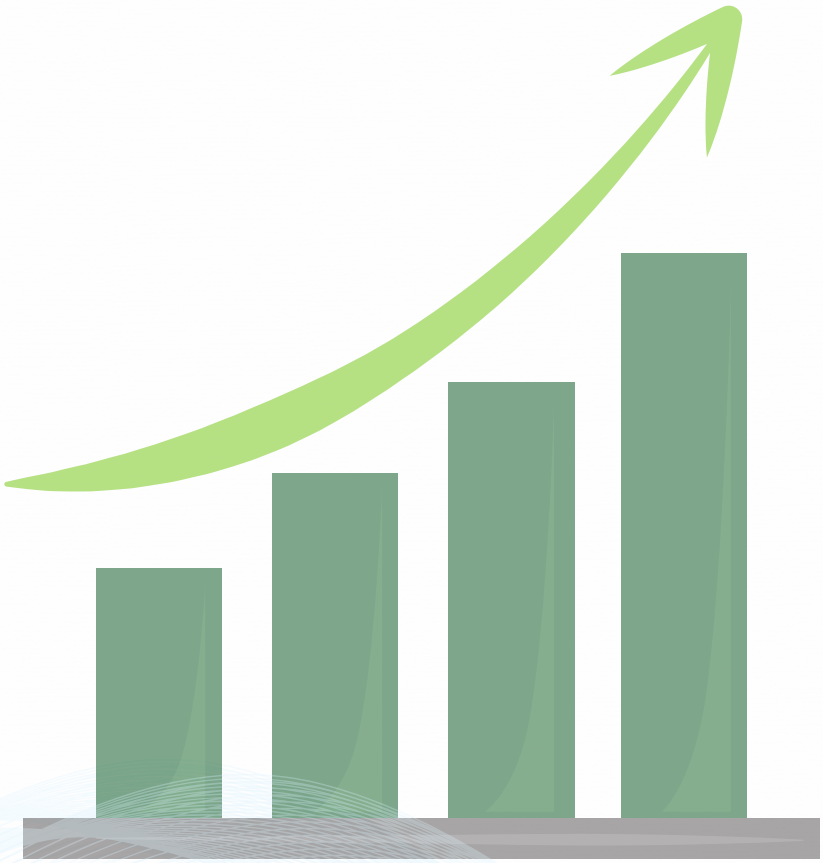
2025 GROWTH PROSPECTS

The Zimbabwean economy is expected to grow by 6% in 2025.

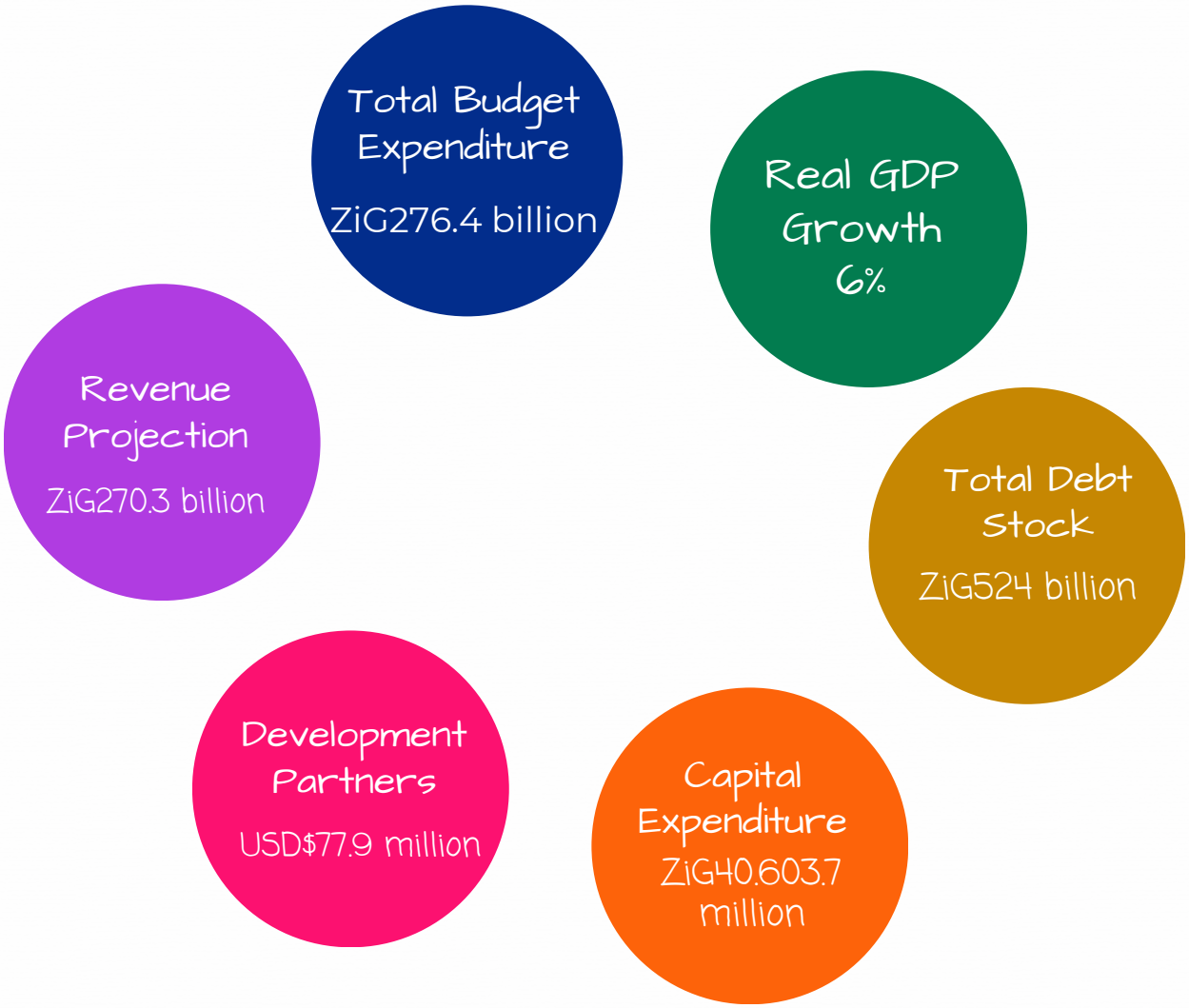
2025 BUDGET ASSUMPTIONS

The 2025 economic growth projections are underpinned by the following broad assumptions:

- Normal to above-normal rainfall which is expected to result in increased agricultural production;
- A stable exchange rate and low inflation will provide a conducive environment for doing business; and
- Tight government expenditure and revenue-related policies.
- Favorable international commodity prices for key minerals like gold are all expected to promote positive economic growth.



2025 BUDGET SNAPSHOT



REVENUE

The expected revenue inflows for 2025 are ZiG270.3 billion which will be generated from tax revenues such as value added tax as well as non-tax revenues such as fees and licences. The government also expects to receive support from the Private Sector through Public-Private Partnerships and other avenues.



EXPENDITURE

Estimated Expenditure for the Year 2025

Total expenditure for 2025 is estimated at ZiG276.4 billion inclusive of recurrent expenditure amounting to ZiG235.8 billion and capital expenditure at ZiG40.6 billion.



The estimated 2025 National Budget deficit stands at ZiG6.1 billion.

How does the Government intend to close the Budget gap?

The 2025 National Budget deficit will be financed mainly from treasury bills and other external financing sources.

FINANCING

How does the Government intend to close the Budget gap?

The 2025 National Budget deficit will be financed mainly from treasury bills and other external financing sources.

2025 Annual Borrowing Plan (ZiG M)

	Jan -Mar	Apr-Jun	Jul-Sep	Oct -Dec	Total
180 days	278.00	695.00	834.00	973.00	2,780.00
270 days	334.00	835.00	1,002.00	1,169.00	3,340.00
365 days	334.00	718.05	1,002.00	1,175.55	3,229.60
Total Treasury bills	946.00	2,248.05	2,838.00	3,317.55	9,349.60
US$ Treasury bills		1,081.20		1,081.20	2,162.40
Total Government Securities	946.00	3,329.25	2,838.00	4,398.75	11,512.00
Existing external loan disbursement	273.90	273.90	273.90	273.90	1,095.60
New external loan disbursement			6,307.00	6,307.00	12,614.00
Grand Total	**1,219.90**	**3,603.15**	**9,418.90**	**10,979.65**	**25,221.60**

The 2025 annual borrowing limits for the public sector are set at 5.8% of GDP, distributed as, Central Government at 3%, guarantees to State-Owned Enterprise, including on-lending on Central Government at 2%, and Borrowing Power to Local Authorities at 0.25% and guarantees to the private sector at 0.5%.



2025 SECTORAL INTERVENTIONS & FUNDING



AGRICULTURE

ZiG 22935.0M

- Dam construction
- Irrigation development

rural development 8.0

- Contracting and procurement of grain for the Strategic Grain Reserve
- National enhanced Agriculture Productivity Scheme
- Agriculture Productive Social Protection Scheme

MANUFACTURING

ZiG 550.9M

- Retooling and working capital for green projects
- Capacitate National Venture Capital Company of Zimbabwe.
- Support upcoming start-ups and MSMEs
- Prioritise procurement of domestically produced goods
- Support implementation of the Zimbabwe industrial reconstruction and growth plan

MINING

ZiG 664.8M

- Mineral beneficiation and value addition
- Responsible mining initiatives
- Gold mobilisation
- Establishment of the Mines to Energy Park in Mapinga Mashonaland Province
- Establishment of a Base Metal refinery
- Setting up additional gold centres across the country

TOURISM

ZiG 294.6M

- Market diversification and promotion
- Participating in the National Convention Bureau as well as Meetings Conferences and Exhibits (MICE tourism)
- Tourism Investment Promotion (open skies policy)
- Implementation of the tourism cluster approach

TRANSPORT

ZiG 5443.6M

- **Road construction** (Completion of the Masvingo-Beitbridge road project
- Implementation of Public Private Partnership on the Beitbridge-Bulawayo-Vic Falls and Harare-Nyamapanda road.
- Capacitation of RIDA to work on feeder roads
- Airports (Completion of RG Mugabe International Airport
- Rail (Recapitalization of the NRZ)

ICT AND DIGITAL ECONOMY

ZiG 641.4M

- Harness and promote E-Government Programs
- Establishment of ICT Labs in schools under Education 5.0
- Operationalize a consolidated and centralized model for ICT acquisition across government
- Deepening and broadening the use of ICT services in marginalized areas
- Mobilize Universal Services Fund for the construction of ICT infrastructure
- Invest in STEM subjects

ENERGY

ZiG 259.8M

- Facilitating access to electricity through cost effective and sustainable rural electrification projects
- Investing in solar mini-grid and renewable systems
- Investments in grid extensions and mini-grid solar systems
- Providing support to renewable energy IPPs through Government Implementation Agreements
- Reviewing the regulatory framework to attract private investment in the energy sector

HEALTH

ZiG 28323.6M

- Operational support towards central, provincial and district hospitals as well as rural clinics.
- Renovation and construction of medical facilities, targeting rural areas
- Procurement of modern equipment
- Enhanced Assisted Medical Treatment Orders (AMTOs)
- Procurement of medicines and medical supplies
- Rehabilitation of hospitals, clinics and health centres

EDUCATION

ZiG 46638.0M

- Construction, rehabilitation and upgrading of infrastructure
- Provision of teaching and learning materials
- Procurement of equipment and

tools of trade

- Provision of sanitary wear
- Capacitation of laboratories
- Provision of supervision and utility vehicles
- Providing support to programs that enhance access and equity across gender, rural and urban areas

SOCIAL PROTECTION

ZiG 10710.5M

- Food mitigation programs
- Provision of BEAM funding for vulnerable children
- Rehabilitation of children who are on the streets
- Reconstruction of Mbare Musika Traders Market
- Procurement of assistive devices for people living with disabilities
- Provision of empowerment loan funds and special grants to people living with disabilities

GOVERNANCE

ZiG 5644.9M

- Implementation and review of Integrated Electronic Case Management System
- Decentralization of the Zimbabwe Human Rights Commission
- Establishment of Specialized Anti-Corruption, electoral, labor and commercial courts
- Finalization of Land Tenure Reforms, Compensation of Former Farm Owners (FFOS) and the resolution of Bilateral Investment Protection and Promotion Agreements (BIPPAs)

ENVIRONMENT AND CLIMATE

ZiG 516.8M

Implementation of the:

- Zimbabwe National Climate Change Adaption Plan (NAP)
- Presidential Legacy Forest Project
- Restoration of Wetland
- Facilitate rehabilitation of degraded lands in mining areas
- Upgrading of Zim Parks infrastructure

Support Environmental Management Authority (EMA) programs

ZiG1018.4M



YOUTH

- Capitalisation of the National Venture Capital of Zimbabwe etc
- Refurbishing and equipping of Vocational Training Centers
- Supporting the National Youth Program Service
- Rehabilitation of National Sports Stadium and other muilt-purpose sports and recreation programmes
- Renovation of the National Sports Stadium

ZiG1016.7M



WOMEN & SMES

- Support empowerment program for women
- Coordinate and formulate gender equality policies
- Facilitate MSMEs participation in local, regional and international exhibitions
- Promoting the participation of women entrepreneurs across various supply chains

ZiG888.4M



ARTS & CULTURE

- Supporting the construction of National Culture Village and Conference Centre and the Kanyemba Arts and Cultural Centre
- Revitalising the local film industry to promote tourism and stimulate economic growth
- Establishing and equipping of two public film studios in Bulawayo and Harare

DEVELOPMENT PARTNER SUPPORT

The country expects to mobilise an estimated amount of US$799.8 million from Development Partners to complement the 2025 National Budget. The table below shows the estimated development assistance disbursements to the various sectors of the economy.

Development Partner Support by Sector (Grants)

Sector	Disbursements Jan – Sept 2024	2025 Projections
Agriculture	14.09	77.91
Education	18.53	22.84
Emergence Response	80.31	109.90
Energy	3.46	12.45
Forestry	0.23	8.26
Governance	42.49	47.17
Health	353.77	461.31
Manufacturing & Value Addition	4.16	1.11
Mineral Resources & Mining	0.18	-
Other Social Infrastructure & Services	1.67	22.08
Trade Policies & Regulations	0.56	0.92
Transport & Storage	-	2.66
Water and Sanitation	-	12.86
Information and communications	0.02	0.01
Banking and Financial Services	0.74	-
Environment Protection	8.49	4.97
Business and other services	1.17	15.29
Total	**529.86**	**799.76**



Development and cooperating partners during the Structured Dialogue Platform

REVENUE MEASURES



TAX-FREE THRESHOLD

Local currency Tax-Free Threshold reviewed upwards to ZiG2 800 per month, with effect from 1 January 2025:



BEVERAGES SUGAR CONTENT TAX

Special Surtax on Beverages' Sugar Content on cordials reviewed from US$0.001/g to US$0.0005/g, with effect from 1 January 2025.



CUSTOMS DUTY ON INPUTS INTO PRODUCTION OF MOTOR VEHICLES

Customs duty on Semi Knocked Down Kits used in the production of motor vehicles wholly suspended for a period of 2 years, beginning 1 January 2025.



CUSTOMS DUTY ON ELECTRIC MOTOR VEHICLES

Customs Duty on Electric Motor Vehicles reduced to 25%.



REBATE OF DUTY: SOLAR POWERED CHARGING STATIONS

Rebate of Duty extended on equipment used for setting up Electrical Vehicle Solar Powered Charging Stations.



VAT DEFERMENT: ENERGY SECTOR

VAT Deferment on capital equipment extended to the Energy Sector, with effect from 1 January 2025.



VALUE ADDED TAX: LIQUEFIED PETROLEUM GAS

VAT exemption extended to Liquefied Petroleum Gas, with effect from 1 January 2025.

VOTE APPROPRIATIONS

Vote Allocation by Administrative Classification

Vote Appropriations	ZiG M	US$ M
Office of the President and Cabinet	10567.6	293.2
Parliament of Zimbabwe	1753.4	48.7
Public Service, Labour and Social Welfare	10710.5	297.2
Defence	18051.6	500.9
Finance, Economic Development and Investment Promotion	9182.7	254.8
Audit Office	589.2	16.3
Industry and Commerce	550.9	15.3
Lands, Agriculture, Fisheries, Water, and Rural Development	22935.0	636.4
Mines & Mining Development	664.8	18.4
Environment, Climate and Wildlife	516.8	14.3
Transport and Infrastructural Development	5443.6	151.0
Foreign Affairs and International Trade	3989.8	110.7
Local Government and Public Works	4907.8	136.2
Health and Child Care	28323.6	785.9
Primary and Secondary Education	46638.0	1 294.1
Higher & Tertiary Education, Innovation, Science and Technology Development	10323.8	286.5
Women Affairs, Community, Small and Medium Enterprises Development	1016.7	28.2
Home Affairs and Cultural Heritage	16183.4	449.0
Justice, Legal and Parliamentary Affairs	5644.9	156.6
Information, Publicity and Broadcasting Services	433.1	12.0
Youth Empowerment, Development and Vocational Training	1018.4	28.3
Energy and Power Development	259.8	7.2
Information Communication Technology, Postal and Courier Services	641.4	17.8
National Housing and Social Amenities	696.2	19.3
Veterans of the Liberations Struggle Affairs	807.3	22.4
Tourism & Hospitality Industry	294.6	8.2
Sport, Arts and Recreation	888.4	24.7
Skills Audit and Development	153.2	4.3
Judicial Services Commission	1284.6	35.6
Public Service Commission	10724.0	297.6
Council of Chiefs	196.4	5.4
Human Rights Commission	176.3	4.9
National Prosecuting Authority	460.5	12.8
Zimbabwe Anti-Corruption Commission	236.2	6.6
Zimbabwe Electoral Commission	467.4	13.0
Zimbabwe Gender Commission	177.3	4.9
Zimbabwe Land Commission	194.2	5.4
Zimbabwe Media Commission	144.2	4.0
Health Service Commission	164.8	4.6
Attorney General	218.7	6.1
TOTAL	**217 630.9**	**6 038.6**
Constitutional & Statutory	64 988.7	1803.2
Total Expenditure & Net Lending	**282 619.7**	**7 841.8**

MINISTRY OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION

Mgandane Dlodlo Building
Cnr Simon V. Muzenda &
Samora Machel Ave,
Harare, Zimbabwe

zimtreasury

Zim Treasury

+263 719 567 051

@ZimTreasury

www.zimtreasury.co.zw

+263 719 567 051

communications@zimtreasury.co.zw