



Zimbabwe

The 2022 Citizens' Budget

Theme: "Reinforcing Sustainable Economic Recovery and Resilience."

The 2022 Budget seeks to implement the NDS1 as we advance towards Vision 2030

THE ECONOMY

The Economy in 2021

- Economy estimated to recover by 7.8% in 2021 from a contraction of 5.3% in 2020.
- Industry capacity utilization expected to reach 65% by end of 2021 from 47% in 2020.
- Increased output in agriculture on account of remarkable performance for all crops.
- Relative economic stability as shown by the decline in annual inflation as measured by CPI to 54% in October 2021 from 837.5% in July 2020.
- Improved access to foreign currency through the RBZ Auction System.
- Firm international mineral prices with a current account surplus of US\$684.4 million in the 1st 9 months of 2021.
- Stable financial sector.

How does our performance compare to others?

	2020 Est	2021 Proj	2022 Proj
World	-3.2	5.9	4.9
Advanced Economies	-4.6	5.2	4.5
United States	-3.5	6.0	5.2
Euro Area	-6.5	5.0	4.3
United Kingdom	-9.8	6.8	5.0
Other Advanced Economies (excluding G7)	-2.0	4.6	3.7
Emerging Market and Developing Economies	-2.1	6.4	5.1
Emerging and Developing Asia	-0.9	7.2	6.3
China	2.3	8.0	5.6
India	-7.3	9.5	8.5
Emerging and Developing Europe	-2.0	6.0	3.6
Latin America and the Caribbean	-7.0	6.3	3.0
Middle East and Central Asia	-2.6	4.1	4.1
Sub-Saharan Africa	-1.8	3.7	3.8
Nigeria	-1.8	2.6	2.7
South Africa	-7.0	5.0	2.2
*Zimbabwe	-5.3	7.8	5.5

Source: IMF World Economic Outlook and (*) MOFED Forecasts

Here are the priority areas that the 2022 National Budget will focus on in line with the National Development Strategy 1 (NDS1).



DEALING WITH THE COVID 19 PANDEMIC

Citizens' good health is Government's priority

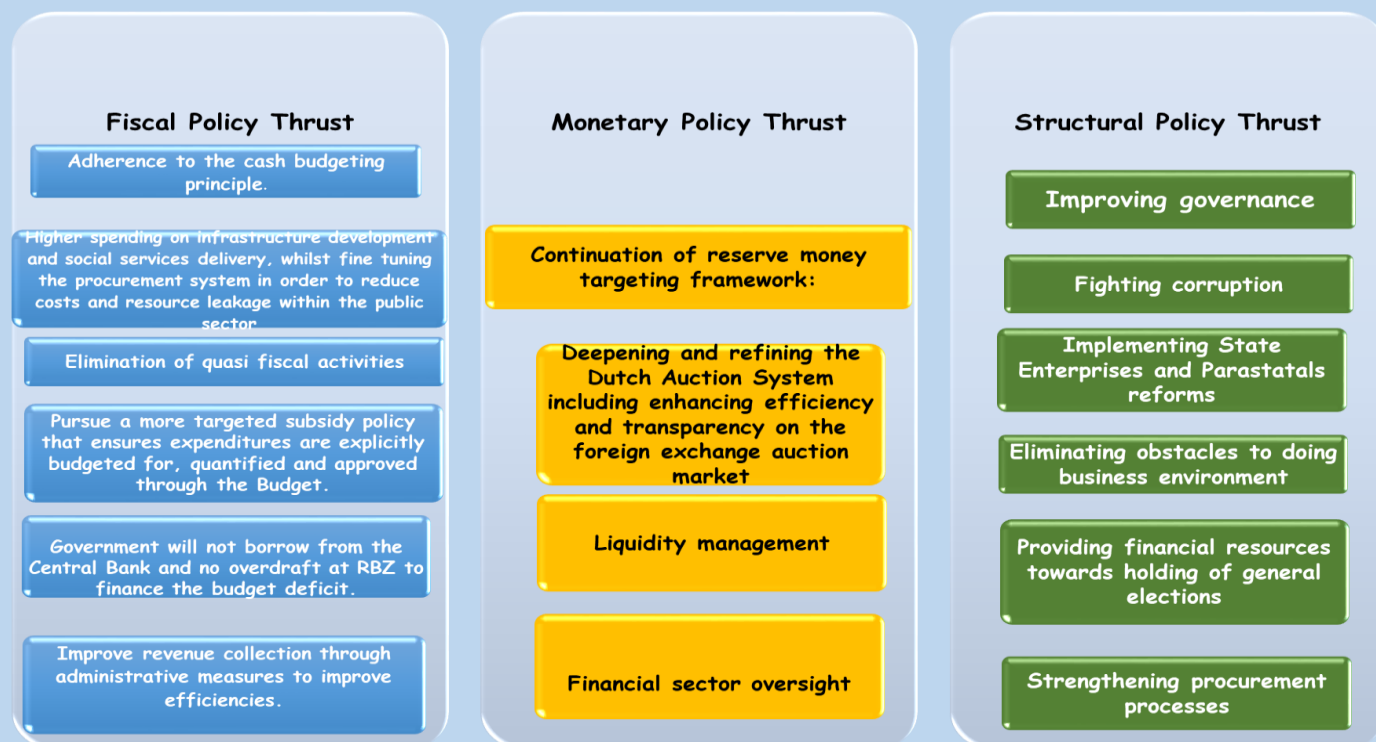
- Government has procured 17 million COVID 19 vaccines and 17 million syringes. Out of this, 5 million doses are yet to be delivered. In addition, 3 million doses of vaccines have been donated, of which 2 million have already been delivered.
- As at 16 November 2021, approximately 3.5 million first doses had been administered, with 2.7 million people having been fully vaccinated.
- As at September 2021, Government had spent a total of ZWL\$25.3 billion for health care.
- Development Partners have contributed US\$150 million in the fight against the pandemic.
- Government expects that the targeted national herd immunity of 10 million people is achievable.

Vaccination by Province

Province	Target (18yrs+)	Vaccination Dose	1 st Coverage (%)	Vaccination Dose	2 nd Coverage (%)
Mat South	414975	182578	44.0	139324	33.6
Bulawayo city	458272	261473	57.1	229270	50.0
Mat North	453557	264448	58.3	206755	45.6
Masvingo	884787	323258	36.5	253938	28.7
Midlands	1030198	393445	38.2	284676	27.6
Manicaland	1028576	491104	47.7	360298	35.0
Mash West	1014231	368780	36.4	279906	27.6
Mash Central	765393	253226	33.1	200818	26.2
Mash East	1038371	333608	32.1	276027	26.6
Chitungwiza City	275079	85569	31.1	53167	19.3
Harare	1298050	510910	39.4	412435	31.8
Total	8,661,489	3,468,399	40.0	2,696,614	31.1

2022 MACRO-FISCAL FRAMEWORK

Key Policies in support of the Macro-fiscal Framework



What are the main sources of growth and key assumptions?

	GDP Growth	+ 5.5%	
	Agriculture	+ 5.1%	✓ Normal to above normal rainfall expected ✓ Expanded irrigation programme ✓ Timely provision of inputs
	Mining	+ 8.0%	✓ Global economic recovery expected to sustain favourable international mineral prices ✓ Higher gold and diamond output expected. ✓ Improved export environment
	Manufacturing	+ 5.5%	✓ Macroeconomic stability. ✓ Improved access to foreign currency from the RBZ foreign exchange market. ✓ Higher consumer demand.
	Construction	+ 17.4%	✓ Infrastructure development ✓ Increased housing development by Citizens.
	Accommodation and Food services	+ 18.8%	✓ Relaxation of travel restrictions ✓ Increased vaccination rates ✓ Improvement in domestic tourism.

Key Economic Indicators:2022

GDP Growth (%)	5.5
Per Capita Income (US\$)	1 306.30
Inflation (end period, %)	15.5
Revenue (ZWL\$ Million)	850 770.66
Expenditures (ZWL\$ Million)	927 268.00
• o/w Capital Development Budget (ZWL\$ Million)	251 161.00
Budget Balance (% of GDP)	1.5
Gap/ Deficit Financing (ZWL\$ Million)	76 497.34

The 2022 Macro-Fiscal Framework

	2020	2021	2022	2023	2024
National Account (Real Sector)					
Real GDP at market prices (Million ZWL\$)	177,519.83	191,297.50	201,821.43	212,379.14	223,340.95
GNI Per Capita Income (US\$)	1,171.63	1,261.83	1,306.30	1,743.14	1,980.46
Nominal GDP at market prices (Million ZWL\$)	1,157,099.90	2,987,130.47	5,068,445.42	6,219,019.64	7,483,894.33
Real GDP Growth (%)	-5.3	7.8	5.5	5.2	5.2
GDP Deflator	551.8	139.6	60.5	18.0	13.3
Inflation (Annual Average) %	557.2	94.6	32.6	17.5	9.8
Formal employment (000)	806.7	963.2	1095.7	1239.0	1398.9
% of People in Extreme Poverty	61.2	28.2	18.4	12.4	8.4
Government Account					
Revenues excl Retained Revenue (Mn ZWL\$)	183,039.06	495,037.08	850,770.66	1 108,444.7	1 299,677.6
% of GDP	15.8	16.6	16.8	17.6	17.4
Expenditures & Net Lending (Million ZWL\$)	162,925.25	508,992.19	927,268.00	1 218,350.8	1 407,014.6
% of GDP	14.1	17.0	18.3	19.4	18.8
Recurrent Expenditures	108,648.15	363,266.19	676,107.00	876 974.4	987,366.6
% of GDP	9.4	12.2	13.4	14.0	13.2
Employment Costs including Pension	63,121.40	193,261.03	340,000.10	440,248.74	532,424.94
% of GDP	5.5	6.5	6.7	7.0	7.1
% Total Expenditure	38.7	38.0	36.7	36.1	37.8
% of Revenue	34.5	39.0	40.0	39.7	41.0
Capital Expenditure & Net lending	54,277.10	145,726.00	251,161.00	341,376.4	419,647.9
% of GDP	4.7	4.9	5.0	5.4	5.6
Overall Balance	20,113.81	- 13,955.11	-76,497.34	-109,906.1	-107,336.9
% of GDP	1.7	-0.5	-1.5	-1.7	-1.4
Financing	-20,113.8	13,955.1	76,497.34	109,906.1	107,336.9
Public Debt	705,622.13	828,319.98	1 129,962.99	3 349,912.91	4 937,450.43
% of GDP	61.0	27.7	22.3	53.3	65.9

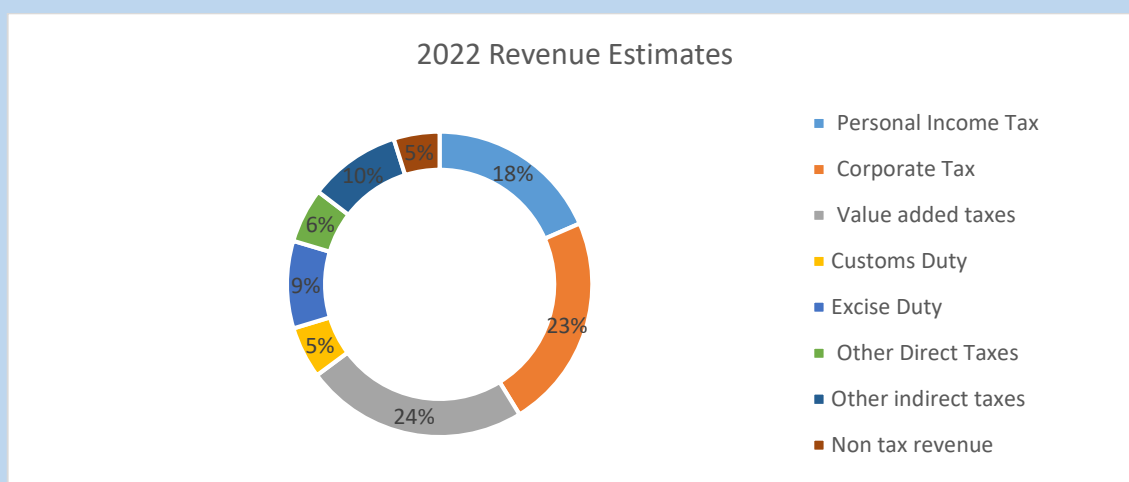
THE 2022 BUDGET

Income and Expenses

The management of Government income and expenses is anchored on the need to maintain macro-fiscal stability and containing the Budget deficit in line with the NDS1 and BSP targets of below 3% of GDP.

Where is Government income coming from?

Government spending depends on how much income (revenue), particularly taxes is paid by citizens and companies. In 2022, the largest share of income is coming from taxes (ZWL\$809 billion) with non-tax revenue contributing (ZWL\$41 billion). Here are the various categories of our income:



The three main sources of Government income are value-added taxes, corporate tax and personal income tax.

The breakdown of income by source is as shown here.

- Personal income tax (ZWL\$ 157 billion) is a direct tax on income of individuals.
- Corporate tax (ZWL\$ 193 billion) is a direct tax on income (profit) of companies.
- Value-added tax (ZWL\$ 201 billion) is a tax on consumption of goods and services.
- Customs duties (ZWL\$47 billion) is a tax imposed on imported goods.
- Excise duty (ZWL\$78 billion) is a tax levied on the consumption of manufactured goods such as fuel, alcohol, tobacco, second-hand vehicle and airtime.
- Other direct taxes (ZWL\$49 billion) are composed of royalties from mining, tax on domestic dividend and interest, capital gains, as well as tobacco and vehicle carbon tax.
- Other indirect taxes (ZWL\$83 billion) are other taxes on consumption (notably Intermediated Money Transfer Tax (IMTT)).

Are we getting something from our Partners?

Sector	2021 Estimates			2022 Projection
	Jan to Sept 2021 Actual	2021 Q4 Projection	Total 2021 Estimates	
	US\$	US\$	US\$	US\$
Agriculture	18,717,202	4,718,108	23,435,310	35,418,268
Transport	2,058,000	-	2,058,000	670,894
Power and Energy	7,125,160	4,137,130	11,262,290	29,992,390
Water and Sanitation	5,252,823	8,090,379	13,343,202	4,091,902
Health	390,652,661	120,506,320	511,158,981	482,059,110
Education	15,816,660	10,356,750	26,173,410	20,996,350
Governance	27,923,786	11,978,714	39,902,500	23,260,642
Multi-sector	39,720,713	9,140,497	48,861,210	37,407,130
Humanitarian	114,846,020	14,910,195	129,756,215	103,450,375
Capacity Building	4,072,204	1,509,129	5,581,333	10,713,167
Basic Social Services	6,729,350	178,370	6,907,720	1,216,444
Cyclone Idai Recovery	14,886,620	16,834,608	31,721,228	12,265,188
Total	647,801,200	202,360,199	850,161,399	761,541,860

Take a look at the new measures that bring more money to the national purse

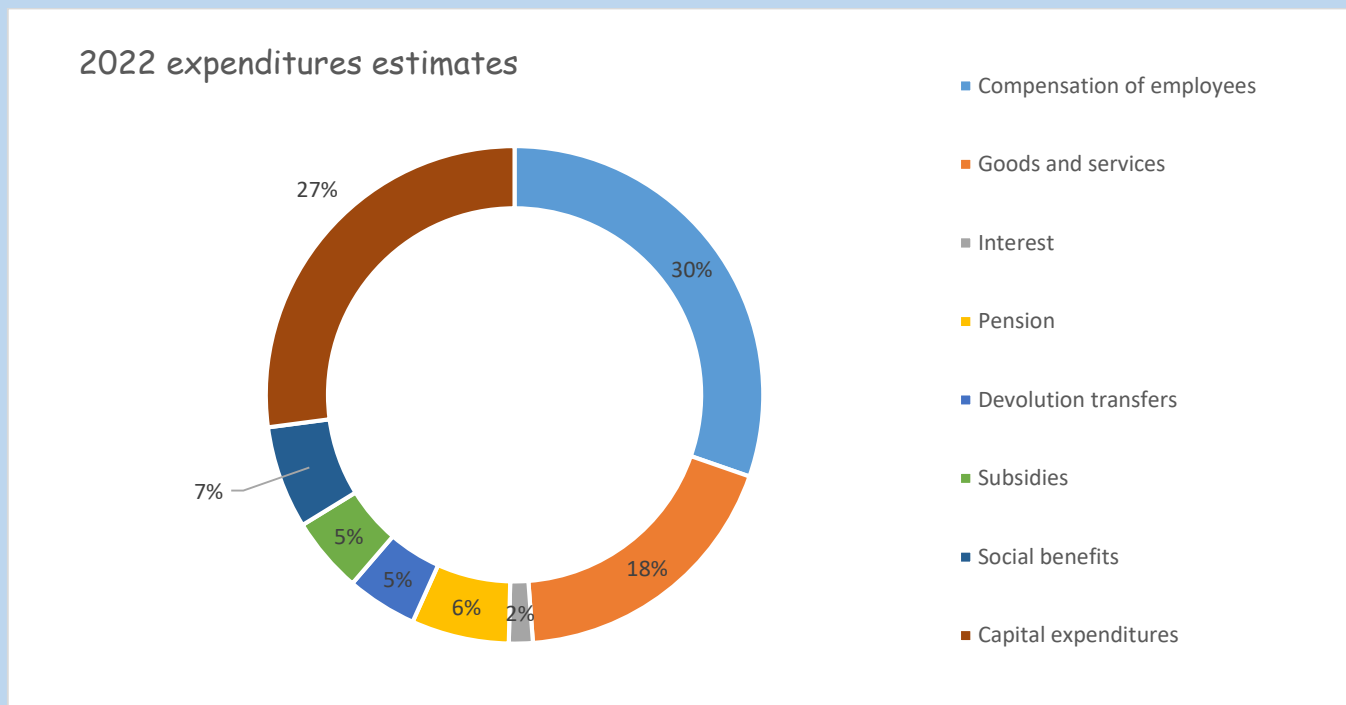
Targeted area	Proposed Measure
Support to local industry	Levy of 5% on the value of imported dairy products.
Promote healthy lifestyle	Increase excise duty on cigarettes from 20% + US\$5.00/1000 cigarettes to 25% + US\$5.00/1000 and a flat rate of excise duty on energy drinks at a rate of US\$0.05/litre to support cancer, diabetes and hypertension patients.
Ploughing back to consumers	Redirect 20% of surplus funds accumulated in the Motor Vehicle Insurance Pool to the Consolidated Revenue Fund for assistance to victims of accidents.

....but you will also get breathing space in paying taxes to Government. Here is how...

Targeted Area	Proposed Measure
Reducing cost of doing business	Duty free importation of the capital equipment worth at least US\$10000 for incorporated companies.
	Extend duty suspension on minimum quantities of milk powder.
	Extend suspension of duty on the motor vehicles imported by the Safari and Tour Operators for a further 2 years.
Relief to tax payers	Increase tax-free threshold from ZWL 10 000 to ZWL 25 000 and also adjust the tax bands to end at ZWL 500 000, above which a marginal tax rate of 40% will apply.
	Increase local currency tax-free bonus threshold from ZWL 25 000 to ZWL 100 000 and the foreign currency tax-free bonus threshold from US\$ 320 to US\$ 700.
	Review non-taxable portion of the local currency tax-free threshold from the greater of ZWL 50 000 or 1/3 of the retrenchment package, whichever is higher, up to a maximum of ZWL 240 000, to the greater of ZWL 400 000 or 1/3 of the retrenchment package, whichever is greater, up to a maximum of ZWL 2 million, for income earned in local currency.
	Extend the income tax exemption to allowances paid to councillors appointed in terms of the Rural District Councils Act.
Support to vulnerable citizens	Introduce a tax credit of US\$50 or local currency equivalent per additional employee recruited per month for corporates that employ physically challenged persons up to a maximum of US\$2 250 per year.
Support to tourism industry	Extend the VAT exemption on accommodation and visitor services consumed by domestic tourists by a further 12 months.

How Government income is used for public expenses

Government spends its income on the following:



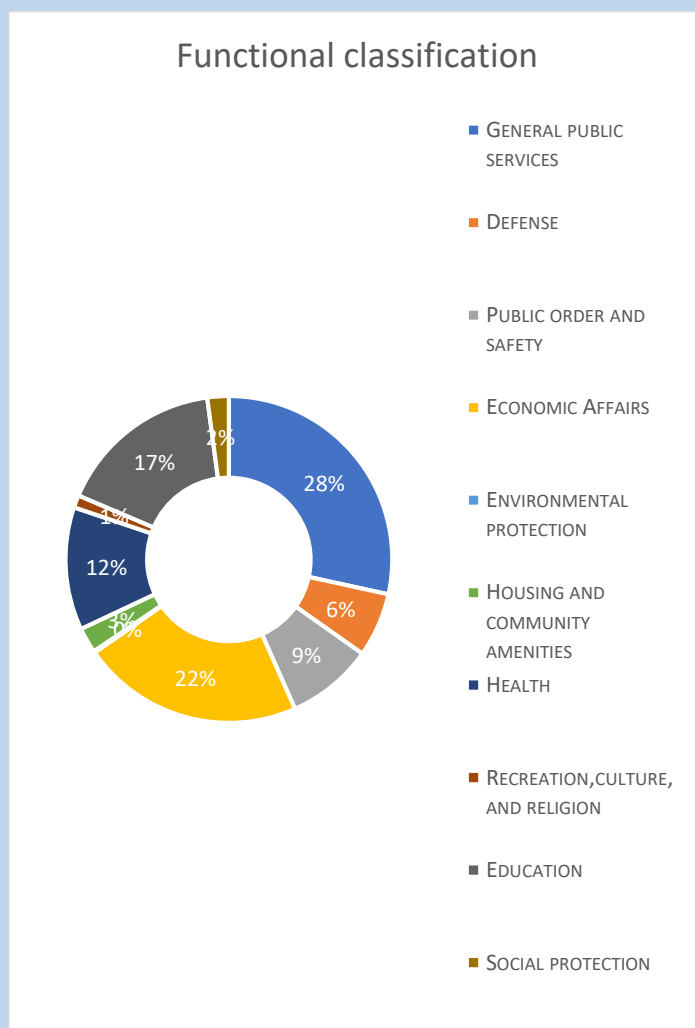
Here is detail on each one of the expenses.

- **Salaries of employees** (ZWL\$ 281 billion in 2022) refers to the wage bill of public servants, or example health workers, teachers and security forces, including allowances, social security and benefits in kind.
- **Goods and services** (ZWL\$ 172 billion) paying service providers of the public sector (for example energy bills and fuel for the functioning of administration) and for delivering services to the public (for example vaccines).
- **Interest** (ZWL\$14 billion) are payments to service external and domestic debt.
- **Pension** (ZWL\$ 59 billion) are paid to former civil servants after they retire.
- **Devolution transfers** (ZWL\$ 43 billion) are inter-governmental transfers from central government to provincial councils and local authorities to help develop local infrastructure.
- **Subsidies** (ZWL\$ 46 billion) are payments made by government on behalf of vulnerable citizens to reduce the cost of specific goods and services.
- **Social benefits** (ZWL\$ 62 billion) are support to vulnerable groups such as labour-constrained households, children, elderly persons and people with disabilities, through cash or in-kind transfers.

- **Capital expenditures** (ZWL\$ 251 billion), also called net acquisition of financial assets, are expenditures for infrastructure projects such as roads, schools, hospitals, electricity plants or dams to improve productivity and public services.

In terms of which areas the 2022 Budget is supporting, here is a snapshot.

NDS1 Priority Area	2022 Allocation (ZWL\$ Billion)	Share of Total
Image building, International Engagement and Re-engagement	17	1.8%
Health and wellbeing	118	12.2%
Governance	375	38.7%
Housing Delivery	27	2.8%
Economic Growth and Stability	87	9.0%
Food and Nutrition Security	60	6.2%
Moving the economy up the value chain and structural transformation	5	0.5%
Social Protection	21	2.2%
Human Capital Development and Innovation	147	15.2%
Digital Economy	3	0.3%
Environmental Protection, Climate Resilience and Natural Resource Management	4	0.4%
Devolution	42	4.3%
Youth, Sport and Culture	6	0.6%
Infrastructure and Utilities	56	5.8%



How the budget is allocated to the different Ministries and development agencies?

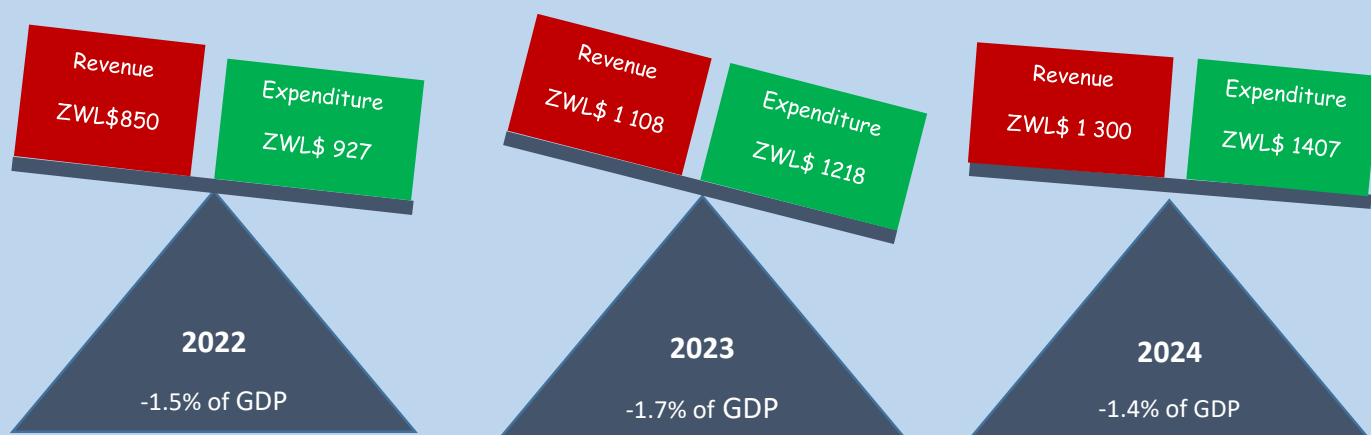
In ZWL\$ Millions	2021 budget	2022 proposed estimates	% of expenditure	2023 indicative estimates	2024 indicative estimates
Primary and Secondary Education	55 221	124 070	12,8%	157 250	189 213
Lands, Agriculture, Water, Climate and Rural Resettlement	46 259	124 049	12,8%	175 103	205 195
Health and Child Care	54 705	117 714	12,2%	151 958	166 280
Defence	23 754	61 553	6,4%	75 179	88 439
Transport and Infrastructural Development	30 064	60 802	6,3%	83 586	101 458
Home Affairs and Cultural Heritage	23 557	49 418	5,1%	60 338	73 372
Finance and Economic Development	21 327	37 072	3,8%	36 027	42 039
Higher & Tertiary Education, Science and Technology	14 368	35 457	3,7%	52 758	63 916
Office of the President and Cabinet	14 260	32 391	3,3%	41 728	48 932
Local Government, Public Works and National Housing	10 070	24 315	2,5%	25 403	29 964
Public Service Commission	9 004	22 752	2,3%	29 553	36 390
Justice, Legal and Parliamentary Affairs	7 340	22 705	2,3%	27 874	33 369
Public Service, Labour and Social Services	6 929	19 477	2,0%	21 576	23 717
Foreign Affairs and International Trade	8 640	14 877	1,5%	19 089	22 807
Parliament of Zimbabwe	7 306	14 615	1,5%	16 669	18 877
Zimbabwe Electoral Commission	2 321	11 633	1,2%	14 091	16 457
National Housing and Social Amenities	2 801	10 061	1,0%	6 828	8 795
Youth, Sport, Recreation, Arts and Culture	3 557	7 844	0,8%	9 757	12 106
Judicial Services Commission	2 487	5 446	0,6%	7 261	9 522
Women Affairs, Community, Small and Medium Enterprises Development	2 157	4 734	0,5%	7 436	9 033
Industry and Commerce	2 345	3 880	0,4%	5 857	7 532
Energy and Power Development	1 641	3 872	0,4%	3 155	4 560
Environment, Tourism and Hospitality Industry	1 787	3 711	0,4%	3 618	4 812
Information Communication Technology, Postal and Courier	1 972	3 295	0,3%	4 785	6 455
Mines & Mining Development	1 399	3 021	0,3%	4 048	5 221
Audit Office	1 199	3 014	0,3%	3 448	4 619
Information, Publicity and Broadcasting Services	1 479	2 653	0,3%	3 874	5 133
Zimbabwe Land Commission	934	1 759	0,2%	2 049	3 267
National Prosecuting Authority	610	1 629	0,2%	2 183	2 991
Zimbabwe Anti-Corruption Commission	317	914	0,1%	1 384	2 289
Council of Chiefs	317	671	0,1%	1 285	2 036
Zimbabwe Media Commission	175	511	0,1%	897	1 533
Zimbabwe Gender Commission	153	498	0,1%	826	1 736
National Peace and Reconciliation Commission	133	441	0,0%	853	1 533
Human Rights Commission	148	404	0,0%	716	1 367
Total vote appropriations	360 735	831 259	85,9%	1 058 443	1 254 967
Pensions	30 624	52 574	4,9%	68 075	82 328
Other statutory appropriations	1 455	4 932	0,5%	6 387	7 724
Unallocated Reserve	7 779	27 502	2,8%	90 123	65 355
Interest	1 462	14 367	1,5%	1 080	242
Transfers to Provincial Councils and Local Authorities	19 540	42 539	4,4%	55 423	64 984
Refunds of revenue	22	28	0,0%	49	53
Total expenditures and net lending	421 617	968 269	100%	1 273 193	1 467 929
Total expenditures excluding acquisition of financial assets	421 617	927 268		1 218 351	1 407 015

What is the difference between revenue and expenditure (Budget Balance)?

Projected revenue is not sufficient to cover all budget expenditures in the context of NDS1 implementation, as well as debt repayments and acquisition of financial assets (government participation in shareholding).

Therefore, revenue is complemented by borrowing. However, the budget deficit (the difference between revenue and expenditure) is limited to only 1.5% of GDP in 2022 and under 2% of GDP in the medium-term, in line with NDS1 targets.

Budget Deficit (in ZWL\$ Billion)



How is the budget deficit is being financed?

With budget deficit (ZWL\$ 76 billion), debt repayments (ZWL\$ 24 billion for domestic debt and around ZWL\$6 billion for external debt) and acquisition of financial assets (\$41 billion), total financing requirements are ZWL\$147 billion in 2022.

The main sources of borrowing in 2022 are the following ones:

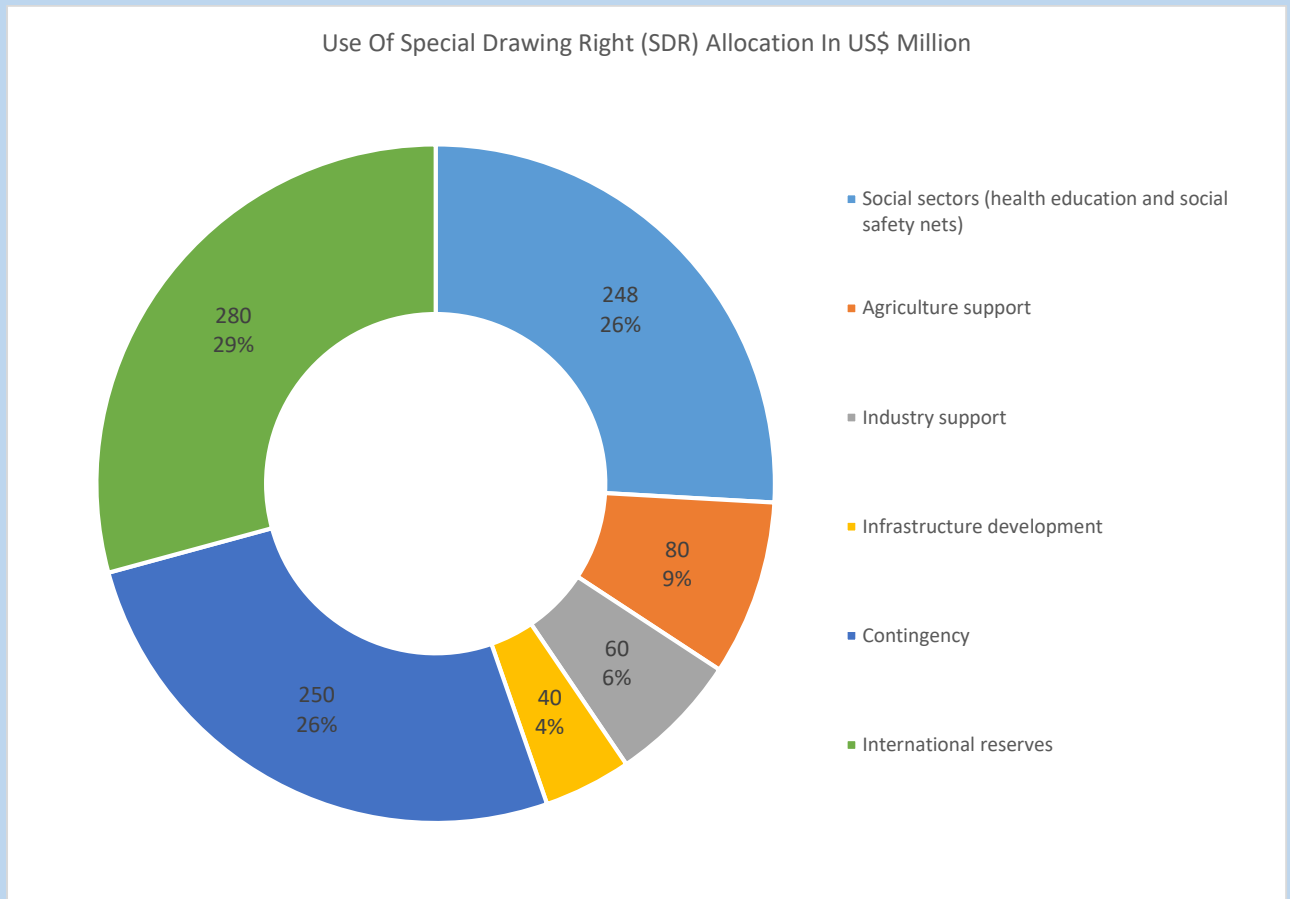
- **Treasury bills** (ZWL\$45 billion) are short-term domestic borrowing from financial institutions
- **Treasury bonds** (ZWL\$19 billion) are long-term domestic borrowing

- **Government deposits** (ZWL\$36 million)
- **Use of SDR allocation**

Government was allocated SDR677.4 million (US\$958 million equivalent) from the International Monetary Fund (IMF) under the general allocation.

The SDRs will be used to build international reserves, contingency fund to face negative shocks and budget expenditures to support investments in social sectors, productive sectors and infrastructure.

This is how the SDR Allocation will be used.



- In terms of re-engagement and renewed access to external borrowing, an arrears clearance debt relief and restructuring strategy has been adopted, exploring various debt relief options (Highly indebted poor country initiative, arrears clearance to international and bilateral clearance).

How the 2022 Budget addresses Citizens' concerns related to development and economic growth



Agriculture

- Continuation of crop and livestock input scheme, ZWL\$18 billion for Pfumfudza/Intwasa program supporting 540 000 households with 5 kg of sorghum seed and 260 000 households with 2 kg of millet seed
- ZWL\$6 billion for irrigation, covering more than 27 000 Ha
- Creation of an horticulture export revolving fund, with USD\$20 million budget allocation
- ZWL\$3.8 billion for agricultural research, ZWL\$3.1 billion for animal disease prevention, ZWL\$1.5 billion for agricultural engineering and mechanization, and almost ZWL\$1 billion for advisory and extension services
- ZWL\$2.5 billion for interim compensation to former farm owners



Mining

- Amendment to the Mines and Minerals Act in line with international best practices
- Opening of closed mines and ZWL\$5 million for mining exploration
- US\$10 million of the SDR to support small scale and artisanal minors for the Bubi gold service centre



Industry

- ZWL\$2.3 billion for capacitation of the industrial development corporation
- Development of innovation hubs in educational institutions
- Resuscitation of Ziscosteel (steel industry)
- Recapitalization of the industry, particularly agriculture and mineral processing



Tourism

- Establishment of the tourism revolving fund
- Promotion of tourism through marketing and aviation programmes



Job creation for youth and women

- Extension of the Youth Employment Tax Exemption (YETI)
- ZWL\$1 billion for capitalisation of the National Venture Capital Fund to finance projects of young entrepreneurs
- Capitalisation of empowerment institutions, notably Women development fund, Women's microfinance bank, empower bank and Community Development Fund



Sport, arts and recreation

- ZWL\$920 million for rehabilitation of sport, arts, and recreation facilities, taking into account people with disabilities, and creation of an art fund with ZWL\$100 million initial capital

How the 2022 Budget addresses Citizens' concerns relating to infrastructure development?



Water

- ZWL\$22.4 billion for dam construction, notably Gwayi-Shangani, Chivhu, Kunzvi, Bindura, Dande and Semwa dams
- ZWL\$2.1 billion for water in local authorities and ZWL\$1.9 billion for rural water, sanitation and hygiene



Electricity

- Completion of the first unit of Hwange 7&8 power plant
- ZWL\$355 million for rural electrification, complemented by ZWL\$2.8 billion from the rural electrification fund levy



Housing

- ZWL\$29 billion for housing delivery
- Rehabilitation and upgrading of existing housing facilities for public servants, and capitalisation of the civil service housing scheme



Information, communication and technology

- Development of an ICT procurement and management framework
- Procurement of studio and ICT equipment to the Zimbabwe Broadcasting Corporation



Transport

- ZWL\$43.9 billion for roads development programme, with a target of 200 km for Harare-Beitbridge road
- Mbudzi interchange to smooth traffic to and from Harare
- Upgrading of 4 toll gates, relocation of 3 toll gates out of the peripheries of Harare and ZWL\$2.5 billion for the modernization of border posts
- ZWL\$16.9 billion for the emergency road rehabilitation programme for maintenance and regravelling
- ZWL\$3 billion for rural road infrastructure
- ZWL\$2 billion for the upgrading of the Hwange-Harare railway line
- Achievement of International Airport upgrading
- ZWL\$1.7 billion for recapitalisation of Air Zimbabwe



Local government and devolution

- ZWL\$42.5 billion for inter-governmental fiscal transfer to local authorities,
- A review of the formula for intergovernmental transfers with key stakeholders and new guide on fiscal transfer management
- ZWL\$825 million for disaster risk management
- ZWL\$3.7 billion for the Urban mass transport system

How the 2022 Budget addresses Citizens concerns relating to social sectors and governance ?



Education

- ZWL\$4.4 billion for the second education project targeting 200 schools
- ZWL\$4.1 billion towards BEAM covering tuition uniforms, stationery for vulnerable children
- ZWL\$3.4 billion for the rehabilitation of Higher and Tertiary institutions, notably the resumption of work at Bindura Female Hostel, the construction of Kushinga Phikelela Female Halls of residence, medical school at Great Zimbabwe University, Manicaland University administration block and lecture theatre as well as rehabilitation of Gwanda University, NUST, and Midlands State University



Health

- \$ZWL1.1 billion for the rehabilitation of hospitals
- Delivery of ambulances, strengthening of the Minimum standard equipment package programme, and introduction of a National Health Equipment Maintenance Plan
- Continuation of covid-19 vaccination programs



Social protection

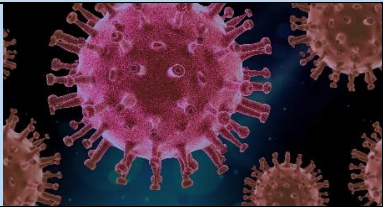
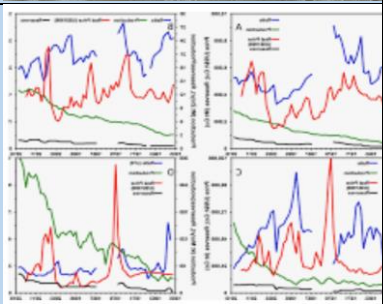
- ZWL\$2 billion for grain procurement and cash for grains to labour constrained households, including people with disabilities, child headed families; food distribution on rural areas targeting 1.1 million food insecure beneficiaries
- ZWL\$160 million to support income generated activities of poor households
- ZWL\$2.2 billion for cash transfers to 97 000 labor constrained households
- Development of an integrated social protection management information system
- ZWL\$270 million for child protection services
- ZWL\$220 million for social protection programmes benefiting people with disabilities



Governance, justice and security

- ZWL\$7.8 billion for preparatory works towards 2023 elections
- Procurement of vehicles for security forces
- ZWL\$1 billion for courts of justice construction
- ZWL\$1.75 billion for the upgrading of prison infrastructure; and initial works for the construction of 2 modern prisons
- Legislation to protect whistle-blowers

Threats to the 2022 Budget targets and measures to reduce negative impact

	Fiscal Risk	Mitigation Measures
Macroeconomic Risks		
	Repeated waves of COVID 19	Rapid and comprehensive vaccination roll out
	Floods	• Early distribution of key inputs in the short-term • Improve drainage system. • Rehabilitation of irrigation infrastructure in the medium-term • Capacitation of the Meteorological Department to improve early warning systems.
	Lower international mineral prices	• Expedite value addition of minerals locally. • Increase the export of processed commodities
	Power outages	• Review economic tariffs • Develop pre-paid meters to all entities. • New IPP projects, solar and other renewable energy.
	Monetary Risk: higher inflation and exchange rate depreciation	• Strict adherence to a transparent market-based exchange rate regime. • Provide credible inflation targets. • elimination of monetary financing of fiscal activities
Expenditure Risks		
	Wage Pressures	• Government is committed to ensuring a decent standard of living to public servants. • Requests to adequately take inflationary developments into account in wage negotiations.
	Spending Outside Budget	• Strictly refrain from unbudgeted activities • No borrowing from the Central Bank and no quasi-fiscal activities

	• State-owned enterprises' liabilities	• Management and operational reforms • Strengthening fiscal risk management. • Privatisation and commercialisation of SOEs
	Revenue Risks Exchange rate gap Decline in tax compliance	• Exchange rate and inflation stability • This is addressed with a number of interventions to improve voluntary tax compliance, notably tax audit.

CONCLUSION

The 2022 budget is benefiting from a positive economic trajectory and lower inflation outlook, mindful of macro-fiscal risks.

In line with NDS1, the 2022 budget is contributing to macro-fiscal stability, building resilience, advancing economic growth and social protection, while strengthening governance.

The collaborative and consultative approach used on formulating this Budget has enabled Government to respond to citizens' expectations.

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