A Gender - Responsive Disability - Inclusive and Child - Friendly Analyisis of the Zimbabwe 2024 National Budget

ZWRCN
Zimbabwe Women's Resource Centre & Network

Sweden
Sverige

People Change the World
Diakonia

CONTENTS

ABBREVIATIONS AND ACRONYMS 3

ACKNOWLEDGEMENTS 4

INTRODUCTION 5

SOCIO-ECONOMIC CONTEXT 6

REVIEW OF THE 2024 NATIONAL BUDGET 9

ALLOCATION AND SPENDING TO THE MINISTRY OF WOMEN AFFAIRS, COMMUNITY, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT 13

TAX PROPOSALS 17

CONCLUSION 18

RECOMMENDATIONS 19

ABBREVIATIONS AND ACRONYMS

BEAM	Basic Education Assistance Module
CALA	Continuous Assessment Learning Activities
CRVS	Civil Registration and Vital Statistics
ECDE	Early Childhood Development Education
GBV	Gender Based Violence
GDP	Gross Domestic Product
GRB	Gender Responsive Budgeting
ILO	International Labor Organization
IMF	International Monetary Fund
MBA	Master of Business Administration
MSMEs	Micro, Small, and Medium Enterprises
OOPS	Object-Oriented Programming System
SDGs	Sustainable Development Goals
SMEDCO	Small and Medium Enterprises Development Corporation
SNA	Systems of National Accounts
UCDW	Unpaid Caring and Domestic Work
USD	United States Dollar
VAT	Value Added Tax
VHW	Village Health Worker
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization
ZIMSTAT	Zimbabwe National Statistics Agency
ZWRCN	Zimbabwe Women's Resource Center and Network

ACKNOWLEDGEMENTS

The Gender-Responsive, Disability-Inclusive and Child-Friendly Analysis of the 2024 National Budget was produced under the leadership of Thokozile Ruzvidzo the Executive Director of Zimbabwe Women's Resource Centre and Network (ZWRCN). The report was drafted by Prosper Chitambara, and Esther Tinashe Mapungwana. ZWRCN acknowledges their diligence and commitment in producing this report. The report benefited from a ZWRCN paper "Priority Areas for Women in the 2024 National Budget" produced by Cecilia Chengetai Madziwa Kanyangu and then presentation by the Hon. Maybe Mbohwa, Chair of the Zimbabwe Women Parliamentary Caucus on the women's priorities for the 2024 budget at the pre-budget seminar on 1 November 2023.

The report was informed by various processes that included
i) consultations with the Civil Society Organisation (CSOs), representatives from various sectors, the Gender Commission and Government Departments who came together to present their priorities for the 2024 budget.

ii) pre and post budget dialogue sessions facilitated by ZWRCN, SAPST and ZIMCODD with the chairs and representatives of the Zimbabwe Women Parliamentary Caucus, the Civil Society Organisation (CSOs), representatives from various sectors, the Gender Commission and Government Departments.

Special thanks to the ZWRCN team that includes Maryliyn Mucherera, Shylet Chizenga, Tendai Kamusikiri, Roselyn Silker, Tsungai Feresu and Travolta Shumba for the inputs and facilitation in the production of the report. ZWRCN appreciates RD-GRAPHIX for the design and layout.

INTRODUCTION

Gender-responsive budgeting focuses on how the National Budget (i.e., public expenditures and revenues) impact on gender equality and the well-being of women and girls, particularly those who are more at-risk of experiencing additional inequalities based on their socio-economic status, race and ethnicity, age, disability and/or sexual orientation. According to British sociology scholar, Diane Elson, 'the key question is: what impact does this fiscal measure have on gender equality? Does it reduce gender inequality; increase it; or leave it unchanged?'.

A child friendly budget is one that adequately addresses children's issues, such as poverty, malnutrition, illiteracy, or child protection. The child friendly budget rests heavily on the system upon which it is constructed, implemented, and evaluated. Deliberate investments in children will yield future returns by producing a healthy and productive workforce. Greater public investment in children is also likely to result in higher earnings, reduced crime and reduced welfare dependence. Like gender responsive budgeting, a child responsive budget is not a separate budget for children. Rather, it is a tool to consider the current and future needs of children when developing policy and allocating resources. It is also a way to examine how policy change, as well as changing socio-economic factors, can impact children. In 2019, New Zealand introduced its first 'wellbeing' budget. While not specifically targeting children, the approach moves beyond just looking at economic metrics such as GDP, to include a much broader range of outcomes—including human health, safety and flourishing—to assess the success of policies. While it is debated whether wellbeing budgeting has been successful, New Zealand has been able to shift the conversation away from economic growth as being the primary metric of national success.

Investments in disability inclusion have been shown to enhance national economic growth through increased work-place participation, productivity and well-being. For example, studies from Pakistan found that supporting people with visual impairments to participate in economic activity led to an estimated US$71.8 million of gross aggregate gains in household earning per year. Further benefits include reduced stigma and discrimination in the workplace as well as a reduced welfare burden[1]. It is also critical to adopt a holistic approach to disability issues through increased collaboration across policy sectors.

The National Budget can help to ensure that women, children and persons with disabilities are not left behind. The National Budget should allocate adequate financial resources to ensure: the enforcement of laws protecting women, persons with disabilities and children; the implementation of national disability policy and the delivery of essential inclusive services to women, children and persons with disabilities. It must facilitate the provision of opportunities for women, children and persons with disabilities to be able to actively participate in economic development thereby realising their full potential through prioritizing sectors that enhance their productive capacities and well-being such as health, education, social protection, and water and sanitation.

[1]http://icedfacility.org/wp-content/uploads/2019/07/ICED_DII_LICs.pdf

SOCIO-ECONOMIC CONTEXT

Zimbabwe's economic growth in 2023 is officially projected to slow down to 5.5% down from an estimated 6.5% in 2022 and 7.8% in 2021. The World Bank is projecting economic growth in Zimbabwe at 2.9% down from an estimated 3.4% in 2022; while the IMF on the other hand is projecting economic growth at 3.6% down from 4.1% in 2022. However, economic growth in the country over the past years has neither been employment-intensive nor poverty-reducing. Economic growth is vital to sustaining financing of critical sector such as health, health, social protection, and water and sanitation It is not just the quantum/pace of economic growth that is vital but also the quality/pattern of that growth. Erratic economic growth has contributed to limited domestic resources being channeled to critical sectors of the economy. Slow economic growth often leads to a decrease in job creation and a rise in unemployment rates. Women may be disproportionately affected by this, as they tend to be overrepresented in sectors that are more vulnerable to economic downturns, such as retail, hospitality, and manufacturing. Consequently, women may face higher rates of unemployment and underemployment, resulting in reduced income and financial insecurity.

The annual blended inflation rate has declined from 175.8% in June to 21.6% as at November while the monthly inflation rate has declined from 74.5% in June to 4.5% in November. There has however been a rise in both the monthly and annual inflation rates between October 2023 and November 2023 from 2.5% to 4.5% and from 17.8% to 21.6% respectively. The erosion of purchasing power has exacerbated an already difficult situation for the poor and vulnerable. Zimbabwe is in debt distress with total Public Debt estimated at US$17.7 billion as at the end of September 2023 up by 63.6% from 10.7 billion as at end of December 2020. The rising debt burden limits the Government's ability to undertake productivity-enhancing and welfare-improving investments in infrastructure, social protection, education, and public health. Public debt service also consumes a significant part of fiscal revenues also crowding away resources from critical productive sectors of the economy.

Zimbabwe continues to face huge labour market challenges related to poor job quality and high levels of working poverty. This situation is directly related to the high prevalence of informal and vulnerable employment. According to the 2023 Third Quarter Quarterly Labour Force Survey Report by the Zimbabwe National Statistics Agency (ZIMSTAT), informal employment constitutes 86.7% of total employment up from up from 75.6% in 2019. Informal employment is characterised by low productivity, low incomes, high poverty, no social protection, and lack of workers' representation among others. Women are less likely to participate in the labor market at all ages. Even when women have a job, they are more likely to work informally in family farms or household businesses. Women constitute 52% of the population yet their labour force participation rate is 24.1% compared to 41.9% for men. Again 39.4% households are headed by women which gives them great responsibility with limited means to meet the demands of such roles. Women constitute a higher number of those living in extreme poverty hence the need empower them to meet demands of the responsibility over the households they care for.

Improving the health and quality of life of women, adolescents and children is critical for sustainable development. While the country has made some progress in terms of ensuring healthy lives and promote well-being for all at all ages, challenges still remain. For instance, many Zimbabweans still lack access to basic primary healthcare services like reproductive, maternal, antenatal care, facility-based childbirth, contraception, and new-born and child nutrition. The country has made some progress in terms of reducing the maternal mortality ratio and child mortality rates. Table 1 shows the evolution of the maternal mortality ratio and child mortality rates over the period 2011 to 2022. The maternal mortality ratio declined from 960 deaths per 100 000 live births in 2011, to 651 in 2015, then 462 in 2019, and 363 in 2022. According to the Preliminary Results of the 2022 Housing and Population Census, maternal mortality ratio was higher in rural areas (402 per 100,000 live births) than in urban areas (298 per 100,000 live births). This achievement has been on account of a combination of targeted measures such as the removal user fees for pregnant women, free blood coupons for maternal cases, intensified trainings for health care workers and construction of waiting mothers' shelters. The under-5 mortality rate on the other hand progressively declined from 84 deaths per 1 000 live births in 2011 to 65 in 2019, and 38.8 by 2022. The neonatal mortality rate declined from 31 in 2011 to 29 in 2015 before increasing to 32 in 2019 and coming down to 5 in 2022. The strategic collaboration between the country and development partners has contributed to the general improvement in health outcomes in Zimbabwe. Notwithstanding these milestones, there is a need to close gaps in coverage and outcomes by eliminating huge income and urban/rural differentials in key health indicators.

Table 1: Mortality Rates, 2011-2022

	2011	2014	2015	2017	2019	2022
Maternal Mortality Ratio	960	614	651	525	462	363
Under-5 Mortality Rate	84	75	69	72	65	39.8
Infant Mortality Rate	57	55	50	52	47	24.2
Neonatal Mortality Rate	31	29	29	-	32	5

Source: 2019 MICS, 2017 ICDS, 2015 ZHDS, 2014 MICS, 2010-11 ZHDS, Preliminary Results of the 2022 Housing and Population Census.

In many marginalised and rural communities, women and young people still struggle to access reproductive health services, especially preventive services with family planning, cervical cancer screening and treatment standing out[2]. This has resulted in adverse health consequences, including unwanted teenage pregnancy. The adolescent birth rate (aged 15-19 years) per 1,000 women 108 in 2019 still remains very high (see Table 2). Complications during pregnancy and childbirth are leading causes of death and disability among women of reproductive age (15-49 years) in Zimbabwe.

Table 2: Adolescent birth rate (aged 15-19 years) per 1,000 women in the age group

	2015	2017	2019
Adolescent birth rate (aged 15-19 years) per 1,000 women in the age group	110	77.6	108

Source: ZIMSTAT

Gender based violence constitutes a crosscutting factor that significantly influences maternal and neo-natal health. The percentage of adolescent girls and women age 15-49 who have experienced physical violence since age 15 was 39.4% in 2019 up from 35% in 2015. On the other hand, the percentage of adolescent girls and women age 15-49 who have ever experienced sexual violence was 11.6% in 2019 down from 14% in 2015. Women and girls are providing many hours of unpaid care and domestic work (UCDW) and yet that work is under-recognized,

[2]https://zimbabwe.unfpa.org/en/news/unfpa-calls-greater-investment-srh-gbv-services-women-and-young-people

undervalued and under-invested in. In the rural areas of Zimbabwe, women spend more than four times as many hours per day than men on unpaid care and domestic work (UCDW).

Furthermore, limited access to sexual and reproductive health services imply that most rural women cannot choose if and when to have children. This can increase women's care load and exacerbate existing inequalities in caregiving as well as the incidence of gender-based violence. It has been shown that improved access to health services, electricity as well as an improved water source is associated with a reduction in the time women spend on UCDW, and the time girls spend in school.

REVIEW OF THE 2024 NATIONAL BUDGET

Social Spending

Public social expenditure decreases gender inequality by reducing women's unpaid work burden. Social spending creates more employment for women than physical infrastructure and closes gender gaps in employment. Social spending also increases overall productivity. Table 3 shows the sectoral spending performance of Zimbabwe for the period 2019 to 2024. Vote allocations still remain below regional and global benchmarks. For instance, education got the highest vote at Z$10.3 trillion constituting 17.7% of the total vote allocations, this is still below the Dakar Declaration target of 20%. The budget prioritizes various aspects of education, including ensuring access to quality education, capacity-building for teachers, support for the Continuous Assessment of Learning Activities (CALA), and infrastructure development in schools and higher education institutions. These efforts aim to create a knowledge-driven economy through innovation, industrialization, and modernization. One notable initiative is the allocation of ZW$15.5 billion for the procurement of sanitary wear for disadvantaged pupils, which aims to address barriers to education and support learner welfare. The government's plan to provide training to healthcare management committees to improve the administration and distribution of sanitary wear is also commendable. However, there are areas that the budget does not adequately address. For instance, there is a lack of resources dedicated to supporting pregnant girls in accessing pre- and post-natal care, childcare facilities, and other necessary support that would enable them to continue their education effectively.

Health got Z$6.3 trillion (10.8%), a decline from the 11.2% allocated in 2023, below the Abuja Declaration target of 15%. Agriculture got Z$4.3 trillion, which is 7.4% of the total votes and is below the Maputo Declaration target of 10%. The Public Service, Labour and Social Welfare which is responsible for social protection got ZW$2.4 trillion, which is 4.1% of the total votes and 1.5% of GDP. According to the Social Policy for Africa Agreement (2008), African governments must spend at least 4.5% of GDP on social protection. The country is also in the midst of a cholera outbreak and addressing this requires significant public investments in Water, Sanitation and Hygiene (WASH). Government has allocated ZW$ 608.3 billion towards WASH which represents just 0.4% of GDP, which is way below the 1.5% of GDP benchmark set under the eThekwini Declaration (2008). The Global Task Force on Cholera Control considers WASH investments as the foundation to achieving the goal of reducing cholera deaths by 90% by 2030. WASH access increases women and girls' opportunities to improve health and wellbeing, to be educated, and to generate income.

The lack of reliable access to clean water and sanitation services increases women's vulnerability to various health risks. They may be more prone to waterborne diseases due to inadequate sanitation practices or limited access to clean water for personal hygiene and cooking. This can have long-term consequences for their overall well-being and the well-being of their families. Addressing the gender impact of poor water and sanitation requires a gender-sensitive approach. This includes ensuring that water and sanitation facilities are designed to meet the specific needs and safety concerns of women and girls. It also involves promoting women's participation in decision-making processes related to water and sanitation planning and management. Investing in gender-responsive water and sanitation infrastructure can have multiple positive impacts. It can reduce the time and physical burden on women and girls, empower them to pursue education and income-generating opportunities, improve their health and well-being, and contribute to gender equality and women's empowerment overall.

Government spending on health and child care as a percentage of total public expenditure is projected to decline 11.2% in 2023 to the projected 10.8% in 2024. Health spending as a share of total government expenditure, an indicator of the priority given to health. The Abuja target remains an elusive target for the country. The Government also spends a relatively small share of its Gross Domestic Product (GDP) on health care projected at 4.0% in 2024 up from 2.2% in 2023 (see Table 3). Per capita health spending on health is however expected to increase to US$71.8 in 2024 up from US$40 in 2023.

The inadequate public financing of health has resulted in an overreliance on out-of-pocket and external financing which is highly unsustainable. Health spending in low-income countries was financed primarily by out-of-pocket spending (OOPS; 44%) and external aid (29%), while government spending dominated in high income countries (70%) (2021 Global Expenditure Report on Health). The 2024 National Budget Statement revealed that development assistance towards the health sector was US$309.4 million during the first 9 months of 2023, and it is projected at US$436.0 million for the year 2023. In countries that are highly dependent on external aid, health priority in government spending tends to fall in line with the increased aid. Development assistance for health has crowded out government resources and created donor dependence. According to the WHO, the out-of-pocket expenditure per capita on healthcare as at 2019 in Zimbabwe was USD50.8[3] which is way higher than the public spending per capita of USD7 as shown in Table 3. Women, girls, children and people living with disabilities need more health care, but they also are more likely to be poor. For instance, women constitute 52% of the total population. High out-of-pocket health care expenditures threaten their health, financial and economic security. The reduced allocation for 2024 implies that the out-of-pocket expenditure will be higher. Empirical evidence has shown that higher out of pocket in healthcare exacerbates household poverty especially among women-headed households. Female-headed households face higher and increasing multidimensional deprivation than male-headed households, especially when the head is widowed or divorced.

The budget has allocated ZW$2.5 trillion for various interventions in the health sector. This includes funds for the construction and rehabilitation of hospitals, clinics, and health centres (ZW$1.4 trillion), procurement of medical equipment (ZW$960 billion), procurement of 100 ambulances (ZW$52.8 billion), and provision of staff accommodation (ZW$110.3 billion). However, the issue of continued brain drain in the sector has not been adequately addressed, as there is still a shortage of skilled staff to attend to the healthcare needs of the population. The outmigration of health workers has been driven by heavy workloads, inadequate compensation exacerbated by the high inflation, limited career development opportunities, challenging working conditions and inadequate tools of trade among others. According to the WHO, Zimbabwe among the 55 countries with sub-par numbers of health care workers[4]. A retention scheme has not been introduced, and the matter of reviewing the stipend of Village Health Workers (VHWs) to incentivize their work in promoting health in rural areas has not been addressed. Village Health Workers form a critical backbone of the country's public health system in rural areas.

[3]https://ourworldindata.org/grapher/out-of-pocket-expenditure-per-capita-on-healthcare
[4]https://healthpolicy-watch.news/eight-country-healthcare-workers-migration/

Table 3: Sectoral spending targets and performance for Zimbabwe

Sector	Agreement	Target	2019	2020	2021	2022	2023	2024
Social protection	Social Policy for Africa (2008)	4.5% GDP	0.3%	0.7%	0.8%	0.9%	0.6%	1.5%
Health	Abuja Declaration (2001)	15% government expenditure	7%	10.1%	13.0%	10.6%	11.2%	10.8%
Education	Education for All Initiative (2000)	20% government expenditure	14.6%	13.3%	13.1%	13.4%	14.9%	17.7%
Water & Sanitation	eThekwini Declaration (2008) Sharm El-Sheik Commitment (2008)	1.5% GDP	0.7%	0.7%	0.2%	0.5%	0.1%	0.4%
Agriculture	Maputo Agreement (2003)	10% government expenditure	12.7%	17.5%	11.0%	13.6%	8.5%	7.4%
Infrastructure	African Union Declaration (2009)	9.6% GDP	8%	7.2%	5.5%	4.8%	5.3%	6.3%

Source: Calculations based on the National Budget statements.

Table 4: Trends in Public Health Expenditure, 2016-2023

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Health Expenditure (percent of total Public Expenditure)	8.3	6.9	9.0	7.0	10.1	13.0	10.6	11.2	10.8
Per capita public health expenditure (US$)	23	18	20	7	14	45	20	48	71.8
Public health expenditure (percent of GDP)	2.3	1.9	2.7	2.8	1.4	2.5	1.7	2.2	4.0

Source: Calculations based on Ministry of Finance figures.

Table 5 shows the vote allocations by specific different sectors. Vote allocations show budget priority by the government. As shown in Table 5, the government is prioritising education, health and agriculture. The Ministry of Women Affairs, Community, Small and Medium Enterprises Development received an allocation of only 0.3% of the budget, which falls far short of the significant needs for women's empowerment in the country.

Table 5: 2024 Vote Allocations

#	Ministry	Allocation (ZWL$)	Allocation (%)
1	Primary and Secondary Education	7,965,973.53	13.7
2	Health and Child Care	6,311,893.76	10.8
3	Lands, Agriculture, Fisheries, Water and Rural Resettlement	4,285,933.44	7.4
4	Home Affairs and Cultural Heritage	3,931,884.37	6.8
5	Defence	3,637,636.66	6.3
6	Public Service, Labour and Social Welfare	2,371,042.50	4.1
7	Higher & Tertiary Education, Science and Technology Development	2,355,379.81	4.0
8	Office of the President and Cabinet	2,157,038.63	3.7
9	Finance, Economic Development and Investment Promotion	1,704,707.52	2.9
10	Public Service Commission	1,428,094.81	2.5
11	Local Government and Public Works	1,220,136.19	2.1
12	Transport and Infrastructural Development	1,153,233.30	2.0
13	Justice, Legal and Parliamentary Affairs	1,078,019.36	1.9
14	Foreign Affairs and International Trade	976,004.05	1.7
15	Parliament of Zimbabwe	475,112.47	0.8
16	National Housing and Social Amenities	352,980.55	0.6
17	Judicial Services Commission	274,035.50	0.5
18	Veterans of the Liberations Struggle Affairs	221,787.75	0.4
19	Youth Empowerment, Development and Vocational Training	210,207.26	0.4
20	Women Affairs, Community, Small and Medium Enterprises Development	188,136.70	0.3
21	Information Communication Technology and Courier Services	185,280.61	0.3
22	Sport, Arts and Recreation	136,233.11	0.2
23	Environment, Climate and Wildlife	135,476.83	0.2
24	Mines & Mining Development	132,708.34	0.2
25	Industry and Commerce	130,473.99	0.2
26	Information, Publicity and Broadcasting Services	122,360.10	0.2
27	Audit Office	116,964.99	0.2
28	Zimbabwe Electoral Commission	116,600.57	0.2
29	National Prosecuting Authority	98,272.65	0.2
30	Energy and Power Development	90,082.79	0.2
31	Tourism & Hospitality Industry	71,071.79	0.1
32	Zimbabwe Anti-Corruption Commission	59,642.47	0.1
33	National Peace and Reconciliation Commission	56,007.63	0.1
34	Zimbabwe Land Commission	52,937.84	0.09
35	Zimbabwe Gender Commission	48,535.06	0.08
36	Skills Audit and Development	43,045.20	0.07
37	Human Rights Commission	42,117.76	0.07
38	Zimbabwe Media Commission	34,929.51	0.06
	TOTAL	**58,200,000**	**100**

ALLOCATION AND SPENDING TO THE MINISTRY OF WOMEN AFFAIRS, COMMUNITY, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT

The Ministry of Women Affairs, Community, Small and Medium Enterprises Development got an allocation of Z$188 billion which constitutes 0.3% of the total allocations marginally down from the 0.4% allocated in 2023. Maternal health care services was allocated Z$11 billion for the benefit of disadvantaged expecting mothers and the sanitary wear for primary school children received an allocation of Z$15.5 billion, whilst women economic empowerment programmes received an allocation of Z$10 billion, as part of the capitalisation of the Women Development Bank. For the year 2024, Government has made a provisional allocation of Z$605 billion under BEAM in support of disadvantaged children in both rural and urban areas. To reduce the burden of unpaid care work on women related to water and sanitation programmes, resources amounting to Z$42 billion have been provided in the budget for 2024 for drilling and installation of boreholes, as well as construction of sanitary facilities. The allocations are however grossly inadequate to address the challenges faced by women in the country especially given the fact that 52% of the total population are women and also women carry a disproportionate burden of disease.

The Ministry of Women Affairs, Community, Small and Medium Enterprises Development budget has three programmes namely: Programme 1: Policy & Administration; Programme 2: Women Empowerment, Gender Mainstreaming & Community Development; Programme 3: Small and Medium Enterprises & Cooperative Development. Table 6 shows the programmatic disaggregation of the Ministry's spending and appropriation over the period 2022-2024. In 2024, Programme 1: Policy and Administration will account for 44.0% of the total ministry appropriation, followed by Programme 2: Women Empowerment, Gender Mainstreaming & Community Development with 35.4%, then Programme 3: Small and Medium Enterprises & Cooperative Development at 20.6%.

Table 6: Programmatic Disaggregation of the Health Appropriation, 2022-2024

Programme	2022 Unaudited Outturn (ZW$)	%	2023 Unaudited Outturn to September (ZW$)	%	2024 Proposed Estimates (ZW$)	%
Programme 1. Policy and Administration	2,833,836,592.31	36.9	15,311,953,400.78	44.1	82,789,228,000	44.0
Programme 2: Women Empowerment, Gender Mainstreaming & Community Development	2,726,204,991.45	35.6	14,242,917,164.66	41.0	66,600,996,000	35.4
Programme 3: Small and Medium Enterprises & Cooperative Development	2,112,798,582.39	27.5	5,172,388,248.36	14.9	38,746,480,000	20.6
TOTAL	**7,672,840,166.15**	**100**	**34,727,258,813.8**	**100**	**188,136,704,000**	**100**

Source: Proposed Budget Estimates.

Table 7 shows the breakdown of the Programme 2: Women Empowerment, Gender Mainstreaming & Community Development budget. For the year 2024, Sub-Programme 1: Women Empowerment got the lion's share (48.7%) down from 58.7% in 2022.

Table 7: Breakdown of Programme 2: Women Empowerment, Gender Mainstreaming & Community Development, 2022-2024

Programme 3: Curative Services	2022 Unaudited Outturn (ZW$)	%	2023 Unaudited Outturn to September (ZW$)	%	2024 Proposed Estimates (ZW$)	%
Sub-Programme 1: Women Empowerment	2,011,044,906.62	73.8	7,651,894,350.25	53.7	32,448,161,000	48.7
Sub-Programme 2: Gender Mainstreaming	62,936,387.51	2.3	931,123,137.24	6.6	9,529,915,000	14.3
Sub-Programme 3: Community Development	652,223,697.32	23.9	5,659,899,677.17	39.7	24,622,920,000	37.0
TOTAL	**2,726,204,991.45**	**100**	**14,242,917,164.66**	**100**	66,600,996,000	**100**

Source: Proposed Budget Estimates.

Table 8 shows the composition of Programme 3: Small and Medium Enterprises & Cooperative Development. Sub-Programme 1: Small & Medium Enterprise Development was allocated 78.6% of the total, while Sub-programme 2: Cooperative Development was allocated 21.4% of the total.

Table 8: Composition of Programme 3: Small and Medium Enterprises & Cooperative Development, 2022-2024

Programme 2: Public Health	2022 Unaudited Outturn (ZW$)	%	2023 Unaudited Outturn to September (ZW$)	%	2024 Proposed Estimates (ZW$)	%
Sub-Programme 1: Small & Medium Enterprise Development	1,992,731,423.58	94.3	4,356,943,049.69	84.2	30,454,801,000	78.6
Sub-programme 2: Cooperative Development	120,067,158.81	5.7	815,445,198.67	15.8	8,291,679,000	21.4
TOTAL	**2,112,798,582.39**	**100**	**5,172,388,248.36**	**100**	**38,746,480,000**	**100**

Source: Proposed Budget Estimates.

According to the 2024 National Gender Responsive Budget Statement, the 2023 National Budget recorded gender sensitive expenditures towards health, education, social welfare and social protection programmes amounting to Z$3.5 trillion, against a revised budget provision of Z$2.4 trillion, representing 28% of the total budget outturn of Z$12.4 trillion, with the 2024 National Budget providing resources for gender sensitive programmes amounting to Z$27 trillion, representing 45% of the total budget of Z$59.5 trillion. The low expenditure outturn for gender sensitive expenditures is on account of competing demands.

The mainstream gender sensitive expenditures received in 2023 disbursements amounting to Z$50 billion, with equal opportunities expenditures getting Z$3.5 trillion, whilst gender specific expenditure recorded the lowest outturn of Z$8.2 billion. It, therefore, means that the gender budget programmes performed below expectation on account of other competing demands highlighted above. For the year 2024, equal opportunities expenditures were allocated Z$26 trillion, followed by mainstream expenditures which received Z$772 billion and the gender specific expenditures towards health, education, social welfare and social protection programmes received Z$46 billion. All in all, the gender sensitive expenditures were allocated Z$26 trillion, representing 43% of the 2024 total Budget. Employment costs received the highest share of the equal opportunities' expenditures benefiting 283,824 civil servants, of which, 161,311 of them are women, representing 57% of the total number of people in post.

The 2023 National Budget recorded an outturn of Z$8.2 billion for gender specific expenditures, against a budget allocation of Z$9.6 billion. Of the amount availed in 2023, the Women Empowerment Bank recorded expenditures of Z$5.3 billion against budget allocation of Z$3 billion. With maternal health recording expenditures of Z$1.2 billion, benefitting about 452,705 expecting mothers.

Government has also proposed to recapitalize the following empowerment financial institutions: Zimbabwe Women's Microfinance Bank, Z$10 billion; Empower Bank, Z$13.1 billion; Community Development Fund, Z$5.2 billion; Small and Medium Enterprises Development Corporation (SMEDCO), Z$10 billion; and the Women Development Fund, Z$11.4 billion. Notwithstanding the above, access to finance for women and youths that are involved in business activities remains low as shown by Table 9. Women-run businesses, especially micro, small and medium enterprises (MSMEs), tend to have a smaller asset base and are more likely to operate in the informal economy —factors that can make it more difficult for women to meet the requirements for obtaining a loan. Interest rates in Zimbabwe are the highest in the world with Bank policy rate of 130%, while the Medium-term Bank Accommodation (MBA) interest rate of 75% per annum. This has made it very costly for women and youth entrepreneurs to borrow money for productive purposes thereby weakening capacity utilisation across the economy. In general, women tend to be less likely to be banked purely due to lack of financial literacy and low labor force participation.

Table 9: Financial Inclusion Indicators December 2016 – June 2023

Indicator	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	June-23
Value of loans to MSMEs (ZW$ Million)	132	146	170	463	3,014	10,280.92	49,714.31	433,852.86
Average loans to MSMEs as % of total bank loans	3.57	3.75	3.94	3.92	3.66	3.9	4.15	4.58
Number of MS-MEs with bank accounts	71,730	76,524	111,498	116,467	139,902	-	-	-
Number of Women with Bank Accounts	769,883	935,994	1,736,285	2,152,185	2,570,835	-	-	-
Value of Loans to Women (ZW$ Million)	277	311	432	587	3,280.61	14,666.06	49,854.41	345,070.99
Average loans to women as a % of total bank loans	7.52	7.96	10.57	15.59	3.98	-	-	-

Indicator	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	June-23
Number of Loans to Youth	38,400	61,529	69,421	189,658	71,832	75,188	65,098	54,309
Value of Loans to Youth (ZW$ Million)	58	139	104	189	1,947.52	6,249.97	37,629.77	257,604.92
Average loans to the youth as a % of total bank loans	1.58	3.56	2.55	6.09	2.36	2.37	3.14	2.72
Total number of Active Bank Accounts (Million)	1.49	3.07	6.73	7.62	8.64	8.17	7.36	7.33
Number of Low-Cost Bank Accounts (Million)	1.20	3.02	4.67	4.97	5.85	4.78	4.35	2.35

Source: RBZ

Considering the high incidences of Gender-Based Violence (GBV) and sexual harassment in Zimbabwe, the government did not prioritize the establishment of state-funded Safe Shelters, to provide a haven for victims of GBV. The budget did not also address the Civil Registration Systems strengthening by ensuring the decentralization and digitalization of the CRVS system.

TAX PROPOSALS

The tax-free threshold has been reviewed upward to Z$750,000 (about US$100) per month, or Z$9,000,000 (about US$1,200) per annum from Z$500,000 per month in August 2023 (a 50% increase), and the tax bands adjusted to end at Z$270 million per annum, above which tax will be levied at a rate of 40%, with effect from 1 January 2024. The tax-free bonus threshold has been reviewed from Z$500,000 to Z$7,500 000 (about US$1,000), with effect from 1 November 2023. The increase in the tax-free thresholds provides low-income earners, including women, with increased disposable income. However, the erosion of real incomes due to inflation may offset these benefits, potentially leading to salary increments and individuals re-entering the tax bracket. Women, who are more likely to be in low-income positions, may be particularly affected by inflationary impacts.

The Corporate Income Tax Rate has been reviewed from 24% back to the pre-COVID rate of 25% with effect from 1 January 2024. This will result in an increase in the cost of production and doing business in general. Government is also proposing the following revenue measures:

- The review of withholding tax for small-scale farmers producing certain crops will result in more disposable income for women farmers. This can positively impact their ability to meet their needs and potentially invest in their farms or households.
- The Strategic Reserve Levy to be reviewed by US$0.03 and US$0.05 per litre of diesel and petrol, respectively, with effect from 1 January 2024. This will result in an increase in the cost of goods and services across the board, which will particularly impact women as low-income earners.
- Upward review of toll fees from US$2 for light motor vehicles to US$4 on other roads and US$5 on premium roads (Harare-Beitbridge and Plumtree-Mutare).
- Vehicle registration fees reviewed upwards from US$80 to US$100 for vehicles with engine capacity of 1500 cc and US$500 for vehicles with engine capacity above 1500 cc.
- Passport fees reviewed upwards from US120 for the ordinary passport to US$200.
- Introduction of a levy of US$0.02 per gram of sugar contained in beverages, excluding water, with effect from 1 January 2024.
- Introduction of a Wealth Tax levied at a rate of 1% of market values of residential properties with a minimum value of US$100 000. The tax is payable in every year of assessment.
- The introduction of a 1% levy tax for corporate social responsibility in communities affected by mineral exploitation could potentially improve service delivery in those areas, provided the fund is effectively governed.

Overall, the above measures will result in an increase in the cost of accessing public services, goods and services, transport and logistics, the price of fuel, and the overall cost of doing business in the country. The net effect will be to reduce disposable incomes while eroding the country's overall competitiveness. This could also weaken the employment creation capacity of businesses. High tax rates have been found to encourage both tax evasion and avoidance and force many small businesses to go/remain, informal. Empirical and case study evidence from many countries suggests that tax compliance rates rise as tax rates fall. Most of the youth and women are employed in the informal economy and this move could result in many youth and women businesses folding thereby threatening youth livelihoods.

The wealth tax on properties will increase the cost of purchasing residential properties which will hit harder especially for first time homeowners. Government should consider exempting those with one property from the wealth tax and also review the minimum value. On account of women's lower income levels coupled with a higher burden of unpaid domestic and care work, the above tax increases and new taxes will disproportionately affect women more than men. The wealth tax will potentially women's access, control, and ownership of properties. Moreover, limiting VAT Exemptions to only a few goods will result in an increase in cost of accessing basic services such as education, health and financial services. Women will be affected more, since they spend more of their incomes on education and health. Overall, the country increasingly depends more on consumption taxes such as VAT, that are regressive and place a disproportionate burden on women and other marginalised groups.

The Budget does not contain any direct employment creation incentives and strategies which is a concern especially given the fact that the country is facing huge employment related challenges arising from an increase in proportion of informal and vulnerable employment. Given the high levels of informality, the Budget should support and facilitate transitioning of informality to formality. In 2015, the ILO came up with Recommendation 204 concerning transition from informal economy to formal economy to help member states to: facilitate the transition of workers and economic units from informal to formal economy; promote the creation and preservation of sustainable enterprises in the formal economy; and prevent informalisation of formal economy jobs. In September 2015, the United Nations adopted the 2030 Agenda for Sustainable Development, which included the transition to formality in the targets for Sustainable Development Goal 8. In particular, target 8.3 of the SDGs stresses the need to '... encourage the formalisation and growth of micro-, small- and medium-sized enterprises....' in order to promote sustainable and inclusive economic growth. These two instruments represent major milestones in the global approach to formalization, particularly by providing guidance on the process. Importantly, an effective approach to transition from informality to formality requires more than just mere registration and enforcement. It requires the elimination of structural barriers and binding institutional constraints at the root of informality. Given the huge skills mismatch in the economy, investments in technical and vocational education as well as skills development especially digital, financial, entrepreneurial and green skills are a critical as a way of ensuring decent work creation and a just transition.

CONCLUSION

Women, girls, children and people living with disabilities face a lot of barriers (such as low skills and education levels as well as lack of access to affordable finance) which limit their full participation in the economy. The National Budget can help address these barriers by prioritizing sectors that enhance the productivity and well-being of women, girls, children and persons with disabilities. These sectors include: social protection, education, health, water and sanitation, and infrastructure. While there has been improved allocation and spending towards these sectors, there is need for more public investments in line with regional and global good practices. Enhanced public investments in these critical sectors are vital to improving the welfare and productivity of women, children and persons with disabilities. In particular, strengthening health systems through ensuring universal health coverage, expanding social protection coverage, investing in the digital economy to enhance access to public services such as education and scaling up productivity enhancing investments in housing, clean energy, water, and sanitation can help to initiate and sustain an inclusive, equitable and sustainable development. Enhancing access to secondary and tertiary especially for young girls is critical for increasing the employability and productivity of young women. Likewise, enhancing physical and financial access to secondary and tertiary education for persons with disabilities is critical for increasing their employability and productivity.

RECOMMENDATIONS

In light of the foregoing, the 2024 National Budget must consider and prioritize the following imperatives:

1. Increase public investments in critical productivity-enhancing and poverty-reducing sectors such as social protection, education, health, water and sanitation, and infrastructure in line with regional and global benchmarks such as the Abuja Declaration on health and the Education for all initiative. It is necessary to ensure that the Government allocates adequate budgetary resources to implement the Education Amendment Act, in line with SDG 4, which seeks to ensure equal access to all levels of Education for the vulnerable, including persons with disabilities.
2. Implement tax incentives for hiring women, youth and persons with disabilities. The Government should introduce incentives to promote hiring women, youth an persons with disabilities. These incentives could take the form of tax credits for employing women, youth and persons with disabilities as well as tax deductions for expenses incurred by businesses in removing physical, structural, and transportation barriers for persons with disabilities at the workplace.
3. Reconsider some of the tax proposals. For instance, (a) increasing the minimum value of US$100 000 for the wealth tax to at least US$250,000. Also, in line with regional and international good practices, we propose that the wealth tax should not be levied on individuals with only 1 primary property. (b) The percentage increase in toll fees, passport fees and vehicle registration fees be not more than 50% in line with inflationary developments. (c) The proposed increase in the Strategic Reserve Levy to be scrapped especially given the fact fuel levies and other taxes already account for at least 40% of the total cost of fuel, which makes Zimbabwean fuel one of the most expensive in the world. (d) reduce the sugar tax to at most US$0.01 per gram of sugar contained in beverages. The proposed levy of US$0.02 per gram of sugar will make sugary beverages unaffordable for the majority including school children.
4. As part of the government's commitment to implementing SDG 5.4.1 (Proportion of time spent on unpaid domestic and care work, by sex, age and location) Government through the Zimbabwe National Statistics Agency (ZIMSTAT) should carry out regular national time-use surveys. The resulting data should be used to inform gender-responsive budgets and policies. Capturing this in the Systems of National Accounts (SNA) will enable the government to recognize unpaid care and domestic work, develop and resource gender responsive policies and budgets, and value unpaid care as an important contributor to the country's GDP.
5. Invest in quality, affordable care-related infrastructure (such as water points, sanitation services, electricity, healthcare facilities and early childhood development and education (ECDE)), public services and social protection to reduce long and arduous hours of unpaid care and domestic work for women and the related negative health impacts and opportunity costs.
6. Allocate and disburse at least 5% of national revenues to provincial and local governments

in line with the Constitution.

7. Improve access to sexual and reproductive health services, especially for adolescents through sexual and reproductive health education, counselling, contraceptive provision, community mobilization and female empowerment strategies.
8. Enhancing physical and financial access to secondary and tertiary education for persons with disabilities is critical for increasing their employability and productivity. The National Budget should also provide resources for investments in accessible vocational training programs for people with disabilities and capacity-building programs for training institutions.
9. In view of the high levels of informality, there is a need to increase support towards the MSMEs targeted at helping the MSMEs to be more competitive and productive; facilitating transition from informality to formality; as well as strengthening value chains and systems between the MSMEs and established local, regional, and global value chains. Harnessing the full potential of the digital economy could go a long way in enhancing the productivity of MSMEs as well as lowering the cost of compliance and transition from informality to formality.
10. There is also an urgent need for timeous disbursement of allocations to Ministries. This is especially important given the chronic high inflationary environment that we are in that is eroding real incomes.