



ZINARA OPERATIONS OVERVIEW

FOR THE PERIOD 1 JANUARY TO 31 DECEMBER

CEO’s Report on the 2023 Road Funds Disbursements

1.0. Executive Summary

I am pleased to present the Road Funds Disbursement Report for the year 2023.

As the Zimbabwe National Road Administration, we value transparency and accountability and have placed these virtues at the centre of our operations. In 2022, we resolved to publish all disbursements to road authorities as a way of acquitting ZINARA on the utilisation of the road funds that it handles. This was in addition to the other many initiatives by the organisation aimed at resolving legacy governance issues that had historically brought ZINARA into disrepute. Some of these key actions include the complete resolution of 59 out of the 63 matters listed in the Grant Thornton forensic audit report and regularisation of the holding of AGMs with Audited Accounts from the Auditor General’s office. This was a key corporate governance activity for which ZINARA had since incurred a 3 year back log. All these efforts have brought ZINARA into good standing as a corporate entity as well as with key stakeholders.

The quarterly publication of the disbursement schedule has courted healthy interest among the motoring public and has subsequently triggered varied and valuable comments and queries. In this current publication, we have sought to give detail and clarity to the various issues raised by our stakeholders. It is our desire that this report will go a long way to give our valued clients and stakeholders a clearer view of the road fund administration including allocation to road authorities and other financial commitments. We look forward to constructive and collaborative engagements thereafter.

As ZINARA, we remain committed to the effective discharge of our mandate as a road fund manager for road infrastructure maintenance. Our core mandate is scoped around maintenance of gazetted roads and not construction of new roads and road infrastructure. With the guidance of the Government of Zimbabwe, we support road authorities in delivering various road infrastructure maintenance and rehabilitation projects across the country.

In keeping with our mandate, as well as the national Vision 2030; "Towards an Upper Middle Income Society by 2030," we are steadfastly dedicated to the expedited drive to upgrade and maintain improved road infrastructure in Zimbabwe.

2.0. Revenue Collections Update

ZINARA’s gross road fees collections amounted to ZWL \$868 billion in 2023, closing13% above budget. The revenue mix comprised of 38% contribution from all 29 Tolling points nationwide while licensing fees contributed 34% up from 30% in 2022. Licensing revenue grew in the year owing to the various initiatives we undertook to improve access to licensing services. This included setting up licensing systems at Tollgates, Central Vehicle Registry, ZIMRA and VID. These activities, complemented by roadside enforcement operations and marketing promotions, saw gradual improved licensing and we anticipate continued growth in the current year. Fuel levies and transit fees on the other hand contributed 15% and 11 % respectively. Overall, traffic volumes through the main revenue streams grew by an average of 7% against prior year. Zimbabwe has just over 1.2million registered vehicles and of these, only 60% are regular in terms of licensing compliance. On average, between 135,000 and 150,000 vehicles were licensed monthly in 2023.

Table 2 shows the month-on-month comparative presentation of the volumes per revenue stream with licensing indicating the cumulative total of compliant vehicles.

3.0. Disbursements Overview

ZINARA committed 88% of collected revenue to road -related disbursements and direct costs of collection, reserving 12% for the administration. This has been possible through financial discipline and prudence in the management of costs across the board.

Road funds are allocated to road authorities in accordance with the disbursement formula prescribed in the Road Act. The road authorities informed of their respective budget allocations and based on these figures, they submit proposals of their projects in their respective jurisdictions. These are subsequently reviewed by ZINARA and due approval processes are undertaken.

At the funds disbursement stage, money is dispatched at two levels. The first is for routine maintenance which is an advance disbursement done quarterly. This is accessed when the authorities would have fulfilled a number of processes, chief among them being acquitting for funds previously issued to them. The second level is for periodic maintenance and this is issued upon submission of Interim Payment Certificates (IPCs) after works have been completed.

In addition to disbursing these funds, ZINARA also provides technical monitoring and evaluation support to road authorities through the ZINARA Provincial Road Engineers to enable them to effectively complete their projects and submit the requisite acquittals timeously ahead of the next disbursement.

The expenditure activities are detailed in the paragraphs that follow.

3.1. Road Authorities' Allocations

The funds disbursed to the four Road Authorities, amounted to ZWL \$219 billion. Great improvement in the uptake of allocation of funds was noted across the provinces. Over twenty road authorities claimed 100% of their allocated funds, while a considerable handful accessed below 75%. The provinces with the highest uptake were Harare Metropolitan Province and Manicaland, both claiming about 97% of their budgets. Lowest claims were from Bulawayo Metropolitan Province and Matebeleland North Provinces, both accessing less than 60% of their budgets. Urban councils in total claimed 81% of their allocated budgets while Rural councils accessed 71%.

The failure to access full disbursement allocation in some instances is mainly attributed to a handicap in acquitting and submission of Interim Payment Certificates in order to qualify for the next funds draw down. Road Authorities that have successfully accessed their full budgets have gone on to undertake good work in their respective jurisdictions and they must be applauded for their effectiveness and efficiency in using road user fees to implement tangible programmes.

Meanwhile, it is important to note is that DOR and RIDA disbursements are implemented on roads across all provinces, thereby adding to the total disbursement amount channelled through Road authorities in those areas. For example, road projects amounting to an equivalent of US\$40million were implemented through DOR in Harare.

3.2. Debt Management

ZINARA is still servicing the DBSA Loan which had previously fallen into arrears in prior years. Under the new Zinara, the loan was restructured and we are now fully regular with our payments. In 2023, ZWL \$229 billion was committed towards the DBSA loan repayment. This significant payment reduced the outstanding loan balance to an equivalent of US\$65 million. Related to this was the payment of ZWL \$108 billion for the maintenance of the Plumtree-Harare-Mutare Highway in tandem with operational clauses of the loan agreement. This investment not only ensures the highway’s upkeep but also points to financial discipline in adherence to contractual obligations.

3.3. Capital Expenditure

ZINARA’s capital expenditure for 2023 stood at ZWL 6.9 billion. This was channelled primarily towards the upgrading of systems, digital transformation as well as various assets that are integral to enhancing the operational efficiencies of the administration.

3.4. Collection Costs

Collection costs comprise of costs related to transaction fees, IMTT Tax and cost of outsourced revenue collection services and infrastructure. In 2023, the cost of collection accounted for 16%, marginally improving from 17% in 2022.

3.5. Surplus Funds and Fiscal Health

The year-end surplus of ZWL \$57 billion was realised representing a healthy financial position for ZINARA. This surplus made for 7% of the expenditures and remained in reserve for road authorities that are yet to access their full budgets. This amount is indicative of sound financial management and provides a buffer for unforeseen expenditures or projects.

3.6. Administrative Costs

Administrative costs, including payroll, consumed 12 percent of the revenue, reflecting a cost-conscious administrative strategy. Keeping administrative expenses in check is crucial to ensure that the bulk of the funds can be channelled into road infrastructure projects. This balance between operational costs and project funding is essential for the long-term sustainability of ZINARA’s operations.

4.0. Routine and Periodic Maintenance Projects Overview

In the year under review, periodic maintenance projects undertaken accounted for 220 km reconstructed and rehabilitated roads while 71km were resealed. 633km were re-gravelled and spot re-gravelling was done on 17, 633 km. Pothole patching accounted for 6 904. 69 km and gravel patching constituted 2 197 55km. These works represented 70 percent of the 2023 annual disbursement budget. In terms of routine maintenance, bush clearing covered 23,153,992 square meters while drainage clearing accounted for 273,588 meters and 2,584 culverts were cleaned, all in all accounting for 30 percent of the total disbursement budget for 2023.

5.0. Special Public Interest Projects

During the year 2023, the administration funded several key economic projects that have helped to transform people’s lives in different parts of the country. Some of these projects include Somgolo bridge which is 178 metres long that was repaired at a cost of ZWL \$15.5 billion. The completion of this project has enabled improved access to critical services and markets. The bridge connects Tsholotsho and Lupane districts. Another key project was the rehabilitation of the 10km stretch on the Binga-Siakobvu road at a cost of ZWL \$353 billion. The road connects three provinces namely Matabeleland North, Midlands, and Mashonaland West. Furthermore, the road cuts back the current Harare Binga route by 300kms. In other projects, Rwenya bridge was worked on at the value of ZWL \$5 billion. This bridge connects Manicaland and Mashonaland East provinces. In Harare, work was undertaken on high traffic roads which include Alps road, Pleasant Valley road and Masocha Ndlovu road among others.

6.0. Looking Ahead

In previous years, it has emerged that most road authorities have struggled to complete designated projects on time, within budget and to standard quality due to a lack of equipment and fuel. A significant portion of the funds we have disbursed to road authorities has been used to hire equipment, and this is not a sustainable way to complete road projects. Therefore, plans are at an advanced stage to couch a disbursement model that capacitates road authorities with requisite equipment and to provide them with fuel. This will go a long way to ensure that projects are completed in a timely and efficient manner.

In addition to capacitating the Road Authorities, Zinara will be undertaking extensive work to improve tolling infrastructure. This will include the upgrading of six tolling sites from the current structures to toll plazas. Additionally, we are at an advanced stage in the e-tolling project and we expect to have the pilot running before the end of the year.

Meanwhile, with the introduction of the new toll fees structure, we are looking forward to improved revenue inflows which will aide in ensuring that we are better placed to fund the various projects across the country.

7.0. Conclusion

In conclusion, ZINARA’s 2023 disbursement summary reflects a financially robust year with strategic investments that bode well for Zimbabwe’s infrastructure development goals. The administration’s approach to revenue collection, cost management, and debt servicing exemplifies a model of sustainable financial stewardship. The challenge moving forward will be to maintain this level of fiscal discipline while expanding the revenue base and adapting to the dynamic economic environment. Strategic planning, transparency, and accountability will be essential in continuing to build public trust and support for ZINARA’s critical work.


Nkosinathi Ncube
Chief Executive Officer

2023

Table 1						
Income	Annual Performance 2023		% of	Annual Performance 2023		% of
	Actual	Rev		Revised Budget	Rev	Prior Year
Total Revenue	868,594,957,947	100%		768,338,657,893	100%	83,447,861,387
Vehicle license fees	293,009,230,109	34%		238,157,780,063	31%	23,581,087,647
Fuel Levy	134,260,390,079	15%		119,874,121,535	16%	13,373,558,282
Toll fees	328,764,635,251	38%		309,924,048,455	130%	30,129,916,200
Transit fees	91,497,732,545	11%		82,877,106,979	69%	9,063,213,842
Abnormal Load and Overload fees	8,841,901,334	1%		4,442,017,267	1%	608,884,273
Commission & Other Revenues	12,221,068,629	1%		13,063,583,595	16%	1,091,201,142
Retention by Agent (Zinara @12%)	(106,264,781,100)	12%		(93,775,057,245)	12%	(9,159,465,942)
Available for Disbursements and Capex	762,330,176,847	88%		674,563,600,648	88%	74,288,395,445
Collection costs	(135,062,188,775)	16%		(125,471,563,835)	16%	(12,849,414,723)
Disbursements to Road Authorities & Other	(563,205,509,954)	65%		(423,230,043,877)	55%	(52,878,909,547)
Urban Councils	(38,047,942,42715)			(38,996,927,938)		(2,944,118,756)
Rural District Councils	(27,725,785,257,87)			(46,921,575,162)		(4,082,920,567)
Department Of Roads	(85,495,290,298)			(97,180,694,591)		(15,458,537,015)
Rural Infrastructure Devevelopment	(67,281,384,060)			(67,281,384,060)		(8,123,542,819)
Toll Infrastructure	(2,218,718,730)			(17,500,000,000)		(1,025,949,655)
Plumtree-Forbes Disbursement	(108,295,537,459)			(54,095,819,816)		(6,077,145,313)
Emergency Disbursement	(1,018,164,689)			(16,921,784,877)		-
Vehicle Inspection department	(649,824,832)			(13,202,410,726)		-
ERRP Administration Expenses	(2,978,122,816)			(2,510,731,606)		(606,245,500)
DBSA Loan repayment	(229,305,180,785)			(68,429,156,500)		(13,979,288,500)
ZB Bank Loan Repayment	(189,558,601)			(189,558,601)		(581,161,422)
Capital expenditure	(6,988,656,640)	1%		(64,887,733,485)	8%	(1,004,660,796)
Surplus	57,073,821,478	7%		60,974,259,451	8%	7,555,410,379

Table 2						
MONTH	TRANSIT TRAFFIC		MONTHLY LICENSING VOLUMES		TOLLING VOLUMES	
	2023	2022	2023	2022	2023	2022
January	20,110	18,468	172,188	225,989	2,522,066	2,363,836
February	20,712	18,138	306,823	336,715	2,163,223	2,238,942
March	22,379	19,457	447,835	458,398	2,478,089	2,390,766
April	22,144	18,137	555,709	562,123	2,671,614	2,618,783
May	22,307	20,458	625,937	624,111	2,544,433	2,547,607
June	22,020	20,062	661,982	671,259	2,430,888	2,352,720
July	22,780	21,678	682,806	694,182	2,515,915	2,482,843
August	23,431	22,584	709,711	724,129	2,804,975	2,772,679
September	23,899	22,122	738,153	752,130	2,715,297	2,529,784
October	25,606	22,610	760,996	765,168	2,824,503	2,623,303
November	27,043	21,495	780,494	776,538	2,594,504	2,350,932
December	28,277	22,366	800,707	792,291	3,417,043	3,058,254
TOTAL	280,708	247,575			31,682,550	30,330,449

Disbursements

SUMMARY 2023



Road Authority	2023 Original Budget	2023 Supplementary Budget	2023 Total Budget	2023 Total Disbursed	Road Authority	2023 Original Budget	2023 Supplementary Budget	2023 Total Budget	2023 Total Disbursed
MANICALAND					Hwange Local Board	112,073,242.28	548,722,886.55	660,796,128.84	473,547,103.42
Buhera	107,323,480.57	508,228,822.45	615,552,303.02	615,537,067.93	Lupane Local Board	94,119,010.05	460,816,996.29	554,936,006.34	470,235,767.93
Chimanimani	170,094,647.01	805,480,792.22	975,575,439.23	886,846,614.22	Victoria Falls City Council	161,908,905.51	792,723,759.76	954,632,665.27	383,181,434.12
Chipinga	112,994,734.70	535,084,966.05	648,079,700.75	380,537,217.97	Total Urban Councils	368,101,157.84	1,802,263,642.60	2,170,364,800.45	1,326,964,305.47
Makoni	107,296,744.21	508,102,212.81	615,398,957.03	615,390,148.84	MATEBELELAND NORTH TOTAL				
Mutare	107,232,804.74	507,799,428.34	615,032,233.08	615,032,231.58	1,267,218,824.42	6,060,022,620.38	7,327,241,444.80	4,321,004,855.34	
Mutasa	112,935,023.52	534,802,204.61	647,737,228.13	491,624,775.75	BULAWAYO METRO				
Nyanga	133,502,648.21	632,199,900.06	765,702,548.27	765,702,548.64	Bulawayo City Council	817,014,116.08	4,000,190,723.48	4,817,204,839.57	2,548,923,965.78
Total Rural District Councils	851,380,082.96	4,031,698,326.54	4,883,078,409.50	4,370,670,604.93	BULAWAYO METRO TOTAL	817,014,116.08	4,000,190,723.48	4,817,204,839.57	2,548,923,965.78
Mutare City Council	395,039,745.50	1,934,157,922.41	2,329,197,667.91	2,329,197,667.55	MATEBELELAND SOUTH				
Rusape Town Council	102,784,074.13	503,242,100.41	606,026,174.54	605,704,320.38	Beltbridge	107,838,066.33	510,665,636.00	618,503,702.33	479,239,800.36
Chipinga Town Council	118,931,071.64	582,299,571.28	701,230,642.92	701,230,643.02	Bulilima	107,550,383.12	509,303,316.27	616,853,699.39	616,853,699.01
Total Urban Councils	616,754,891.27	3,019,699,594.10	3,636,454,485.37	3,636,132,630.95	Gwanda	117,914,286.35	558,381,433.26	676,295,719.62	432,028,689.12
Manicaland Total	1,468,134,974.22	7,051,397,920.65	8,519,532,894.87	8,006,803,235.88	Insiza	121,309,090.74	574,457,481.35	695,766,572.09	207,976,670.15
MASHONALAND CENTRAL					Mangwe	115,388,770.06	546,421,886.62	661,810,656.68	661,810,656.40
Bindura	107,321,519.91	508,219,537.75	615,541,057.65	272,312,095.98	Matobo	107,491,028.41	509,022,242.87	616,513,271.28	569,845,073.68
Chaminuka	107,299,952.58	508,117,405.97	615,417,358.55	221,459,990.52	Umzingwane	118,023,370.69	558,898,000.59	676,921,371.29	219,599,683.26
Guruve	107,329,184.33	508,255,832.51	615,585,016.84	615,585,016.87	Total Rural District Councils	795,514,995.70	3,767,149,996.96	4,562,664,992.67	3,187,354,271.98
Mazowe	107,350,929.90	508,358,808.35	615,709,738.25	615,709,738.18	Beltbridge Town Council	143,415,916.77	702,180,058.52	845,595,975.29	431,159,356.62
Mbire	107,267,512.46	507,963,786.27	615,231,298.74	450,470,450.99	Gwanda Municipality	152,629,034.14	747,288,491.71	899,917,525.86	468,205,814.41
Muzarabani	107,279,632.95	508,021,182.64	615,300,815.59	453,307,132.95	Plumtree Town Council	104,508,399.78	511,684,587.93	616,192,987.71	522,476,904.25
Pfura	107,275,355.13	508,000,925.10	615,276,280.23	615,276,280.66	Total Urban Councils	400,553,350.69	1,961,153,138.17	2,361,706,488.86	1,421,842,075.28
Rushinga	107,412,423.52	508,650,010.52	616,062,434.04	605,455,034.36	MATEBELELAND SOUTH TOTAL	1,196,068,346.39	5,728,303,135.13	6,924,371,481.52	4,609,196,347.26
Total Rural District Councils	858,536,510.77	4,065,587,489.11	4,924,123,999.88	3,849,575,740.51	MIDLANDS				
Bindura Municipality	136,520,290.63	668,418,316.62	804,938,607.25	804,938,606.00	Chirumanzu	111,180,645.69	526,494,373.26	637,675,018.95	637,675,019.40
Mvurwi Town Council	95,780,544.28	468,952,050.11	564,732,594.39	345,780,544.28	Gokwe North	105,534,105.31	499,755,261.24	605,289,366.56	605,289,366.30
Total Urban Councils	232,300,834.90	1,137,370,366.73	1,369,671,201.64	1,150,719,150.28	Gokwe South	128,093,886.96	606,586,787.80	734,680,674.76	594,982,386.00
MASHONALAND CENTRAL TOTAL	1,090,837,345.67	5,202,957,855.85	6,293,795,201.52	5,000,294,890.79	Mberengwa	106,547,413.25	504,553,766.62	611,101,179.87	338,534,683.15
MASHONALAND EAST					Runde	105,893,798.44	501,458,582.94	607,352,381.17	607,352,381.17
Chikomba	107,292,288.16	508,081,111.21	615,373,399.36	615,373,399.24	Tongogara	107,332,927.42	508,273,557.86	615,606,485.28	615,606,485.42
Goromonzi	107,284,445.49	508,043,972.38	615,328,417.87	457,284,445.40	Vungu	127,771,624.74	605,060,719.60	732,832,344.34	417,195,051.24
Hwedza	107,265,373.56	507,953,657.50	615,219,031.06	449,527,873.51	Zibagwe	105,754,234.65	500,797,680.62	606,551,915.27	606,551,915.27
Manyame	108,440,703.81	513,519,417.30	621,960,121.11	621,960,121.00	Total Rural District Councils	898,108,636.46	4,252,980,729.94	5,151,089,366.40	4,423,187,287.95
Marondera	118,513,537.24	561,219,177.34	679,732,714.58	118,513,537.21	Gweru City Council	474,047,968.93	2,320,990,850.05	2,795,038,818.98	1,927,520,819.03
Mudzi	107,282,663.07	508,035,531.74	615,318,194.80	107,282,663.01	Gokwe Town Council	125,738,149.68	615,627,771.97	741,365,921.65	125,738,149.68
Murewa	107,421,335.64	508,692,213.74	616,113,549.38	127,435,853.99	Kwekwe City Council	193,749,034.38	948,616,522.97	1,142,365,557.35	983,266,412.38
Mutoko	134,726,285.95	637,994,419.29	772,720,705.25	772,720,705.19	Redcliff Municipality	135,187,496.93	661,892,812.52	797,080,309.45	713,763,209.39
UMP Zvataida	107,271,790.28	507,984,043.81	615,255,834.10	312,717,833.38	Shurugwi Town Council	116,650,310.34	571,132,713.78	687,783,024.12	95,044,624.83
Total Rural District Councils	1,005,498,423.20	4,761,523,544.30	5,767,021,967.50	3,582,816,431.93	Zvishavane Town Council	128,288,060.63	628,112,415.66	756,400,476.30	756,400,476.49
Marondera Municipality	249,776,511.14	1,222,933,194.35	1,472,709,705.49	1,445,738,904.23	Total Urban Councils	1,173,661,020.90	5,746,373,086.95	6,920,034,107.85	4,601,733,691.80
Total Urban Councils	249,776,511.14	1,222,933,194.35	1,472,709,705.49	1,445,738,904.23	MIDLANDS TOTAL	2,071,769,657.36	9,999,353,816.89	12,071,123,474.25	9,024,920,979.75
MASHONALAND EAST TOTAL	1,255,274,934.34	5,984,456,738.65	7,239,731,672.98	5,028,555,336.16	Grand Total				218,550,402,041.54
HARARE METRO					Department of Roads Total				
Chitungwiza Municipality	196,131,298.33	960,280,348.53	1,156,411,646.86	1,060,843,543.96	15,307,438,440.77	81,873,256,211.00	97,180,694,651.77	85,495,290,296.64	
Epworth Local Board	92,042,930.50	450,652,283.10	542,695,213.60	542,695,214.30	Rural Infrastructure Development Agency	10,935,267,796.87	56,346,116,263.00	67,281,384,059.87	67,281,384,059.87
Harare City Council	2,316,369,832.44	11,341,200,761.96	13,657,570,594.40	13,657,570,594.40					
Ruwa Local Board	91,897,230.01	449,938,917.53	541,836,147.54	108,247,229.40					
Total Urban Councils	2,696,441,291.27	13,202,072,311.13	15,898,513,602.41	15,369,356,582.06					
HARARE METRO PROVINCE TOTAL	2,696,441,291.27	13,202,072,311.13	15,898,513,602.41	15,369,356,582.06					
MASHONALAND WEST									
Chegutu</									