



**ANNUAL
REPORT**

2023

For sustainable energy

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List of Abbreviations

AFUR	African Forum for Utility Regulators
CCAZ	Customer Care Association of Zimbabwe
CEM	Certified Energy Manager
COMZ	Chamber of Mines Zimbabwe
CSR	Corporate Social Responsibility
CZI	Confederation of Zimbabwe Industries
EDM	Electricidade de Moçambique
GWh	Gigawatt hours
HCB	Hidroeléctrica de Cahora Bassa
HR	Human Resources
ICT	Information Communication Technologies
IPAZ	Indigenous Petroleum Association of Zimbabwe
IPMZ	Institute of People Management of Zimbabwe
IPP	Independent Power Producer
IPRCZ	Institute of Public Relations and Communications Zimbabwe
Kv	Kilovolt
KW	Kilowatt
LPG	Liquefied Petroleum Gas
MOEPD	Ministry of Energy and Power Development
MW	Mega Watt
NAMPOWER	Namibia Power Corporation
NDS1	National Development Strategy 1
PECOGA	Public Entities Corporate Governance Act
PPA	Power Purchase Agreement
PSC	Public Service Commission
QMS	Quality Management Services
RCZ	Research Council of Zimbabwe
REARESA	Regional Association of Energy Regulators for Eastern and Southern Africa
RERA	Regional Energy Regulators Association of South Africa
SADC	Southern African Development Community
SAZ	Standards Association of Zimbabwe
ZESA	Zimbabwe Electricity Supply Authority
ZESCO	Zambia Electricity Supply Company
ZETDC	Zimbabwe Electricity Transmission and Distribution Company
ZITF	Zimbabwe International Trade Fair
ZZEE	Zimbabwe Zhongxin Electrical Energy

ENTITY INFORMATION

The Zimbabwe Energy Regulatory Authority (ZERA) is a corporate body established in terms of the Energy Regulatory Authority Act [Chapter 13:23] of 2011. It is mandated to regulate the entire energy sector in Zimbabwe in a fair, transparent, efficient and cost-effective manner for the benefit of the consumers and energy suppliers.

ZERA derives its mandate from the Energy Regulatory Authority Act [Chapter 13:23] of 2011 read together with the Electricity Act no 4 of 2002 [Chapter 13:19], the Petroleum Act [Chapter 13:22] of 2006 and subsequent amendments

Vision

“Regulator that promotes universal access to sustainable energy by 2030”

Mission

“ZERA regulates the Zimbabwean energy market cost effectively, through incentive regulation and in a fair and transparent manner to achieve sustainable energy”

Values

**Transparency, Responsiveness, Integrity, Team work
Innovation, Accountability**

Head Office

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Gweru Regional Office

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CABS centre
Gweru
Tel + 263 54 222214

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4 & 5 Floors ZB House
Cnr Speke Avenue/First Street

Stanbic Bank Limited
59 Samora Machel Avenue
Harare

AUDITORS:

Crowe Chartered Accountants
(Zimbabwe)
7 Avon Rise
Avondale
Harare, Zimbabwe

LAWYERS:

Wintertons
Mushoriwa Pasi
Mugomeza and Mazhindu
Kantor and Immerman
Dube Manikai and Hwacha

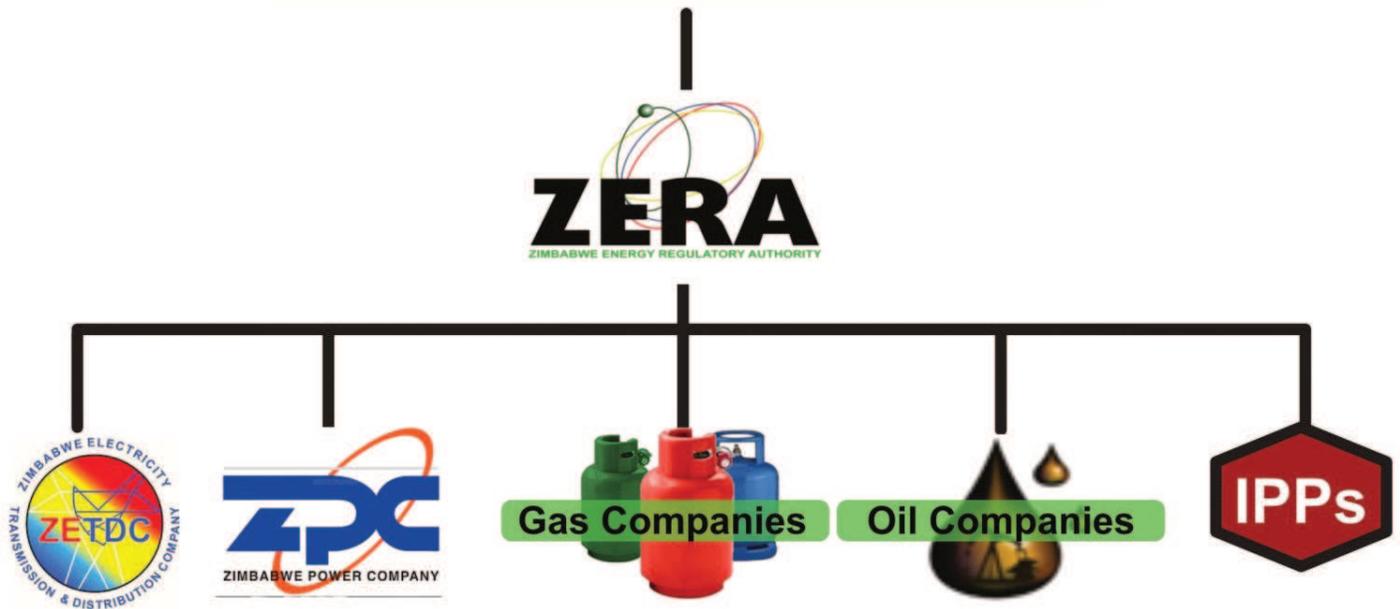
INTRODUCTION

The Zimbabwe Energy Regulatory Authority Annual Report of 2023 is hereby presented to provide key highlights of the Authority’s performance; offer insights into the trends and performances in the energy sector, whilst giving an inward look to the effective and efficient use of internal resources and capabilities towards the achievement of the 2023 Organisational Strategic Goals and Objectives.

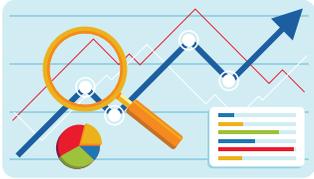
The Authority’s theme for 2023 was “Net- Metering” which was a deliberate drive towards raising awareness of the concept to both individuals and corporates and encouraging the uptake of Net-Metering as an immediate solution in complementing the national grid in the supply of electricity. Conferences attended, workshops delivered, exhibitions done, and promotional material produced for the year 2023 were all centered on amplifying and incentivizing the Net-Metering Concept

THE REGULATORY STRUCTURE

**MINISTRY OF ENERGY
AND POWER DEVELOPMENT**



THE YEAR 2023 IN NUMBERS



Overall organisational performance index for the period under review was at

89.64%



10,096 GWh of energy supplied in 2023 against 10,724GWh in 2022



IPPs supplied nearly **391 GWh** in 2023 against 385 GWh in 2022 marking a **1.53%** increase in supply.

4,079 of inspections under energy efficiency program resulted in seizure of **0.42MW** of banned products



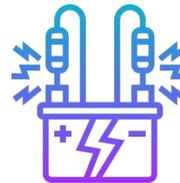
224 lighting products verified for compliance and 111 registered



Stakeholder Satisfaction Index for 2023 (based on an online survey) was

at **84.05%**, from 73.78% in 2022

Total number of licensed petroleum sector operators reached **1048** in 2023 from **905** in 2022.



Seventeen (17) power projects with **1,759.64MW** capacity were licensed in 2023.

327 Service Stations were graded in 2023 against **324** graded in 2022

- 5 Star - 27**
- 3 Star - 166**
- 1 Star - 134**



Average electricity tariff of **USc16.08/kWh**



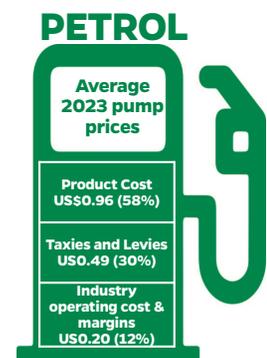
Total fuel imported was **1,739 billion** litres against **1.734 billion** litres imported in 2022. Diesel accounted for 1,071 billion litres; Petrol accounted for 588 million litres, while Jet A1 accounted 79 million litres and Paraffin accounted for 814 thousand litres.



603 LPG retail sites were inspected for infrastructure compliance standards



Net-metered capacity increased to **12.65MW** in 2023 from **3.734MW** in 2022



1.0 CHAIRMAN'S STATEMENT



Dr D.D Madzikanda
Board Chairperson

2.1. Introduction

On behalf of the Board, it is my pleasure to present this Annual Report for ZERA for the year ended 31 December 2023.

The picture painted in the recent past annual reports of the Zimbabwe Energy Regulatory Authority reflects an organisation that has been performing relatively well in ensuring a well-regulated energy sector. In the face of significant headwinds in the form of turbulent global oil markets, inflationary woes; local market volatility; and the deepening climate change crisis, the Authority kept going as a result of carefully developed strategies and plans, which were aptly executed by our dedicated hardworking team at ZERA.

The Authority's success lay on its ability to adapt and seize the opportunities that presented themselves. Focus was placed on new and emerging developments in the energy sector, as well as those of other sectors that had a bearing on the growth and performance of the energy sector as a whole such as stakeholder engagement, was key in staying abreast with "what they say about us" versus "what we say we are" and pulling the two together to stay on the course and serve our mandate of ensuring the sector propels the country's economy forward.

Key regulatory reforms in the year were aimed at improving governance and attracting investment aligned with global efforts towards sustainability and energy transition.

2.2 Macroeconomic Overview

This overview highlights key aspects of Zimbabwe's energy sector in 2023, including supply challenges, renewable energy development, regulatory reforms, and the economic impact of energy issues on the country's overall macroeconomic landscape. The unreliable electricity supply negatively impacted economic activities, leading to

productivity losses and increased production costs for businesses. Addressing these energy sector challenges remained crucial for sustainable economic growth and development in Zimbabwe.

2.2.1 Energy Markets

The petroleum and gas energy markets were closely monitored by the Authority to ensure that local pricing was in tandem with global trends. The major changes experienced by the oil markets were due to the production cuts by OPEC and other countries, increased logistics and insurance costs. However, as an Authority the mandate was to ensure that advisory services given to the Government kept the pricing of fuel locally at an affordable price for the consumer, whilst enabling the transportation, agriculture and manufacturing sectors.

The electricity market faced challenges with supply reliability, leading to frequent power shortages and load shedding. There was however increased emphasis on growing the renewable energy sector towards diversifying the energy mix and enhancing sustainability.

2.2.1.1 Electricity Supply

In 2023, the electricity sector continued to face challenges in ensuring a stable and reliable supply. The country's reliance on hydroelectric power, which is susceptible to the prevailing high temperature-low rainfall climate, affected energy generation, leading to depressed power supplies across the country.

However, the commissioning of Hwange units 7&8 significantly improved the supply situation. Furthermore, a Network Master-plan Study was produced with the assistance of Manitoba Hydro International, which will see how new generation, transmission and distribution plant will be committed in the coming years, with a focus on renewable energy.

In October 2023, the Authority approved an electricity tariff adjustment of 25% resulting in a weighted average tariff of USc13.28/kWh. A further tariff adjustment of 21% was approved for implementation on 1 December 2023 effectively taking the tariff level to USc16.08/kWh. This was in a bid to help the utility towards improved and uninterrupted electricity supply, as the company is able to import electricity from the region and at the same time upgrade its own power stations; reduce technical and non-technical system losses and reduce turnaround times to attending to faults.

Initiatives were undertaken to promote investment in renewable energy projects to enhance energy security and sustainability.

Seventeen(17) power projects with a combined capacity of 1,759.64MW were licensed in 2023. Of these, 8 were specifically licensed for own consumption, a model being taken up mostly by farming and industrial enterprises as well as mining ventures.

2.2.1.2 Petroleum

The overall trend in petroleum licensing statistics indicates a steady increase in the total number of licensed operators over the years, reaching 1048 in 2023 from 905 in 2022. The liquid fuel retail category consistently represents the largest segment, showing robust growth from 229 in 2012 to 936 in

2023. The consistent growth, particularly in the retail segment, reflects a thriving industry and increased competition especially in the urban areas. The focus will therefore be to develop the sector in the rural areas.

Associated with this growth has been economic activities such as fast foods, min-supermarkets, and other small retail activities which have been creating employment opportunities.

Fuel supply remained generally stable throughout the year, despite the global fluctuations in price and supply. It was observed in the year that the bulk of petroleum products are consumed in the domestic (retail) sector, commercial and transport sectors.

The discovery of a viable hydrocarbon system in Muzarabani means that the Authority will need to develop and be involved in upstream regulation regarding the production and distribution of natural gas (LNG) and other new products. The Authority will ensure that legislation to be developed in this regard will facilitate the quick and responsible monetisation of this national asset.

In 2023, ZERA continued to implement the scheme of grading and labelling of fuel retail sites nationwide to raise customer service standards at forecourts. The highest levels of customer service standards were observed at the traditional fuel brands. The Authority continue to focus on training operators at emerging oil companies in both technical and customer service standards to raise their compliance.

The fuel market in Zimbabwe has also faced challenges related to smuggling, illicit trade, and fuel adulteration. The Authority's compliance team is seized with this challenge and anticipate a holistic solution that will safeguard the motoring public, and ensuring that the government does not lose out on revenue and this has necessitated the need to decentralise so that we are more responsive and also the deployment of specialists in the region to test the fuel randomly

2.3 Corporate Governance

The Board emphasizes adherence to good corporate governance practices in line with the Public Entities Corporate Governance Act (PECOGA). It maintains high standards of governance and ethics while strategically directing the Authority towards energy regulatory excellence. The Board ensured continuous development through programs and training to stay updated on governance and regulatory matters. An evaluation of the Board's performance was conducted in line with the PECOGA.

One Board member resigned during the course of the year under review.

2.4 Key Financial Highlights

The statistics below summarise the financial performance for the Authority for the year

Table 1: Key financial highlights		
Details	Audited 31 December 2023 ZWL\$	Audited 31 December 2022 ZWL\$
Total income	61.18billion	6.76billion
Surplus for the year	23.71billion	2.28billion
Total Assets	47.94billion	7.05billion
Net worth	25.84billion	2.52billion

For the second year running, the Authority had an unqualified opinion by the external auditors.

2.5 Electricity surplus

A surplus of ZWL\$12,008,630,585 was realized in comparison to an inflation adjusted surplus of ZWL\$ 151,890,886` in the prior year. In accordance with the Energy Regulatory Authority Act (Chapter13:23) section 31, ZERA is required to remit surplus funds realized in the electricity account to the Rural Electrification Fund.

2.6 Stakeholder Engagement

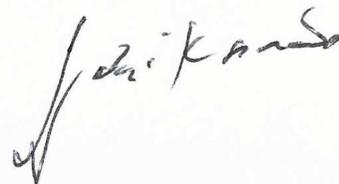
A key highlight of the Board's stakeholder engagement thrust was the ZERA-IPEC Energy Indaba with Independent Power Producers (IPPs). The Indaba provided a suitable platform for the Insurance and Pensions Funds to share information on what they consider when funding energy projects to IPPs. The engagement opened avenues for further engagement between financial institutions and IPPs that have faced challenges in taking off.

The initiative by the Board was to offer solutions to stagnant licensed power projects, instead of cancelling licensees for failure to obtain financial support by IPPs and we are witnessing an improvement on operationalisation of IPPs.

2.7 Appreciation

I would like to thank the Ministry of Energy and Power Development, our stakeholders for their continued support in ensuring that the Authority achieves its mandate. I would also like to thank the Board, the ZERA Management and staff for spearheading operations which has brought us to such accomplishments.

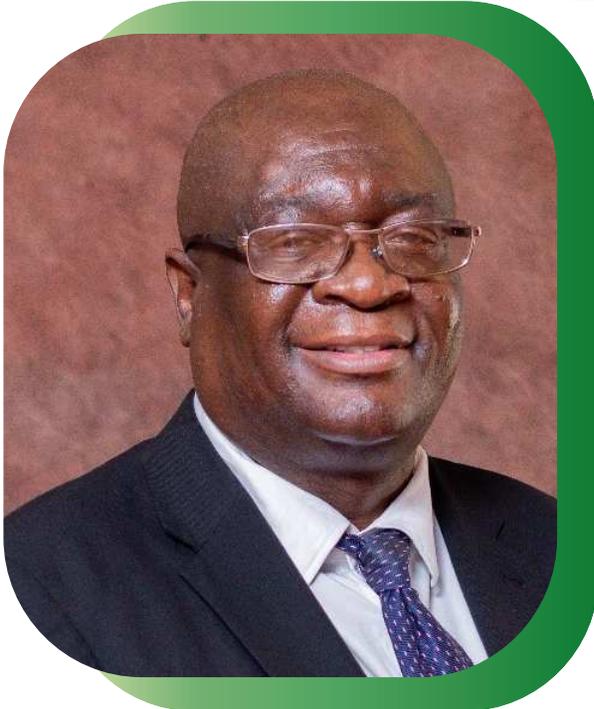
With our proven trajectory towards sustainable energy, our strategic vision, and dedicated team, I remain confident in our ability to drive the sector in line with Vision 2030, as we continue to create sustainable long-term energy solutions.



BOARD CHAIRPERSON
Dr. David D. Madzikanda

2.0

CEO OVERVIEW



Edington T. Mazambani
Chief Executive Officer

INTRODUCTION

I am pleased to present to you the highlights of the organisational operations in the year 2023, with a focus on the outstanding achievements recorded to reflect the Authority's quest to effectively regulate the energy sector in a fair and transparent manner. The Annual Report will give insights from the various units within the organisation and illustrate how these different units coordinate their efforts and roles to give a sterling performance.

1.2.1 OPERATIONAL OVERVIEW

The annual overall organisational performance index achievement was 89.64% against a set target of 100 %, which is 10.36% below target. This is an encouraging index and a reflection of teamwork and commitment to the Authority that has been exhibited by the ZERA staff team. In the same vein, we appreciate the ZERA Board that has been instrumental in our strategic direction.

1.2.2. Electricity Sub-sector regulation

A total of 10,096 GWh of energy was supplied in 2023, a 6% decrease from the year 2022, which recorded 10,724 GWh of energy supplied. The decrease is as a result of the decreased output by Kariba South Power Station due to low rainfall, whilst Hwange power stations decreased outputs due to operational faults. We applaud the commissioning of Hwange Units 7 and 8, as these became the compliment supplier of energy.

The energy supplied by IPPs is encouraging with 391 GWh supplied in 2023, against 385 GWh in 2022. This reflects a great potential in IPPs complementing the traditional power

stations. The Authority has mapped all the operating independent power producer projects to show the location of those projects in the country, for statistical purposes.

Our quest for ensuring an energy efficient nation continues, 4,079 inspections were conducted under the energy efficiency program. The program has led to the seizure of 0.42MW of inefficient and sub-standards lighting products. This is a great step towards the estimated 300MW virtual power that can be harnessed if the country becomes energy efficient.

A consultative workshop was held in November 2023 to review the Electricity (Public Safety) Regulations. Key reviews focused on classification and definition of roles of artisans, based on the Manpower Development Act, as well as the inclusion of mandatory protective earth leakage devices at all consumer installations. Further consultations are set for the year 2024.

The Authority continues to educate consumers on the dangers of exposed, fallen or hanging electrical cables. Although a cause for concern still, a drop was realized in the number of electrical accidents recorded in the year, with 69 accidents as of December 31, against 88 in 2022. Of these, 29 were fatal. Such loss of human lives can be avoided with increased awareness especially in the rural areas.

Grid Code compliance checks were conducted in the seven sub-stations in the Western Region. An overall compliance level of 91% was observed, against a ZERA target of 90%. The Authority continues to conduct grid infrastructure audits to ensure compliance levels remain at required levels. For distribution compliance checks, 12 audits were conducted, with an overall compliance level of 76.55%.

The Authority completed the solarisation of Gamanya Clinic in Makonde District of Mashonaland West Province and Chirogwe Clinic in Chivi District of Masvingo Province respectively as part of its Corporate Social Responsibility as well as renewable energy demonstration projects to marginalised communities. The Chinhoyi Provincial Hospital project which the Authority funded the LED retrofit of the entire hospital at a cost of USD 111,705.86 was also completed. All projects await commissioning by the Honourable Minister of Energy and Power Development.

The Research and Development arm of the Authority commissioned research projects in Energy Production, Storage and Delivery. The focus of the call was to seek innovative solutions to improve reliability in the generation, transmission, distribution and supply of modern energy and develop heritage-based knowledge in the energy research area. A total of US\$ 139,872.50 was disbursed for 2022 projects, whilst three research projects were added in 2023, with funds yet to be disbursed.

1.2.3 Petroleum and Gas sub-sector regulation

The Authority has witnessed a tremendous growth of the petroleum sector over the last decade with the number of licensed operators for fuel at 1048 in 2023 from 299 in 2012.

Consequently, the Authority's focus in 2023 was on increased monitoring and enforcing compliance with standards, licensing requirements and licensing conditions.

Requests for additional resources for field work were made and approved during the year.

1.2.4 Financial performance

The Authority's financial performance was satisfactory in spite of the turbulent macro-economic environment in 2023.

Inflation adjusted revenue increased by 805% from ZWL\$ 6,7 billion to ZWL\$ 61,2 billion in 2022 and 2023 respectively, operating expenses increased from ZWL\$ 4,2 billion to ZWL\$ 36,3 billion for the comparative years. In 2023, the Authority realized a surplus of ZWL\$ 23,7 billion up from a restated surplus of ZWL\$ 2,3 billion in 2022, an increase of 939%.

The net worth of the Authority for the year ended 31 December 2023 was at ZWL\$25,84 billion compared to ZWL\$ 2,5 billion in the prior year and this accounted for a 415% increase.

1.2.5 Human Resources

We continue to inch closer to achieving a 50% female staff complement, given the current standing of 48% female staff. To improve employee engagement, a survey was conducted on employee engagement and the Authority scored 61%. Management team is seized with continuously addressing the low scores to move towards a happy, engaged and performing team.

We pride ourselves in the wellness of our team, with regularly conducting mental, financial, health, and physical wellness programmes for our staff. Staff are encouraged to take up programmes offered by the Authority to enhance holistic wellness.

1.2.6 Information Communication Technologies

The Authority has developed an ICT Strategic Plan that is set to guide our technological decisions over the next three years, ensuring our infrastructure is flexible, scalable, and secure. Cybersecurity remains a top priority as we transition many services to digital platforms. We look forward and commit our support to the implementation of this Plan to steer our IT towards achieving world class standards.

1.2.7 Risk Management

Effective enterprise wide risk management is paramount in ensuring operational stability and stakeholder confidence. The Risk Management Department conducted trainings to equip employees with essential skills to identify, assess, and mitigate risks effectively. Management consistently monitored the Top 10 Risk Watch list and with measures taken to address them.

1.2.8 Quality Assurance

Through our Quality Policy and continuous improvement culture, we conducted management reviews, internal audits, and external audits to maintain our ISO certification. Our commitment to quality reflects in our robust business processes.

1.2.9 Procurement

We obtained a Class A license from Procurement Regulatory Authority of Zimbabwe. Our procurement processes align with regulatory requirements, ensuring transparency and efficiency.

1.3 Monitoring & Evaluation

We conducted strategic reviews, stakeholder engagements, and training programs to align our performance with strategic objectives. Our focus on results-based

CEO OVERVIEW

management led to an organisational performance index of 89.64% for the year.

1.3.1 Internal Audit

Our Internal Audit function provides independent assurance over governance processes. We completed various assurance audits, engaged stakeholders in planning, and provided consultancy services to enhance our audit capabilities.

1.3.2 Stakeholder Engagement and Advisory Services

A key aspect of our regulatory mandate is to educate consumers, offer advisory and engage our key stakeholders. As required, the Authority conducted a satisfaction survey on ZERA service delivery and accessibility. A satisfaction index of 84.05%, from 73.85% in 2022. The aim is to improve on service delivery to ensure our clients and stakeholders derive due benefit from our services as an Authority.

The Annual Stakeholder feedback workshop offered insights of new and emerging issues that pertain to the energy sector, that needed to be considered in our annual strategy review process. Of note, the Authority also engaged Media practitioners in a separate workshop to offer a platform for discussion on how energy issues are covered by the media, whilst giving topical issues that would generate public interest media articles.

Conclusion

In conclusion, I extend my gratitude to our dedicated team, stakeholders, and partners for their continued support. Our commitment to excellence and transparency remains unwavering as we navigate the dynamic energy regulatory landscape.



CHIEF EXECUTIVE OFFICER

Mr. Edington. T. Mazambani

3.0 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Zimbabwe Energy Regulatory Authority's dedication to environmental protection, market reform, and governance practices within the energy sector, emphasizing regulatory compliance, employee well-being, community support, effective governance structures and the need to be a good corporate citizen and attract investment.

3.1 ENVIRONMENTAL

The Authority prioritizes environmental impact considerations in potential licensee operations. Licenses were issued in 2023 only to applicants with Environmental Impact Assessment Certificates from the Environmental Management Agency.

Promotion of renewable energy projects was also done through licensing of renewable energy projects, which would reduce the environmental impact. These projects were compliant with environmental regulations through the EIA certificates for license issuance.

3.2 SOCIAL

3.2.1 Head Count

The headcount as of 31 December 2023 was 68 against a budget of 75 resulting in a vacancy rate of 9%.

Table 2: Head Count

Department	Budgeted	Total Recruited
CEO's Office	5	5
Procurement Unit	3	3
Corporate Services	7	7
Technical Services	19	17
Economic Regulation	11	8
Finance and Administration	21	20
Totals	75	68

3.2.2 Workforce Diversity

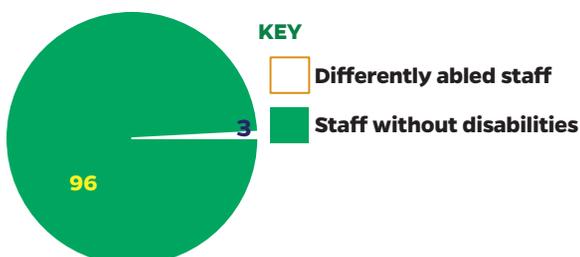
During the period under review, female employees accounted for 48% of head count as shown in the graph above:

The Authority is continuously striving to monitor issues under workforce diversity to achieve the best mix.

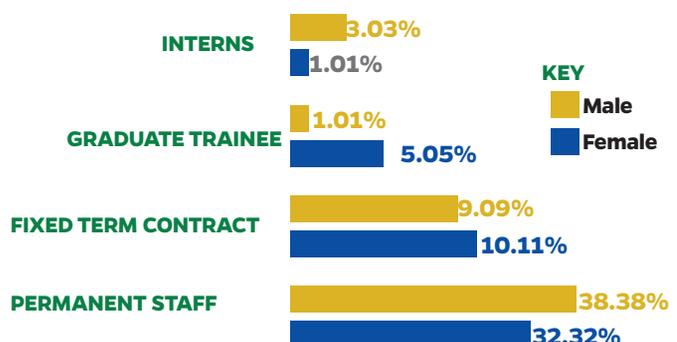
Overall workforce by Gender



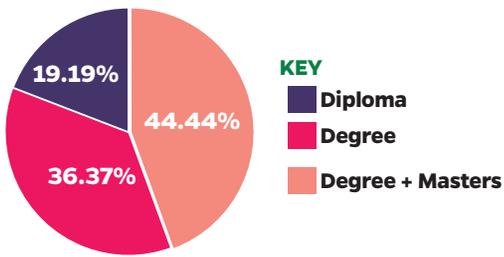
Disability differences



Overall workforce by employment type

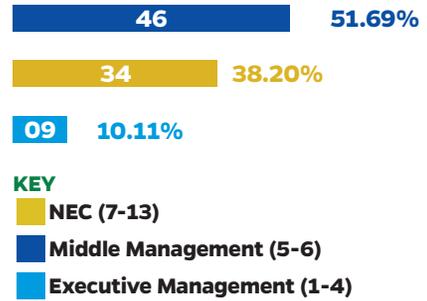


Overall Workforce - level of education



Workforce distribution by grade

(Excluding Graduate Trainees and Students on internship)



Overall workforce Age range distribution

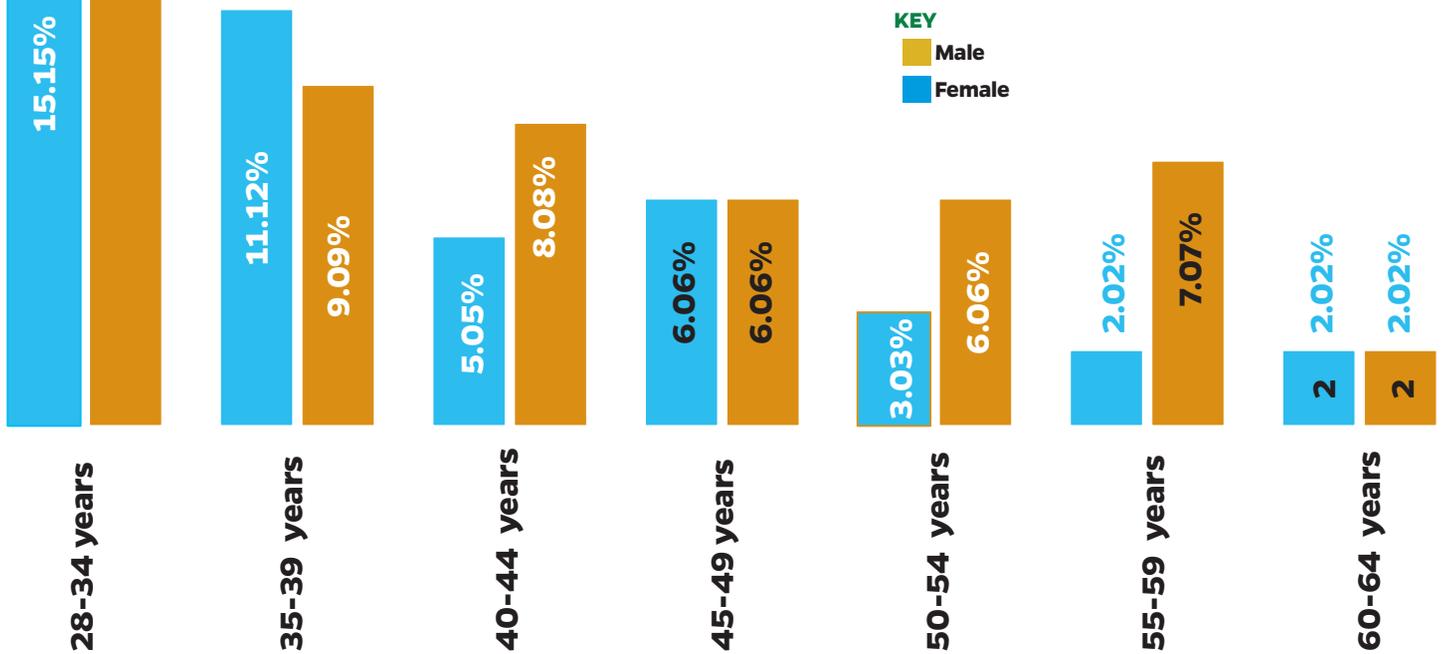


Figure 1: Analysis of ZERA employee diversity

The Authority is continuously striving to achieve a gender balance of 50% as well as recruit qualified and experienced employees in vacant positions. The Authority will endeavour to strike gender balance based on merit. The focus should be on diversity

3.2.3 Employee Engagement:

To enhance employee engagement within the organisation, focus was placed on improving communication between employees, and management to employees, through the mooted of quarterly meetings for the CEO with staff. The Authority continued to reward staff for performance, and availed feedback mechanisms for staff to share their views that would enhance employee cohesion. In 2023 an employee engagement survey was done, with low-ranking issues being addressed by management. Team building activities, as per norm, were conducted for all employees.

The Authority continued to foster good relations by addressing business performance and employee concerns amicably and endeavored to promote a positive working environment to enhance loyalty, engagement, health and safety, equity and reduce turnover.

3.2.4 Employee Wellness:

Wellness programmes were offered to employees to create awareness on all nine pillars of wellness. Employees participated in physical fitness exercises, soccer, and golf. The ZERA football team participated in the Parastatals League, and they finished the year on first position. ZERA held online wellness programmes which helped in creating awareness amongst its employees on issues to do with physical, psychological, and mental aspects of health among other things.

3.2.5 Community Support:

During 2023, ZERA successfully completed the handover of the proceeds generated from the ZERA Charity Golf tournament to the Zimbabwe Albino Association (ZIMAS). A total sum of ZWL\$ 21,108,844 and US\$ 1 520 was directed towards supporting ZIMAS's Manicaland province chapter. This initiative was aimed at addressing the challenges faced by individuals with albinism in accessing essential sun protection materials, including costly sunscreen lotions that are often financially out of reach for them.

The Authority extends its deepest appreciation to all participants and sponsors whose generous contributions were instrumental in facilitating this significant donation and in furthering the mission of contributing to the welfare of those in need.

In promoting the use of renewable energy by institutions, the Authority as part of a demonstration as well as its corporate social initiative, solarized two rural health centres in 2023. Chirogwe Clinic, under the Chivi District of Masvingo was solarized at a cost of US\$40,881.09 whilst the Gamanya Rural Health Centre projects was completed at a cost of US\$63,771.34.

Projects comprised of the installation of a solar PV system powering the clinic, mothers' waiting shelter, staff houses and provision of solar powered boreholes.

These projects exemplified ZERA's unwavering commitment to corporate social responsibility, underscoring its dedication to effecting positive change and making a tangible difference in the community.



Figure 2: Permanent Secretary for Energy and Power Development, Dr Gloria Magombo gives a Key note address during the official handover ceremony of the 20KW Gamanya Solar PV System



Figure 3: Part of the Chirogwe community witnessing the handover ceremony of the Chirogwe Solar PV system at Chirogwe Clinic in Chivi

3.4 GOVERNANCE

The Authority is committed to upholding strong corporate governance practices, continuous development, legislative compliance, and effective governance structure to ensure regulatory excellence in the energy sector.

3.4.1 Governance Practices:

The Authority prioritizes adherence to good corporate governance practices in alignment with the Public Entities Corporate Governance Act [Chapter 10:31] (PECOGA). The Board maintains high standards of governance and business ethics in directing the Authority towards energy regulatory excellence.

3.4.2 Continuous Development:

The Board engages in ongoing development programs to stay updated on corporate governance and regulatory matters. Board Members attended corporate governance refresher courses and benchmarked with the Energy and Petroleum Regulatory Authority (EPRA) of Kenya.

3.4.3 Performance Evaluation:

An external consultant conducted a comprehensive evaluation of the Board's performance, Committees, individual Members, and the Chairperson for the years 2021 and 2022.

3.4.4 Legislative Framework

The Authority operates under key Acts of Parliament such as the Energy Regulatory Authority Act [Chapter 13:23] and subsidiary legislation related to energy regulation and governance.

4.0 GOVERNANCE STRUCTURE

The Board of Directors is the highest decision - making organ of the Authority responsible for providing strategic direction and oversight.

The Board is appointed by the Minister of Energy and Power Development.

The composition of the Board of Directors during the year under review is as shown in Figure 4



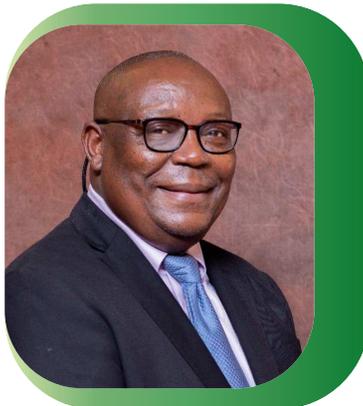
Dr D.D Madzikanda
Board Chairperson



Dr. Eng F. Mavhiya-Bhiza
Vice-Board Chairperson



Mrs G. S Chikwava
Board Member



Mr. M. Kambarami
Board Member



Mrs. T. Madzivire
Board Member



Dr. T. K. Ncube
Board Member



Dr. S. Ziuku
Board Member



Edington T. Mazambani
Chief Executive Officer
Ex Officio Board Member

Figure 4: Composition of the Board of Directors

4.1

Board Members



Dr D.D Madzikanda
Board Chairperson

Dr. Madzikanda is a strategic leader and an academic, focusing on strategic management, change management and leadership. He graduated with a Bachelor's Degree in Electrical Engineering, a Master of Business Administration (MBA) with a distinction and a Doctor of Philosophy (PhD) in Strategic Management from the University of Wales, in the United Kingdom. He has seventeen (17) years of professional, regional, and international work experience in the energy sector, particularly in System Development Planning where he was involved in turning around the main Zimbabwean power company. In addition, he has twenty (20) years' experience in the academia and consultancy work. He is the current Dean of the Faculty of Business Management Sciences and Economics at the University of Zimbabwe (UZ) providing thought leadership and cutting-edge research. His research interests are in the areas of Cultural Influences in Strategic Formulation and Implementation, Strategic Performance Management, Corporate Governance and Leadership



Dr. Eng. F. Mavhiya-Bhiza
Vice-Board Chairperson

A holder of a Bachelor of Technology (Honours) Degree in Electrical Engineering and an ACCA Certified Diploma in Accounting and Finance, Eng. Mavhiya-Bhiza is a registered member of the Engineering Council of Zimbabwe (ECZ) where she once served as the Chairperson and the Zimbabwe Institution of Engineers (ZIE) where she is the current Deputy President. She is also the current Chairperson of Women in Engineering, a division of ZIE which was established to improve the visibility of women in the engineering, innovation, science, and technology disciplines. In addition to her engineering field, she is a certified Quality Assurance Lead Auditor (ISO 9001:2015). She is the current Board Chairperson of Harare Institute of Technology, a position which adds to her past Board experiences at ZESA Holdings and the Higher Education Examination Council (HEXCO). Furthermore, she is the current Managing Director at Chisipo Consultants, a well-established company specializing in the provision of construction engineering services. Her vast experience spans to over twenty-eight (28) years of service in large scale engineering projects that were implemented in different countries like Botswana, Zambia, Eswatini and Mauritius.



Mrs G. S Chikwava
Board Member

Mrs. Chikwava is a holder of an MSc in Strategic Management from the University of Derby, UK, Institute of Bankers Diploma (IOBZ), Executive Development Diploma attained from University of Zimbabwe (UZ) and she is a member of the Zimbabwe Institute of Management. She previously held directorship posts at FBC Holdings Ltd as well as Zimbabwe Power Company. She is the current Chairperson of the President's Fund Trust. In addition, she is a director of several other companies operating in the farming, real estate, and manufacturing industries.



Dr. T. K. Ncube
Board Member

Dr. Ncube is a financial and corporate governance specialist with extensive executive management experience. He holds a Bachelor of Business Studies Honours Degree majoring in Accounting and Finance from UZ and an MBA from NUST (National University of Science and Technology). He also attained a Doctorate in Business Administration from Binary University of Management and Entrepreneurship of Malaysia in collaboration with Chinhoyi University of Technology. He is a member of the Institute of Chartered Governance and Accounting Institute in Zimbabwe. Dr. Ncube is currently a Director of Telbot Enterprises (Pvt) Ltd, a company with interests in mining, energy, real estate and farming. He is also Managing Consultant of MT Business Consulting Group. He previously held senior executive positions in the mining, manufacturing and financial service industries. He is a current and previous Non-Executive Director of public and private companies in Zimbabwe and South Africa.



Mr. M. Kambarami
Board Member

Mr. Kambarami is a holder of a Bachelor of Sciences (BSc) and an MBA in Finance and Accounting that were attained from the Marist College, Poughkeepsie, New York, United States of America (USA). He has energy industry experience of over twenty-five (25) years that were characterized by holding key positions at big organisations in the USA and South Africa. Mr. Kambarami's immense contributions to Zimbabwe's energy industry include his Chief Executive Officer (CEO) role at Chevron (Caltex) Zimbabwe and his Chairperson posts at the Petroleum Marketers Association of Zimbabwe (PMAZ) and the National Economic Consultative Forum for the Energy Sector (NECFES). He also made equally significant contributions to his accounting profession by taking a lecturing post at Africa University in Mutare where he taught Financial Planning and Investment Analysis in the MBA class.



Mrs. T. Madzivire
Board Member

An expert in the insurance and risk fields, Mrs. Madzivire attained a Bachelor of Commerce Degree in Insurance and Risk Management from the National University of Science and Technology (NUST), a Diploma in Insurance from ACII (UK) as well as an MBA from the Eastern and Southern Africa Management Institute (ESAMI). She has over twenty-five (25) years of both local and regional experience in the afore-said insurance and risk fields, of which eleven (11) years were at executive level. The said experience includes previous Board positions at Renisdale Development Company together with Hospitals and Prisons Care Ministries International. Lastly, her current positions include being the Founder and CEO of Dynamic Risk Solutions as well as a Board appointment at Stone Micro Finance.



Dr. S. Ziuku
Board Member

A non-executive member of the Board under the employ of MoEPD as the Director in the Energy Conservation and Renewable Energy Department, Dr. Ziuku is a holder of a Bachelor of Applied Sciences (Physics) Honours Degree attained from NUST (National University of Science and Technology), an MSc in Renewable Energy from UZ (University of Zimbabwe), and a PhD from the University of Fort Hare, South Africa. He is a member of the South African Institute of Physics as well as the Council for Measurement and Verification Professionals. He has also carried out significant consultancy, academic and lecturing works in the fields of renewable energy, energy efficiency and decentralized energy systems. To date, he has authored nine (9) peer-reviewed publications on the said areas of specialty and presented at various national and international conferences.



Edington T. Mazambani
Chief Executive Officer
Ex Officio Board Member

Edington Mazambani is a qualified and experienced Chartered Accountant having completed his articles with Deloitte and Touché. Edington's wealth of experience spans over 31 years in the field of financial service, accounting and auditing having worked for various companies both in Zimbabwe and the Democratic Republic of Congo in the manufacturing, construction, telecommunications, mining and engineering sectors.

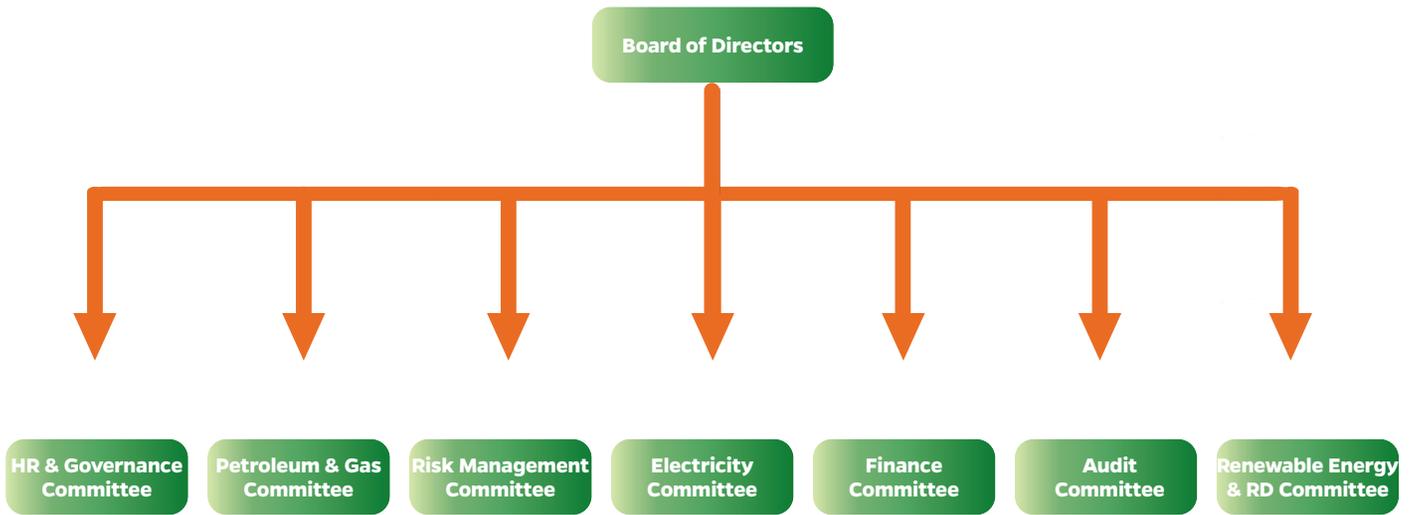


Figure 5: Structure of the Board

Table 3: Board Committee Composition

Human Resources and Governance Committee	Petroleum and Gas Committee	Risk Management Committee	Electricity Committee	Finance Committee	Audit Committee	Renewable Energy, Research & Development Committee
Dr. S. Ziuku*	Mr. M. Kambarami*	Mrs. T. Madzivire*	Eng. F. Mavhiya-Bhiza*	Dr. T.K. Ncube*	Mrs. G. Chikwava*	Dr. S. Ziuku*
Dr. D. Madzikanda	Mrs. G. Chikwava	Dr. T.K. Ncube	Dr. S. Ziuku	Mrs. T. Madzivire	Dr. S. Ziuku	Eng. F. Mavhiya-Bhiza
Mrs. T. Madzivire	Mrs. T. Madzivire	Mrs. G. Chikwava	Dr. T.K. Ncube	Eng. F. Mavhiya-Bhiza	Mr. M. Kambarami	Mr. M. Kambarami

* Committee Chairperson

Table 4: Board Members attendance register

	BOARD OF DIRECTORS' MEETINGS (4)	SPECIAL BOARD OF DIRECTORS' MEETINGS INCLUDING THE ANNUAL GENERAL MEETING (3)	HUMAN RESOURCES AND GOVERNANCE COMMITTEE (6)	PETROLEUM AND GAS COMMITTEE (4)	ELECTRICITY COMMITTEE (5)	FINANCE COMMITTEE (4)	AUDIT COMMITTEE (5)	RISK MANAGEMENT COMMITTEE (5)	RENEWABLE ENERGY AND RESEARCH AND DEVELOPMENT COMMITTEE (1)	STAKEHOLDER ENGAGEMENT MEETINGS/ WORKSHOPS (6)	BOARD MEMBERS' MEETINGS WITH THE INTERNAL AUDIT DEPARTMENT (1)	TOTAL
BOARD MEMBER												
Dr. D. Madzikanda**	4	3	6							1	1	15
Eng. F. Mavhiya-Bhiza***	4	3			5	4			1	5	1	23
Mrs. T. Madzivire	4	3	2	3		4		5		1	1	23
Dr. T. K. Ncube	4	3			5	4		5		5	1	27
Mr. M. Kambarami	4	2		4			5		1	1		17
Mrs. G. Chikwava	3	1		4			5	5			1	19
Dr. S. Ziuku	2	3	4		3		3		1	1		17
Ms. S. Rufu****	1	2	4	2	3							12

**Board Chairperson

***Board Vice Chairperson

****Resigned August 2023

***** Committee discontinued

5.0 Executive Management

Management is headed by the Chief Executive Officer. The Chief Executive Officer oversees the day to day operations of the Authority and is assisted by two Executive Directors and four Senior Managers.

The Executive Management for the year 2023 is shown in Figure 6.



Edington T. Mazambani
Chief Executive Officer



Misheck Siyakatshana
Technical Director



Ngoni Ranga
Finance and Administration
Director



Jacqueline Mupamhanga
Corporate Secretary/
Legal Advisor



Charity Machimbidzofa
Senior Manager
Monitoring and Evaluation



Rumbidzai Musiyiwa
Head of Internal Audit



Learnmore Nechitoro
Senior Manager
Economic Regulation

Figure 6: Composition of the Executive Management Team

6.0 PROGRAMMES

6.1 Policy & Administration

It is the Authority's thrust to adhere to good corporate governance practices as in line with the Public Entities Corporate Governance Act [Chapter 10:31] (PECOGA). The Board upholds high standards of governance and business ethics as it discharges its mandate of strategically directing the Authority towards energy regulatory excellence.

Legislative Framework

In carrying out its energy regulatory mandate, the Authority is guided by the following key Acts of Parliament together with their subsidiary pieces of legislation:

- a. Energy Regulatory Authority Act [Chapter 13:23];
- b. Electricity Act [Chapter 13:19];
- i. Electricity (Licencing) Regulations, 2008 published in Statutory Instrument (SI) 103 of 2008;
- ii. Electricity (Public Safety) Regulations, 2018 published
- iii. in SI 177 of 2018;
- iv. Electricity (Levies) Notice, 2008 published in SI 6 of 2008;
- v. Electricity (Inefficient Lighting Products Ban and Labelling) Regulations, 2017 published in SI 21 of 2017;
- vi. Electricity (Net Metering) Regulations, 2018 published in SI 86 of 2018;
- c. Petroleum Act [Chapter 13:22];
- i. Petroleum (Fuel Quality) Regulations, 2013 published in SI 23 of 2013;
- ii. Petroleum (Mandatory Blending of Anhydrous Ethanol with Unleaded Petrol) Regulations, 2013 published in SI 17 of 2013;
- iii. Petroleum (Petroleum Products Pricing) Regulations, 2023 published in SI 12 of 2023;
- iv. Petroleum (Direct Fuel Imports and Marking of Fuel) Regulations, 2020 published in SI 65 of 2020;
- v. Petroleum (Liquid Petroleum Gas) Regulations, 2014 published in SI 57 of 2014; and
- vi. Petroleum (Liquid Petroleum Gas Pricing) Regulations, 2021 published in SI 90 of 2021.

Other pieces of legislation that are key to the Authority's operations are as follows:

- i. Constitution of Zimbabwe Amendment Act (No. 20) of 2013;
- ii. Public Entities Corporate Governance Act [Chapter 10:31];

- iii. Public Finance Management Act [Chapter 22:19]; and
- iv. Labour Act [Chapter 28:01].
- v. Procurement Regulatory Authority of Zimbabwe Act Chapter (22:23)

6.1.2 Financial Overview

The financial results for the year ended 31 December 2023 were achieved in a challenging economic environment. Exacerbated by exchange rate volatility the macroeconomic environment continued to exhibit hyperinflationary traits, thereby negatively impacting on the Authority's operations. Year on year inflation increased from 104.71% in 2022 to 314.5% in 2023. However, the year saw revenue increasing by 805% compared to the prior year, surplus correspondingly increased by 939%. This helped keep the Authority afloat and self-sufficient in its operations. The detailed audited financial statements are included on pages 56-75 were audited by Crowe Chartered Accountants who expressed an unqualified audit opinion on the financial statements

6.1.3 Organisational structure

ZERA is in the process of coming up with an organisational structure based on the current and future strategy needs. This will ensure that the Authority is customer centric and properly structured and able to fulfill its mandate in the most effective, efficient and economical manner.

6.1.4 Recruitment and Employee performance

In 2023, the Authority recruited 1 permanent employee, 3 fixed term employees, 4 Graduate Trainees and 6 Student Interns. The Authority strives to continue attracting and retaining the right skills to execute its mandate. The organisation recognizes and awards excellence and talent in its workforce. In addition to this, the organisation is committed to developing good performance management by monitoring performance quarterly and giving constructive feedback to employees and rewarding excellent performance. This creates a comprehensive process that includes full co-operation and involvement of each staff member. The organisation managed to achieve 89.64% of its target set for 2023.

6.1.5 Employee Engagement

A lot was done to improve employee engagement through communicating business issues expectations and progress reports, offering rewards for good performance, keeping employees informed about the Authority's performance and providing regular feedback. The Authority carried out an employee engagement survey and achieved a score of 61%. In pursuit of improving employee engagement, ZERA continued to work on issues that were ranked low by employees in the survey and meetings that were done. A team building event was done for the Authority's employees to improve on teamwork.

6.1.6 Training and Development and Talent management

The Authority is committed to talent management through capacity building to enhance skills and knowledge in respective fields.

Despite the escalation in the cost of programmes, the Authority managed to achieve 60% of budgeted programmes. In addition to building capacity through training and development, six graduate trainees were engaged as a talent pool and five student interns from different universities. More than 50% of the training conducted focused on capacitating employees in utility regulation, energy conservation, mini grid and tariff management as well as emerging trends in renewable energy.

6.1.7 Employee relations

The Authority experienced cordial relations as discussions on business performance and issues affecting employees were tackled amicably through Works Council meetings. A good working environment promotes good employee relations which includes employee loyalty, increasing engagement, improving productivity by reducing turnover and creating a positive company culture.

6.1.8 ICT

After extensive consultation and engagement from a broad cross section of ZERA an ICT Strategic Plan was formulated and approved by the Board covering the years 2024-2026. The plan was created to guide ZERA's technological decision-making over a three-year period, committing ZERA to ensuring that its ICT infrastructure, platforms, and applications are flexible, scalable, and current, allowing it to provide the best possible service to its stakeholders.

In line with the NDS1, ZERA is committed to bringing many of its core business services traditionally offered either face-to-face or over the phone to a digital platform available online and from mobile devices. Services will progressively be rolled out over the course of the next three years as detailed in the ICT Strategy 2024-2026.

Whilst ZERA has bold ambitions for its digital tools and technologies, it has continued to have a robust and proactive approach to its cyber-security measures. Protecting its technology estate, data and its users from cyber-threats have remained a top priority and as a result layers of security have been implemented and more are planned for the year 2024. Offsite backup is up and running and backed up data is being tested regularly to ensure its reliability in the face of a disaster. In addition, ICT staff are now certified in the areas of data security and cybersecurity all to ensure the security of ZERA's ICT space.

6.1.9 Risk Management

Effective risk management is regarded as a critically important part of the work of ZERA because it greatly reduces the chances of surprises which adversely affect operations and, at the same time, increases confidence on the part of the internal and external stakeholders. ZERA risk management trainings equip ZERA employees with indispensable skills that enhances the risk management process. The table 5 below highlights trainings that were done during the year.

Table 5: ZERA ERM trainings held during the year 2023

NAME OF TRAINING	TRAINING FACILITATOR	PURPOSE OF THE TRAINING.
First Aid training	St Johns ambulance/ Ace Ambulance	In line with NSSA SI 68 of 1990 56 (1) the aim of the training is to help employees gain skills to properly react to injury emergency situations as first responders so as to better protect and assist others until a certified Nurse or Doctor takes over.
Fire-fighter training	Harare City Council -Fire Prevention Zimbabwe	In line with NSSA SI 68 of 1990 Section 15(5) the training is facilitated to ensure that ZERA staff members are equipped with necessary skills and knowledge to be able to react quickly in the event of an emergency, promptly assist others in the evacuation process and fight fires in case of a fire breakout. .
Risk Register training	Risk Officer	In line with Public Entities Corporate Governance Act Chapter 10:31 Section 254 (g) the aim of the training was to acquaint employees with the skills of actively identifying, assessing, diagnosing and implementing control measures for risks in their departments to overall improve ZERA's organisational response to risk.
Appreciation of Enterprise Risk Management and Insurance	WFDR, Cell Insurance	In accordance with SI 68 1990 the objective of the training is to build a risk-conscious culture, strengthen risk management efforts, heighten risk awareness, increase compliance, trigger employee engagement in risk mitigation, and enhance protection of organisational assets and reputation.
Business continuity Awareness	Risk Officer	The aim of the training is to enlighten employees on the detailed strategy and set of systems to ensure the organisation's ability to prevent or rapidly recover from a significant disruption to its operations.
Emergency preparedness and evacuation drills	Risk Officer	In line with SI 68 of 1990 Section 15(5) and in honour of the ZERA Emergency preparedness and Business Continuity Plan the aim of the exercise is to assess and test the response of employees, facilities, and systems to an emergency situation.
Health and safety at the workplace	NSSA OSH promotions department	In accordance with SI 68 of 1990 Section 15(5). This training aims to equip participants with the basic knowledge and skills on identifying safety, health, and environmental hazards, determining appropriate control measures, and developing and implementing OSH policies and programs.

Table 6 below provides a snapshot of the top 10 risks faced by ZERA, highlighting their order of priority and their respective residual risk ratings. Residual risk refers to the

amount of risk that remains after risk mitigation measures have been implemented.

Table 6: ZERA Top 10 risks in order of their residual risk rating. The highest residual risk rating is 25

No.	Risk	Residual Risk Rating
1	Financial Risk	11
2	Human Capital Risk	8.4
3	Pricing Risk	7.8
4	Compliance Risk	7.8
5	Ethics Risk	7.6
6	Strategic Risk	7
7	Key Initiatives Risk	6
8	Reputational Risk/ Brand Risk	5
9	Litigation Risk	4.8
10	Pandemic Risk	4.2

Table 7: Key to risk residual exposure and rating

Residual risk exposure	Residual risk rating	Meaning and Response Required.
Maximum	21-25	The risk management process is not currently working and/ or risk exposure continues to remain high. The risk is said to be Maximum.
High	16-20	Some of the risk exposure appears to be controlled, but there are major deficiencies. The risks need constant monitoring so that they do not escalate to dark red but reduce to yellow or green. The risk is said to be high
Medium	11-15	The risk management process needs improvement and there is room for improvement in terms of the risk controls. The risks require attention to ensure they do not become 'red'. The risk is said to be Medium.
Low	6-10	The risk is Low. Performance is adequate and some active risk management is occurring. Progress in managing this risk may have been delayed or a slight adverse trend may have arisen. May require attention to ensure they do not become 'orange.'
Minimum	0-5	This risk is minimum. Performance is satisfactory and on target. This indicates that the risk is well managed

6.2.1 Monitoring & Evaluation

In compliance with Section 22 (1) and (2) of the Public Entities and Corporate Governance Act of 2018, ZERA held the Quarter 1 Strategy implementation review in June 2023, the 2023 end of year Strategic Plan implementation review and the 2024 Strategy formulation workshop in November 2023.

The Quarter 1 Strategy implementation review workshop aim was to assess current year performance up to end of April 2023 and to proffer mitigation strategies for the rest of the year, given the prevailing macro-economic operating environment.

The purpose of the 2023 end of year Strategic Plan implementation review and the 2024 Strategy formulation workshop was to consider ZERA's performance in 2023 and to plan for the strategic direction of the Authority over the next two years (2024-2025). The thrust of the workshop was to ensure continued alignment of ZERA's strategic direction to the NDS1 as well as to incorporate emerging Government policy pronouncements.

The strategy review and formulation process were informed by the Ministry of Energy and Power Development's as well as the Authority's Board expectations of ZERA's role in the energy sector.

To enhance clear policy direction, each Chair of ZERA's Board Committees highlighted their respective Committee implementation expectations to guide formulation of impactful strategies that would ensure the Authority's effective role in the delivery of clean and modern energy solutions to the country and the realisation of available and sustainable energy for all by 2030.

A year to date 2023 performance vis-a-vis set targets in fulfilment of its KRA's namely Governance and Administration; Energy Regulation; and Stakeholder Engagement & Advisory Services.

This was achieved through highlighting of achievements and what was successfully implemented, identification of performance gaps, short-comings and focusing on resolution of missed targets in terms of ZERA's Programme and Sub-Programme targets.

Corrective strategies were informed by assumptions based on macro-economic indicators and developments in the energy supply industry. Identification of risks and mitigation factors was conducted to enhance ZERA’s effectiveness and impact in the volatile macro-economic environment. The workshop produced the Strategic Plan Review report, Strategic Plan Agency Annual report as well as the CEO’s Performance Contract.

The Authority continues to strive to meet its mandate in line with ZERA’s vision of being the “Regulator that promotes universal access to sustainable energy by 2030” which is aligned to the Nation’s vision of “Towards a Prosperous and Empowered Upper Middle-Income Society by year 2030”.

Integrated Results Based Management (IRBM) and Programme Based Budgeting (PBB) training programmes were run for new employees and similar refresher training was conducted for the Board, Management and other employees.

Compilation and analysis of programme implementation reports continued throughout the year. The overall organisational performance index for the year was 89.64% against an annual target of 100%.

6.2.2 Internal Audit

Internal Audit provides independent, objective assurance and consulting services over the effectiveness of the Authority’s governance, risk management, and control processes at all levels on an ongoing basis.

The original 2023 audit plan was amended during the year due to delays in the availability of adequate staff numbers. The long outstanding position of Internal Auditor was successfully filled and the first Internal Audit graduate trainee joined the team.

Assurance Services

The following assurance audits were completed in 2023:

Table 8: Audit engagements and observations

Audit Engagement		Audit Observations			
		Total	High Risk	Medium Risk	Low Risk
1.	Fleet Management	15	13	0	2
2.	Electricity Technical Audit	9	8	1	0
3.	Termination of Employment	9	7	2	0
4.	Recruitment and Selection	23	20	2	1
5.	Petroleum Licensing Audit	17	14	3	0
6.	Procurement	20	14	6	0
7.	Computer Operations	5	2	3	0

Table 9: Follow up audit engagements

Follow up Audit Engagement		Implementation Status			
		Total	Implemented	Partially Implemented	Not implemented
1.	Fleet Management	23	7	16	0
2.	Electricity Technical Audit	3	2	1	0
3.	Termination of Employment	18	2	11	5

Consultancy Services

The following consultancy services were rendered by Internal Audit during the period under review:

1. Athanasia Court
2. ZERA Head Office Physical Security

Stakeholder Engagement

Stakeholders were involved in the annual internal audit planning through the annual planning stakeholder engagement process.

Internal Audit also had a meeting with the ZERA Board in the absence of management. The meeting discussed the role of Internal Audit, achievements, challenges, and mutual expectations. Governance Trends updates were also submitted to the Board each quarter.

Feedback on the services rendered by Internal Audit was also received from auditees in the form of Auditee Satisfaction surveys. The average satisfaction index for the year was a rating of 4 which means performance exceeds all agreed outcomes/standards.

The first formal inhouse training session under the theme: “Igniting Potential for Higher Ground” was conducted in the year 2023 in preparation for improved Internal Audit performance in the upcoming year.

Internal Audit celebrated the May month of Internal Audit Awareness with a formal navy-blue blazer inscribed with an awareness message beneath the ZERA logo and the award of prizes to the 2023 Awareness competition winners.

Figure 7 shows the ZERA Internal Audit Awareness Competition Winners with the Head of Internal Audit, Audit Committee members, CEO and Board Chairperson

Internal Audit Awareness competition



Figure 7: Standing from left to right : R. Mukubvu (Graduate Trainee Finance), V. Chikeya (Accounts Clerk,)T Mashave (Accounts Clerk) ,S. Ziuku (Audit Committee member), R. Musiyiwa (Head of Internal Audit), E. Manjeru (Statistician), M. Kutsirayi (Accountant), N Chadenga (Accounts intern)

Sitting from left to right: M. Kambarami (Audit Committee member), G. Chikwava (Audit Committee Chairperson), D. Madzikanda (Board Chairperson), E. Mazambani (Chief Executive Officer)

7.0 ECONOMIC REGULATION-ELECTRICITY

7.1 Electricity Regulation

Generation licenses

Projects indicated in table 10 were licensed in 2023. The majority of the projects were specifically constructed for own consumption. This is a model being taken up mostly by

farming and industrial enterprises as well as mining ventures. The total capacity of these projects is 1,302.5 MW.

Another model that has also become popular is projects directed at captive power and this is mostly large projects meant to supply large mining and production facilities.

Table 10: Applications for generation licences received

	Licensee name	Location	MW	Technology	Off-taker	Operational/Not operational
1	Rainbow Tourism Group	Kadoma Hotel and Conference Centre	0.3	Solar PV	Own consumption	Operational
2	Charles Stewart Day Old Chicks (Private) Limited - Hatchery	Ward 1, Chegutu, Mashonaland West Province.	0.23	Solar PV	Own consumption	Operational
3	Charles Stewart Day Old Chicks (Private) Limited - Sun Vallery Farm	Ward 24, Chegutu, Mashonaland West Province.	0.3	Solar PV	Own consumption	Operational
4	Hazeldale Enterprises (Private) Limited	Durlstone Farm, Macheke, Mashonaland East Province.	1	Solar PV	Own consumption	Operational
5	St Patricks High School	St Patrick's High School, in Gweru, Midlands Province.	0.157	Solar PV	Own consumption	Operational
6	TD Energy (Private) Limited	Singlethorne Farm, Chivhu, Mashonaland East Province.	20	Solar PV	ZETDC	Not operational
7	Okavango GVM (Private) Limited	Golden Valley Mine, Chakari Road, Kadoma, Midlands Province.	7.5	Solar PV	Captive power	Not operational
8	Thathile Investments (Private) Limited	Turk Mine, Bubi District, Matabeleland North Province	4.4	Solar PV	Captive power	Operational
9	Distributed Power Africa (Private) Limited	Ardbennie, Harare Province	3.5	Solar PV	Captive power	Operational
10	Manhize Resources (Private) Limited	Manhize, Mvuma Midlands Province.	100	Coal-Fired Thermal	Own consumption	Not operational
11	Paramount Exports (Private) Limited	Paramount Garments, 14 Plymouth Road Southerton Harare	0.55	Solar PV	Own consumption	Operational
12	Geo Pomona Management (Private) Limited	Pomona Dumpsite, in Harare Province.	22	Waste to Energy	ZETDC	Not operational
13	SunOne (Private) Limited	Vreigevicht Farm, Matobo, Matebeleland South Province	130	Solar PV	ZETDC	Not operational
14	SunOne (Private) Limited	Henderson Research Station Farm, Mazowe, Mashonaland East Province	70	Solar PV	ZETDC	Not operational
15	SunOne (Private) Limited	Nyikavanhu Resettlement Scheme, Chirumanzu District, Midlands Province	100	Solar PV	ZETDC	Not operational
16	Centrachine (Private) Limited	Mandalay and Mupfumira Farms in Selous, Mashonaland West Province	100	Solar PV	Captive power	Not operational
17	Prestige Massive (Private) Limited	River Ranch, in Beitbridge, Matabeleland South Province	1,200	Coal-Fired Thermal	Own consumption	Not operational

7.1.2 Retail supply licenses

The Authority approved retail supply licenses to Intensive Energy User Solutions (Pvt) Ltd and ZimGreenco Power Services to enable the companies to buy electricity from various sources and supply to their customers.

7.1.4 Amendment of licenses

The Authority considered and approved amendment of licenses from Infrastructure Fund Zimbabwe and ZFC Limited to allow the two licensees to sell part of their production to captive customers.

7.1.5 Transfer of Shareholding

ZERA approved the following applications for transfers in terms of section 45 of the Electricity Act (Chapter 13:19)

Transfer of Zimbabwe Power Company licence for Munyati Solar Plant (Generation licence GCO070/2018) to Munyati Evergreen Energy (Private) Limited.

Internal transfers of Nyangani Renewable Energy (Private) Limited generation licences to Pungwe B Power Station (Private) Limited.

7.1.6 Licenses cancelled

The Authority cancelled 5 generation licences for non-performance and failure to meet licence conditions.

7.1.7 Electricity pricing

i. Utility electricity tariff reviews

The Authority took huge strides during the year to ensure that the average electricity tariff moves towards cost reflectivity in line with a cost-of-supply study undertaken in 2022.

Between January 2023 and September 2023, the utility was, through an indexation formula, authorized to adjust tariffs in line with the movements in the exchange rate as a way of preserving the approved tariff level of USc10.63/kWh.

In October 2023, the Authority approved an electricity tariff adjustment of 25% resulting in a weighted average tariff of USc13.28/kWh.

A further tariff adjustment of 21% was approved for implementation on 1 December 2023 effectively taking the tariff level to USc16.08/kWh.

ii. Use of system and banking agreements

The Authority approved the following agreements:

- Use of system agreement between Zimbabwe Electricity Transmission and Distribution Company and Zimbabwe Zhongxin Electrical Energy (ZZEE) for the transfer of electricity from the coal fired plant to its customers;
- Use of system agreement between Zimbabwe Electricity Transmission and Distribution Company and Zimbabwe Platinum Mines for the transfer of power from ZESCO;
- Banking and balancing agreement between Zimbabwe Electricity Transmission and Distribution Company and Caledonia Mining;
- Use of system agreement between Zimbabwe

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Electricity Transmission and Distribution Company and Greenco Power Services.

iii. Power Purchase Agreements

The Authority approved the following Power Purchase Agreements in terms of section 53 of the Electricity Act:

- Agreement between Zimbabwe Electricity Transmission and Distribution Company and TD Energy (Pvt) Ltd for the supply of electricity from the proposed 20 MW solar plant;
- An agreement between Zimbabwe Electricity Transmission and Distribution Company and Aspire (Pvt) Ltd for the supply of electricity from the proposed 10.2 MW solar plant;
- An agreement between Zimbabwe Electricity Transmission and Distribution Company and Sunports Energy (Pvt) Ltd for the supply of electricity from the proposed 5 MW solar plant;
- An agreement between Zimbabwe Electricity Transmission and Distribution Company and Ruzawi Solar Park (Pvt) Ltd for the supply of electricity from the proposed 5.5 MW solar plant;
- An agreement between Zimbabwe Electricity Transmission and Distribution Company and Green Fuel (Pvt) Ltd for the supply of electricity from the Chisumbanje ethanol plant;
- An agreement between Zimbabwe Zhongxin Electrical Energy and Intensive Energy User Solutions;
- An agreement between CDF Resources and intensive Energy User Solutions.

7.1.8 IPP'S Map siting

The Authority mapped all the operating Independent Power Producer projects to show the location of those projects in the country. Fig indicates the projects generating for supply to the grid and those generating for own consumption.

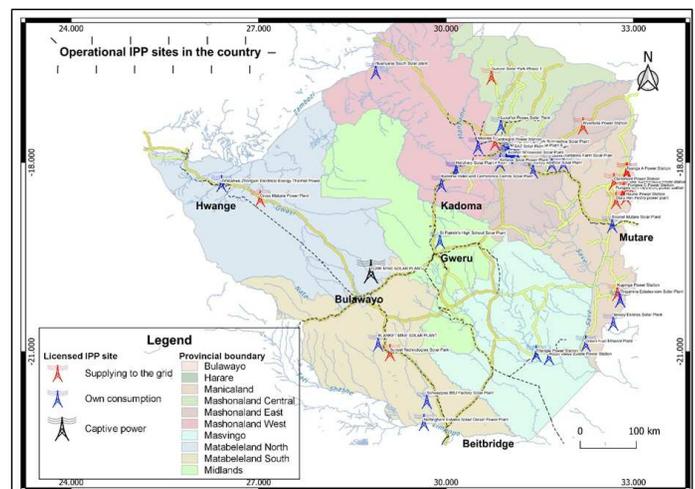


Figure 8: Operating IPP's and their location

7.2 TECHNICAL REGULATION - ELECTRICITY

7.2.1 Increased Access (plans, policies and frameworks)

i) Energy Efficiency Policy

The Authority participated in the development of the National Energy Efficiency Policy by Ministry of Energy and Power Development. Through various strategies, the policy seeks to unlock potential energy savings which were estimated at 18% of total consumption during a National Efficiency Audit conducted in 2015.

This policy has set a target to improve energy efficiency by 70% by 2030 using the 2015 baseline.

The policy also advocates for the following initiatives and programs among others:

- Minimum Energy Performance Standards (MEPs)
- Mandatory Energy Efficiency Audits and Energy Management Systems (EnMS)
- Appliance Labelling Requirements
- Energy Efficiency School Curricula
- Energy Efficiency Certification system
- Development of ESCOs
- Energy Efficiency Capacity building initiatives
- Development of Energy Efficiency Statistics and

Indicators

The Policy is expected to be published in 2024.

7.2.2 Ensuring Safety, Reliability and Quality of Supply Regulations and Codes

The Authority developed the following regulations/code and standards during the year.

i) Electricity (Public Safety) Regulations

A stakeholder workshop was held on the 29 November 2023 to discuss sections for review in the Public Safety Regulations. A draft amendment document was developed for stakeholder consultative purposes and proposals were tabled to including classification and definition of roles of artisan, based Manpower Development Act and trade testing as well as inclusion of mandatory protective earth leakage devices at all consumer installations. Consultations will be conducted in first half of 2024.

7.2.3 Distribution Compliance Audits

The Authority carried out twelve distribution infrastructure audits throughout the year. The focus was on ZETDC Harare region and following up on progress made to the 2022 Risk audit reports recommendations submitted by the utility as well as compliance based on the distribution code requirements. The Distribution Code requirements were limited to operational requirements at depot level. The overall compliance levels were 76.55%.

Table 11: Compliance audits conducted

Depot	Compliances (Y)	Non-compliances (N)	Compliance Level
Ruwa	19	4	82.60%
Mabvuku	21	4	84%
Kuwadzana	23	2	92%
Mabelreign	17	8	68%
Zengeza	18	7	72%
Waterfalls	20	5	80%
Warren Park	18	7	72%
Southerton	19	6	76%
Makoni	21	4	84%
Glen view	16	9	64%
CBD	19	6	76%
Borrowdale	17	8	68%
Average Compliance			76.55%

7.2.4 Grid Infrastructure Audits

The Authority undertook grid code compliance checks in the ZETDC Western region. All seven (7) submitted the

evaluation checklist and an overall 91% compliance level was observed. This is 1% above the ZERA target of 90% compliance level.

Table 12: 2023 ZETDC Transmission compliance level

Substation	Compliance level	Comment
Chertsey BSP	100%	
Haven	90%	Infrared thermograph tests outstanding
Hwange	95%	inspection of cradle guards pending
Insukamini	85%	wayleave clearance outstanding
Marvel	85%	unlockable cubicles
Sherwood	95%	wayleave clearance outstanding
Tokwe	85%	wayleave clearance outstanding
Average compliance	91%	

7.2.5 Customer Supplied Prepayment Meter Scheme

The Authority continues to administer the scheme with 25,599 meters imported and 27,922 meters sold during the year among the 27 registered agents.

The Authority mandated ZETDC to competitively procure additional OEM's whilst at the same time delisting OEMs with a low market share in order to safeguard against collusion by original meter manufacturers.

7.2.6 Electricity (Public Safety) Regulations

A stakeholder workshop was held on the 29 November 2023 to discuss sections for review in the Public Safety

Regulations. A draft amendment document was developed for stakeholder consultative purposes and proposals were tabled to including classification and definition of roles of artisan, based Manpower Development Act and trade testing as well as inclusion of mandatory protective earth leakage devices at all consumer installations. Consultations will be conducted in first half of 2024.

7.2.7 Electrical Accidents and Investigations Review

A total of 69 accidents were recorded in 2023. Most of the accidents occurred in Southern Region due to infrastructure collapse and unsafe practices by the public. Table 24 below summarises the accidents reported and the spread across regions.

Table 13: Accidents Reported

Reported Accidents	YTD 2023	YTD 2022
Total	69	88
Fatal (Humans)	29	34

7.2.8 ZETDC- Transmission and Distribution performance review

Energy Delivered

A total of 10,096 GWh of energy was supplied in 2023 against 10,724 GWh in 2022 (6% decrease). Annual energy supply shows that Kariba power station was the dominant energy supply source in 2023. Kariba South power station decreased its output by 39% due to low rainfall. Hwange power stations decreased its output compared to 2022 by 9% due to operational faults whilst the newly commissioned HESCO project contributed 1,832 GWhs to compliment production at Hwange.

Imports increased slightly by 90 GWhs from 1,892 GWhs in 2022 to 1,982 GWhs in 2023. The energy delivered to the transmission system in 2022 exceeded 10,000 GWh for the second year for the third year running.

Hwange 7 & 8 became the compliment supplier of energy in the country after reduction in supply from Kariba South power station The small thermal power plants were mothballed whilst IPP projects contributed 391GWh during the year.

Table 14: Energy delivered by source

Source	YTD 2023 Supply (GWh)	YTD 2022 Supply (GWh)	Difference (GWh)	Variance %
Kariba	3,496.91	5,757.10	-2,260.19	-39%
Hwange	2,334.13	2,559.72	-225.59	-9%
Hesco	1,832.16	0	1,832.16	100%
Bulawayo	9.29	24.53	-15.24	-62%
Munyati	28.71	39.92	-11.21	-28%
Harare	21.01	48.68	-27.67	-57%
NRE hydro	100.03	60.33	39.7	66%
NRE Solar	3.82	4.19	-0.37	-9%
Chisumbanje	0	5.3	-5.3	-100%
Kupinga	7.34	11.16	-3.82	-34%
Claremont	1.68	1.83	-0.15	-8%
Centragrid	3.22	3.76	-0.54	-14%
ZZEE	265.98	232.12	33.86	15%
Solgas	7.8	7.62	0.18	2%
Guruve	1.09	0	1.09	100%
Total Internal	8,113.17	8,832.30	-719.13	-8%
ZESCO-Zimplats	317.18	354.19	-37.01	-10%
ESKOM	865.44	1,064.65	-199.21	-19%

HCB (Schedule)	479.5	468.23	11.27	2%
EDM	348.98	330.41	18.57	6%
DAM Import	119.98	69.9	50.07	72%
DAM export	-0.14	-10.66	10.52	-99%
Nampower	-130.19	-384.46	254.27	-66%
Total External	1,982.92	1,892.25	90.67	5%
Total Supply	10,096.12	10,724.55	-628.43	-6%

7.2.9 Distribution Quality of Service Parameters

New Connections

The active customer base by end of Q4 2023 increased by 2% to 871,576 in Q4 2023 from 852,003 in Q4 2022. The increase in active customers is mainly attributed to increase in domestic consumers being connected.

7.2.10 Renewable Energy & Energy Efficiency Operations Report

Solar PV Installations Training

The Authority commissioned solar PV installations training for the year 2023 with a view to build local capacity for quality design, and installation of solar PV systems in the country. The training targeted people with a technical background preferably electricians, who are working for companies that design, install, and distribute solar systems in Zimbabwe. The Authority conducted five training workshops in Harare, Masvingo, Mutare, Bulawayo and Gweru respectively as shown in the table below. The training was conducted in partnership with SIRDC and covered both theory and practical sessions. The total number of participants trained is 237 and 32 (14%) of the participants were women.

Table 15: Solar trainings by gender

Venue	Training Dates	Number of Participants	Number of Women Participants	Pass Rate
Harare	06-10 November 23	24	7	72.5
Masvingo	13-17 November 23	33	1	46.51
Mutare	20-24 November 23	25	5	70.45
Bulawayo	04-08 December 23	33	9	82.05
Gweru	11-15 December 23	31	10	92.5
Total		237	32 (14%)	Average = 78.80%

The Authority has conducted these trainings since 2014 and a number of those trained are established contractors in the industry.

7.2.11 Biomass Resource Assessment Study

The National Renewable Energy Policy (2019) set a target of 275MW renewable energy electricity to be generated from Biomass or Bagasse. Currently there is only one wood waste biomass cogeneration power plant at Charter Sawmill (0.5MW) in Chimanimani area. The Authority has therefore initiated a biomass energy resource assessment for Zimbabwe in fulfilment of the target. Future Projects Consulting Africa Private Limited (FPCA PL) was contracted to undertake the study. The project was implemented at a cost \$42,000.00.

The study aimed at quantifying the biomass resource potential with a view to promote and upscale development of biomass projects in Zimbabwe. The information obtained

from the study will be shared to potential developers and investors in the biomass energy sector. The study detailed the biomass resource potential, provides a GIS based map and model for biomass distribution, waste volumes and estimated power generation capacities, economic feasibility, and environmental sustainability indicators. It further looked at baseline information regarding other biomass residues specifically biodegradable municipal solid waste, cow dung and maize crop residues.

The daily and annual biomass residues generated at the major sawmilling operations in Zimbabwe are 644ton and 235,016ton respectively. This translates to daily and annual generation energy potential of 1.15×10^7 MJ and 4.19×10^9 MJ respectively. The potential results in 1.163×10^3 GWh of energy thus 132MW (table 27). With the current technologies up to 35% of the energy can be utilised, meaning biomass power plants up to 46MW can be set up.

Table 16: Energy potentials from the biomass residues generated at the respective sawmill operations

Sawmill	Volume of Waste Fractions (ton/day)		Gross Calorific value (MJ/kg)	Daily Energy Potential from Waste (10^3 MJ/day)		Annual Energy Potential from Waste (10^3 MJ/year)	Annual Energy Potential from Waste (GWh/year)	Annual Energy Potential from Waste (MW)
	Sawdust	Offcuts		Sawdust	Offcuts			
MBPM Drenan	2,24	8,96	17,27	38,70	154,79	70623,61	19,62	2,24
Nyagui	3,94	12,49	18,03	71,12	225,23	108168,58	30,05	3,43
Stapleford	58,27	165,83	17,27	1006,14	2863,64	1412472,19	392,35	44,79
Maswera	1,32	5,06	18,83	24,86	95,28	43850,59	12,18	1,39
Erin	8,00	22,94	18,03	144,33	413,74	203694,07	56,58	6,46

Sawmill	Volume of Waste Fractions (ton/day)		Gross Calorific value (MJ/kg)	Daily Energy Potential from Waste (10 ³ MJ/day)		Annual Energy Potential from Waste (10 ³ MJ/year)	Annual Energy Potential from Waste (GWh/year)	Annual Energy Potential from Waste (MW)
	Sawdust	Offcuts		Sawdust	Offcuts			
Cashel	19,44	66,11	18,65	362,64	1232,98	582403,78	161,78	18,47
	16,06	54,59	18,65	299,44	1018,09	480899,12	133,58	15,25
Pride of Africa	1,10	4,39	17,85	19,58	78,32	35731,58	9,93	1,13
Hwangura	6,34	22,94	17,27	109,56	396,09	184563,03	51,27	5,85
Selborne	13,70	47,66	17,69	242,26	843,06	396140,91	110,04	12,56
Allied Saligna Wet	3,10	9,81	17,96	55,65	176,21	84628,91	23,51	2,68
Allied Saligna Dry	1,55	0,00	18,82	29,15	0,00	10640,92	2,96	0,34
Dunsinane Wattle	10,36	37,45	17,27	178,87	646,68	301327,40	83,70	9,55
Dunsinane Timbercare	8,05	32,18	18,50	148,85	595,40	271652,31	75,46	8,61
Total energy potential				2731,15	8739,53	4186797,01	1163,00	132,76

7.2.12 Energy Efficiency

Gweru EV Charging Station Project

i. Project Update

The EV charging station equipment and ancillary services have been completed. All the systems have been tested and working according to the specifications. Training of the Petrotrade personnel will be conducted in Q1 2024 to pave way for commissioning and hand over.

The project is in support of electric vehicles uptake in the country and the growing desire for energy-efficient mobility. The transition to the electric vehicle requires an infrastructure of charging stations with convenience and information technology. Gweru is the optimal placement of the charging stations along the Harare - Bulawayo highway based on social and economic benefits.

The adoption of the ABB 24kW DC Electric Vehicle charger was based on the infrastructure available with minimal charging times which is critical for adopting EVs.

Lighting Products Inspections and Integrating Sphere Tests

ii. Summary Statistics

893 lighting products retailer and user inspections were conducted in Q4 2023 against a target of 1,350 and as compared to 1,094 in Q4 2022 this bringing the YTD total to 4,079. Q4 2023 inspections decreased by 18.37% over the same period last year due to shortages of manpower.

The compliance rate as at Q4 2023 was at 98.93%, a 10.66% increase compared to the same period in 2022. An increase in the compliance rate by 1.47% was also noted when compared to Q3 2023.

Forty-six (46) product lines were tested on the integrating sphere for compliance to standards and a 73.91% compliance rate was achieved against 86.61% for the products tested (80) in the same period in 2022. These tests are done on voluntarily submitted lighting products by importers for the purpose of compliance verification. The number of products that are being submitted for testing is gradually increasing due to the import requirements.

LED lighting products contributed 100% of the lighting product lines tested.

iii. Inspections Coverage and Compliance

The inspections and surveillance covered the following areas shown in Fig 22 below

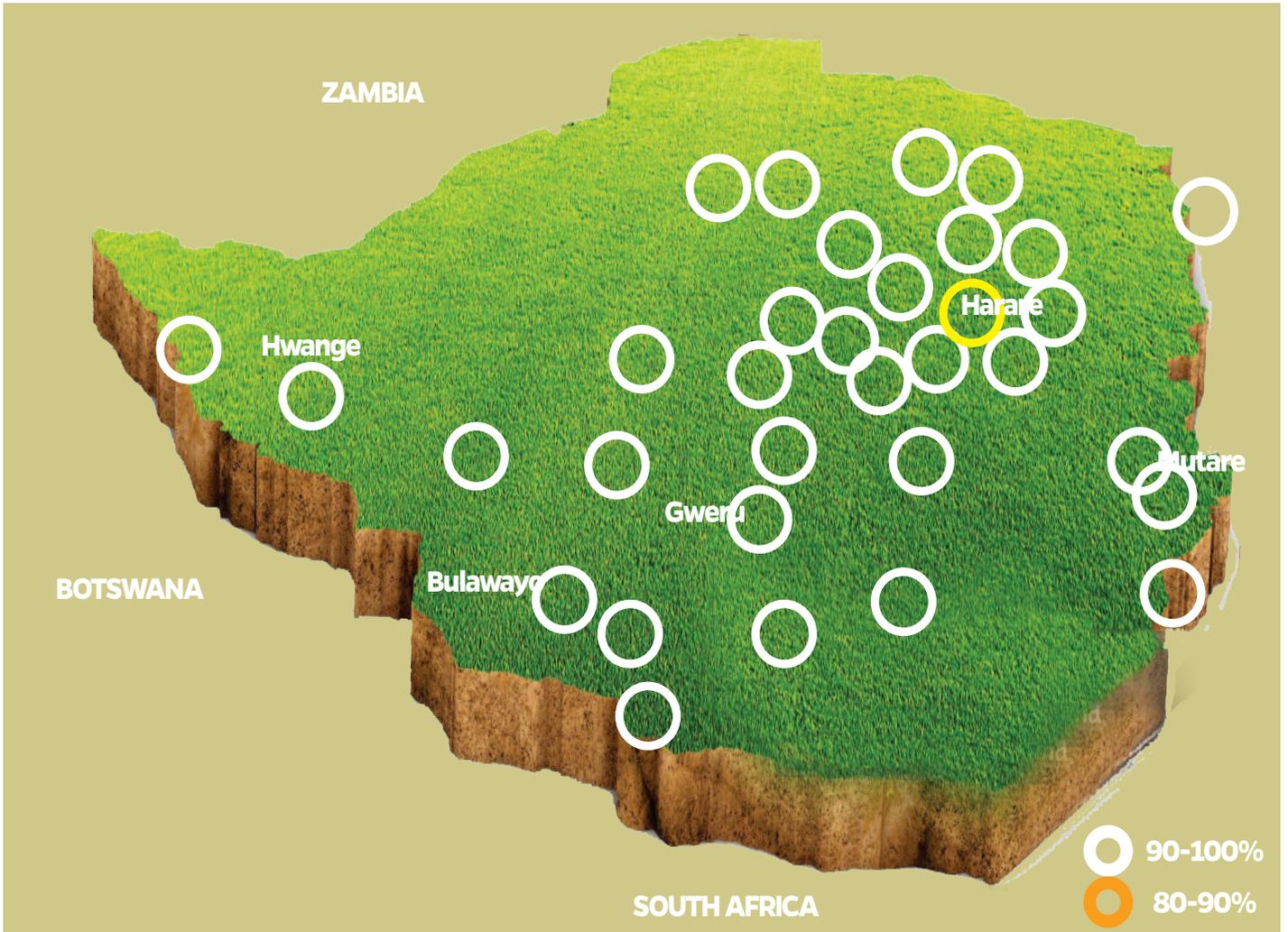


Figure 9: Compliance rate distribution

7.2.13 Inspections Statistics

Inspections and outcomes are summarized in Table 28 below.

Table 17: Retailer inspections and product testing capacities

Description	YTD	Target
Retailers Inspected	4,079	4,050
Product lines tested	224	-
Non-compliant Retailers	158	-
Non Compliance %	4.30%	0
Fined Retailers	98	-
Amount Fines -ZWL	55,993,222.72	-
Kw Seized	421.58	-
kW Destroyed	3.7	-

Non-compliances were due to the trade in prohibited lighting products, mainly incandescent lighting bulbs and substandard LED in the informal sector. The substandard lighting products failed to meet the minimum energy performance standards (MEPS) primarily on electrical (power factor, power rating), photometric parameters (luminous flux), and labeling requirements.

i. Lighting Products Verification Tests

a) Four (4) lighting products importers had their products tested (on the Integration Sphere at SAZ) for the

Minimum Energy Performance Standards on the photometric and electrical parameters, a total of 46 lighting products were verified and 73.91% of the products are compliant.

Non-compliances was due to lighting products that failed to meet the minimum required efficacy and power factor as well as labelling. The use of the integrating sphere on verification tests has improved significantly the quality of lighting products that are on the market resulting in the improvement of the compliance on field inspections;

Non-Compliance Distribution



Figure 10: Non Compliance distribution

7.2.14 Promotion of Energy Efficiency

Energy Efficiency Projects

a) LED lighting Retrofit.

The Authority funded the LED Retrofit project at Chinhoyi Provincial Hospital to reduce the electricity use by lighting systems thereby reducing the energy cost at the hospital. The project was a corporate social responsibility initiative funded by ZERA aimed at achieving energy savings through the use of efficient lighting systems to curtail electricity demand and reduce the institution's energy bills. It is also in line with Cabinet Resolution to intensify demand side management initiatives.

It is a third project of this nature, after Mpilo Hospital and Harare Children's Hospital, our vision is to retrofit all the remaining provincial hospitals with efficient lighting and technology in the few coming years. The project came at a cost of USD111, 705.86 for a full retrofit of the Hospital and a total of 5,315 lighting units were installed equivalent to 100kW.

The LED lighting retrofit project was aimed at saving the institution's lighting energy demand up to 64% when compared to older and less efficient forms of lighting that was in place and also raising awareness of energy efficient lighting technologies.

- The total energy consumption of the hospital is expected to be reduce by 28% as a result of this intervention.

- The conversion to LED lighting makes a huge reduction to the hospital's energy bill and its carbon footprint.

- LED lighting, in addition, has a much longer lifespan and seldom requires maintenance. This enables reductions in the maintenance budget towards lighting at Hospital.

b) Gweru Petrotrade Electric Vehicle Charger

The Authority partnered Petrotrade to install a charger at the Gweru Service Station. This will bring the total number of EV chargers installed by the Authority to 4 after Mutare, Harare and Bulawayo. The project is expected to increase the adoption of e-mobility in Zimbabwe and in support of electric vehicles uptake and the growing desire for energy-efficient mobility. The transition to the electric vehicle requires an infrastructure of charging stations with convenience and information technology. Gweru is the optimal placement of the charging stations along the Harare – Bulawayo highway based on social and economic benefits.

The adoption of the 24kW DC Electric Vehicle charger was based on the infrastructure available with minimal charging times which is critical for adopting EVs. The EV charging station equipment and ancillary services have been completed and working according to the specifications. Training of the Petrotrade personnel will be conducted in Q1 2024 to pave way for commissioning and hand over.

7.2.15 Energy Efficiency Trainings

53 candidates were trained as Certified Energy Managers and Certified Energy Auditors as a drive to capacitate the industry. The Certified Energy Manager (CEM) and Certified Energy Auditor (CEA) training was with the view to:

- Build local capacity for energy efficiency and energy management,
- Build a critical mass for trained and Certified Energy Managers and Auditors in the Country in preparation for the implementation of the drafted Energy Management Regulation.
- Increase and improve the uptake of Energy Efficiency and Energy Management.

The pass rate averaged 69%.

7.2.16 Compliance and enforcement of regulatory framework

The Authority carried out 4,079 inspections, with a compliance rate of 95.56% as compared to 85.66% in 2022. 0.42MW of both inefficient and sub-standards lighting products were seized from the market, representing a 33%

drop in inefficient and sub-standards lighting products seized from the market. The megawatt equivalent of destroyed inefficient and sub-standards lighting products drop by 97% from 0.14MW in 2022 to 0.004MW in 2023. A total of 102 fines were issued, amounting to ZWL 55,993,222.72. The number of fines issued reduced by 64% from 283 in 2022.

Table 18: Compliance and Enforcement regulatory framework

Description	2022	2023	% Change
Retailers Inspected	4,046	4,079	0.82%
Product lines tested	208	224	7.69%
Non-comp inspections	580	181	-67.59%
Compliance %	85.66	95.56	11.56%
Fined Retailers	283	102	-63.96%
Amount Fines	20,321,768.40	55,993,222.72	175.53%
kW Seized	628.23	421.58	-32.89%
kW Destroyed	143.97	3.7	-97.43%

224 lighting products were verified on the Integrating Sphere, 111 of products were compliant and resultantly registered to be sold in Zimbabwe. 113 of the non-compliant products failed to meet the labelling criteria, electrical and photometric requirements.

Imports increased slightly by 90 GWhs from 1,892 GWhs in 2022 to 1,982 GWhs in 2023. The energy delivered to the transmission system in 2022 exceeded 10,000 GWh for the second year for the third year running.

The majority of the light products fell in the 5W to 25W range which are mainly general service lamps, product below 5W constituted 22% whilst products above 25W constituted 23%.

7.2.18 Research and Development

Research Project

The Authority commissioned Research projects in Energy Production, Storage and Delivery. The focus of the Call was to seek innovative solutions to improve reliability in the generation, transmission, distribution, and supply of modern energy and develop heritage-based knowledge in the energy research area.

7.2.17 Overall Sources of Energy 2021

A total of 10,096 GWh of energy was supplied in 2023 against 10,724 GWh in 2022 (6% decrease). Annual energy supply shows that Kariba power station was the dominant energy supply source in 2023. Kariba South power station decreased its output by 39% due to low rainfall. Hwange power stations decreased its output compared to 2022 by 9% due to operational faults whilst the newly commissioned HESCO project contributed 1,832 GWhs to compliment production at Hwange.

The Authority disbursed a total of \$139,872.50 through Research Council of Zimbabwe towards the 2022 projects, whilst three research projects were added in 2023 as indicated in table 29 below:

Table 19: Projects First Phase Disbursements made

	Call for Proposals - R&D Project Title	Project Amount (USD)	Disbursements Made. Paid at bank rate
1	Investigation of water tube boiler failure and water chemistry at Zimbabwe Power Company Coal Fired Power Plants –Case Study of Hwange Power Plant (UZ)	120,973.60	\$96,622.50
2	Laboratory Scale Manufacture of Lithium Cathode Materials for Heritage Based development of High Energy Density Lithium-Ion and Lithium-Air Batteries in Zimbabwe (Verify Engineering)	20,000.00	\$14,650.00
3	Carry out Power Density and Durability Assessment of Locally Manufactured Batteries (UZ)	81,389.00	\$28,600.00
4	Sustainable Sawmill Waste Biomass Pyrolytic Energy Valorisation (MUAS)	61,380.00	-
5	Geometry and behaviour modelling of geothermal reservoirs in Zimbabwe- Eng. Mundenda	60,500.00	
6	Techno-economic feasibility of localised beneficiation of biogas for dispatchable gas supply And commercialisation (BUSE)	65 739.30	
	Total	\$432,114.73	\$139,872.50

The Authority has been monitoring the delivery of research projects milestones as guided by the project grant agreements.

7.2.19 Floating Drum Biogas Digester

The 5m³ digester prototype uses a floating drum to capture and store the generated gas. The prototype was



Figure 11: Biogas Digester in Budiriro 4, Harare



Figure 12: Biogas Digester uses

7.2.20 Medium Temperature Solar Thermal Technology (US\$48,235.00)

In 2020, the Authority accepted for funding a proposal submitted by Chinhoyi University of Technology (CUT) for designing and developing medium temperature solar thermal technology potentially suitable for heating processes in, mainly the food processing industries, that require operating temperatures not exceeding 150°C. The proposed technology could be configured to provide preheating and economisation for processes requiring higher temperatures thereby significantly saving energy.

The prototype results informed project phase three with modifications on the design and addressing of defects to the

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implemented in Budiriro and is utilizing cow dung from the City of Harare farm. The system is in operation and the gas is currently being used for cooking, lighting and electricity generation through biogas based 2kW generator

prototype. The second phase results indicate that the system has high heat gain capacity at increased flowrates as compared to the heat pipe evacuated tube collector (currently available on the market). The temperature gain depends on the flowrate and is subject to the number of systems connected in series or parallel.

The prototype has a major advantage of reducing the number of borosilicate evacuated tubes which are imported. All the components can be easily fabricated locally, and no heat transfer fluid was required which makes the system simple and easy to manufacture locally.



Figure 13: Biogas Digester uses

The third phase of the project led to the development of an advanced prototype and make the required series-parallel connections. The advance prototype experimental design has been completed and tested. The design achieved 130°C with the target to push to 150°C on the assembled prototype. The advanced prototype implementation in real life industrial process applications at the University's feed-stock manufacturing plant is expected in 2024. The

Authority has disbursed funds to facilitate implementation of the project third phase, that is fabrication of the advanced prototype which shall be used for live industrial process applications. The project is expected to be completed in 2023

7.3 ECONOMIC REGULATION-PETROLEUM

Petroleum and Gas Regulation

7.3.1 Liquid fuel licensing

In the period January 2023 to December 2023, the Authority licensed 1048 petroleum sector operators as shown in the table 11.

Table 20: Petroleum licensing statistics

Year	License category					Total
	Retail	Procurement	Wholesale	Blending	Production	
2012	229	48	16	5	1	299
2013	411	39	6	11	2	469
2014	496	32	7	18	4	557
2015	594	31	6	16	4	651
2016	569	36	7	15	3	630
2017	609	40	2	10	4	665
2018	638	63	3	11	2	717
2019	709	130	7	11	1	858
2020	733	10	18	10	1	772
2021	882	69	26	11	1	989
2022	905	69	18	11	1	1004
2023	936	75	24	12	1	1048

The overall trend indicates a steady increase in the total number of licensed operators over the years, reaching 1048 in 2023 from 299 in 2012.

The liquid fuel retail category consistently represents the largest segment, showing robust growth from 229 in 2012 to 936 in 2023. The consistent growth, particularly in the retail

segment, reflects a thriving industry and increased competition especially in the urban areas.

7.3.2 LPG licensing

Table 12 below illustrates a notable increase in the number of licensed LPG operators

Table 21: Number of licensed LPG operators

Licensee Category	Year								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Retail	39	80	110	135	125	158	356	325	551
Wholesale	14	17	16	17	13	23	18	29	25
Total	53	97	126	152	138	181	374	354	576

This upward trend is indicative of the successful alignment of regulatory efforts with the increasing uptake of LPG as more and more households switch to the product for cooking and heating. With increased efforts in the adjustment of electricity tariffs towards cost-reflectivity, it is expected that the usage of LPG in households will increase even further.

7.3.3 International crude oil developments

The Authority continued monitoring the movements in the international oil prices with the objective of determining the local prices. During the year, the major changes were due to the production cuts by the OPEC+ countries and increased logistics and insurance costs.



Figure 14: Movements in the crude oil prices in 2023

7.3.4 FOB Price movement

In tandem with the movements in the international crude oil prices, the Authority determined the applicable FOB prices

for petrol and diesel for purposes of setting the maximum prices at the pump.

Figure 10 below shows the FOB prices for the period January 2023 to December 2023

Average FOBs

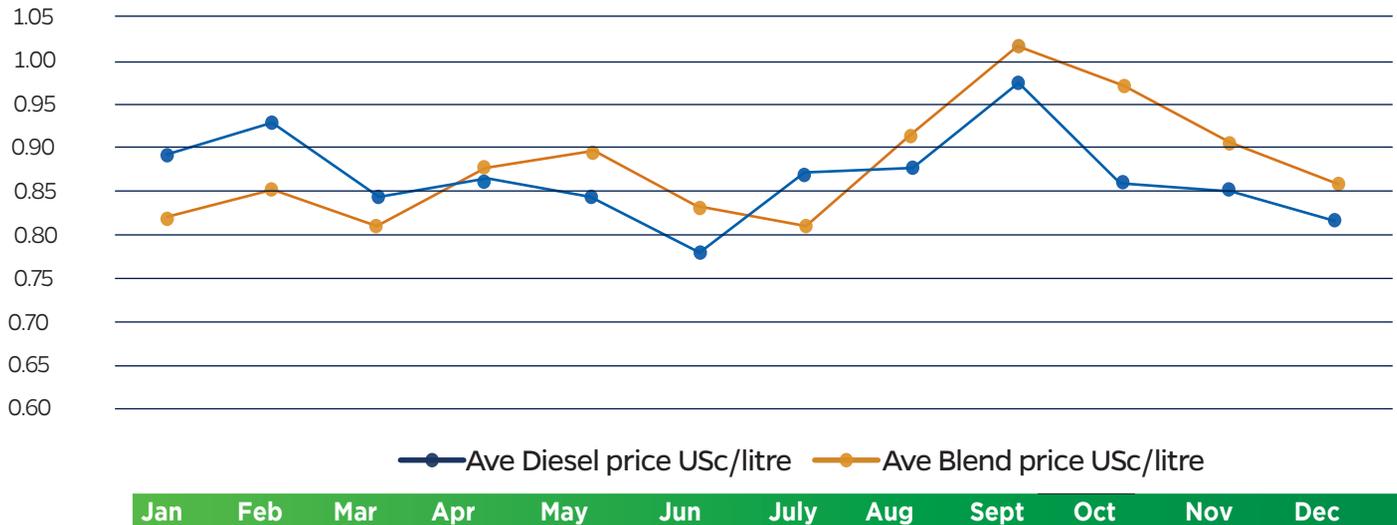


Figure 15: Average FOB'S

7.3.5 Maximum pump prices

The Authority determined the applicable maximum pump prices for diesel and blend using the M-1 pricing

methodology and the graph below shows the maximum retail prices of petrol and diesel.

US\$ Maximum pump price

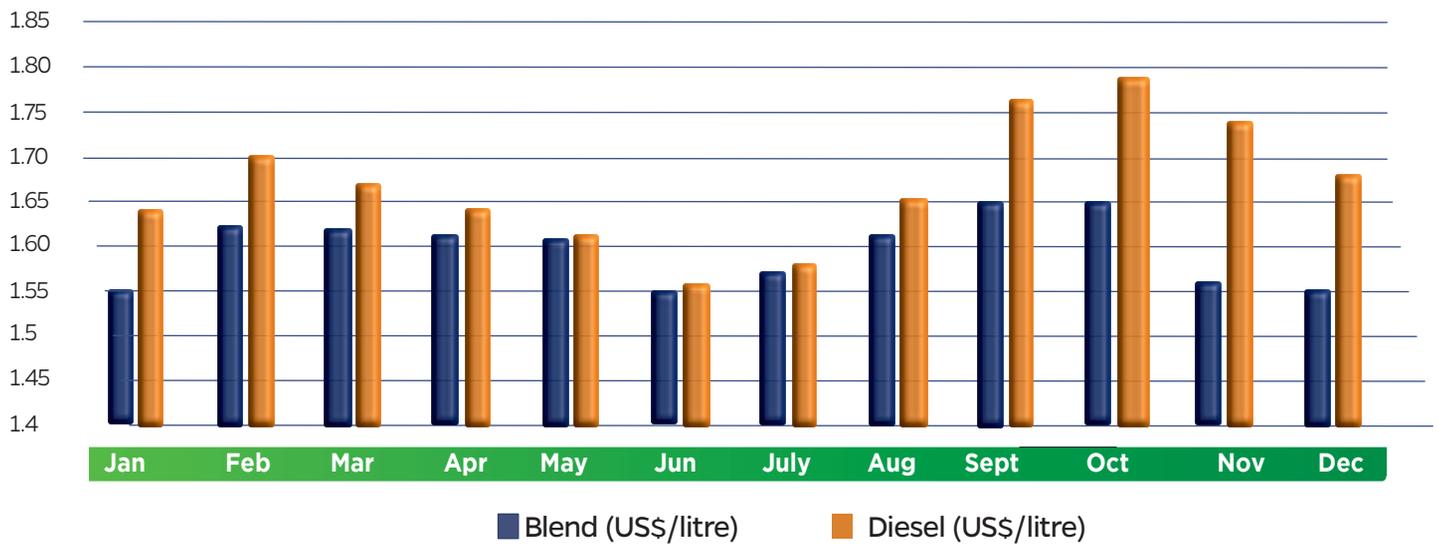


Figure 16: USD maximum prices

7.3.6 LPG Pricing

The Authority continuously monitored the international LPG prices for purposes of determining local prices in terms of LPG pricing regulations contained in Statutory Instrument 90 of 2021 - Petroleum (Liquid Petroleum Gas Pricing) Regulations, 2021.

The graph below shows the changes in the prices based on the maximum refinery gate price determined by the Department of Mineral Resources and Energy in South Africa.

LPG Maximum Refinery Gate Price



Figure 17: LPG maximum refinery gate price

Based on the above developments, the maximum retail price determined by the Authority are shown in the table 13 below:

Month	LPG prices (US\$/kg)
Jan - 2023	1.91
Feb-2023	1.71
Mar-2023	2.06
Apr-2023	2.02
May-2023	1.72
Jun-2023	1.73
Jul-2023	1.57
Aug-2023	1.49
Sep-2023	1.6
Oct-2023	1.72
Nov-2023	1.85
Dec-2023	1.84

7.3.7 Petroleum sites mapped in the GIS

The Authority mapped all the petroleum sites licensed in the country in 2023 for purposes of providing information to

stakeholders, investors and policy makers. As well, the system is useful in planning of field monitoring and enforcement work for Compliance Officers.

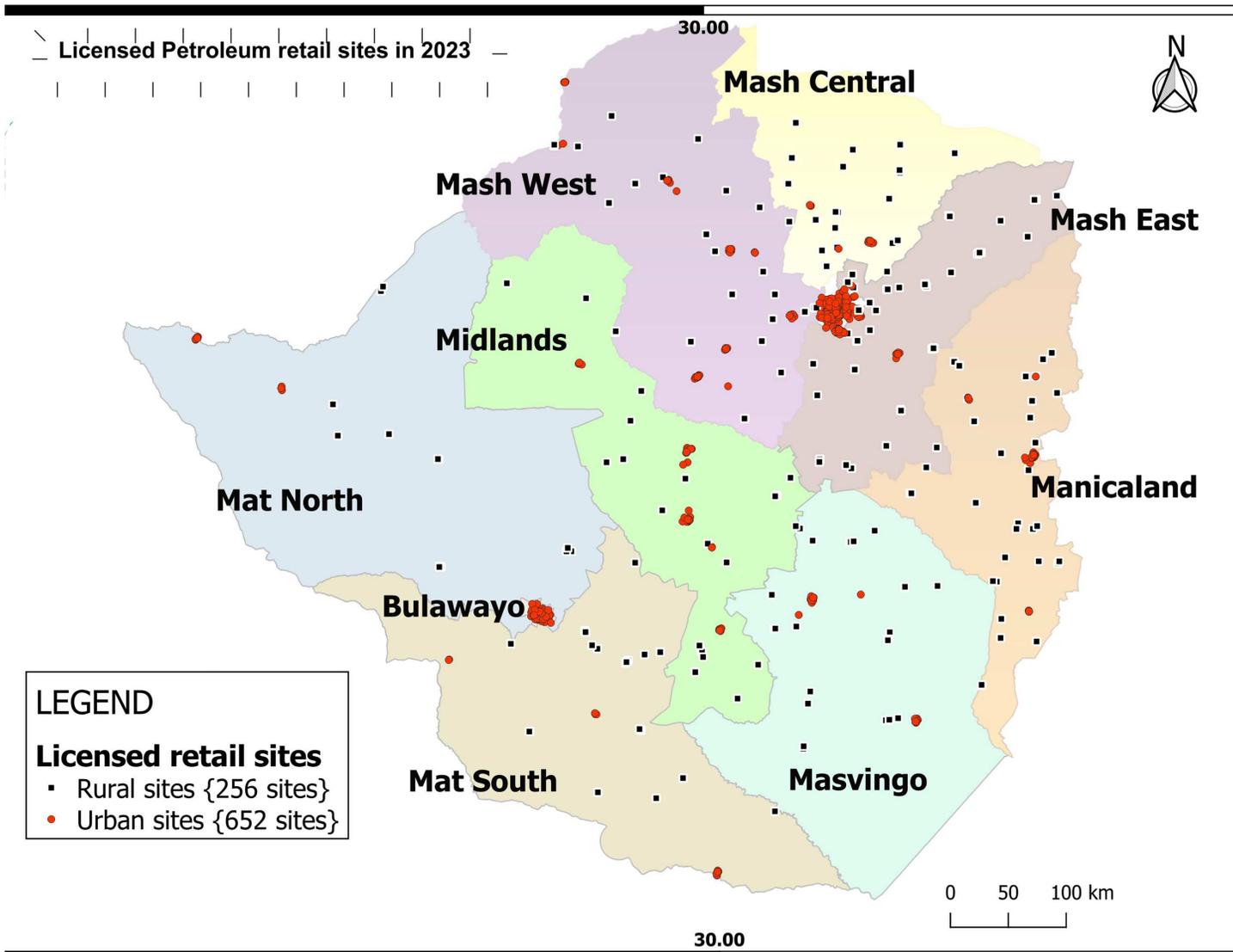


Figure 18: Petroleum licensed retail sites in 2023

7.3.8 Liquid fuel importation

A marginal 0.3% increase in the combined quantity of refined liquid fuels (Diesel, Petrol, Illuminating Paraffin and Jet A1) in the year 2023 has set a record of highest annual

imports of 1.739 billion litres.

The table below summarises and compares the volumes per product imported into the country between 2018 and 2023.

Table 23: Petroleum Products imports 2019 – 2023

Year and Period	Diesel (Itrs)	Petrol (Itrs)	Paraffin (Itrs)	Jet A1 (Itrs)	Total (Itrs)
2023	1,071,222,348	588,259,795	813,732	79,199,410	1,739,495,285
2022	1,041,426,112	613,728,889	1,062,000	78,552,133	1,734,769,134
2021	849,605,993	513,712,727	739,494	48,687,310	1,412,745,524
2020	736,447,091	403,897,735	1,791,590	21,880,815	1,164,017,231
2019	937,406,602	456,080,132	5,100,022	63,073,804	1,461,660,560
2018	921,171,992	616,339,735	11,682,716	74,605,374	1,623,799,817
Percent Difference (%)	2.9	-4.1	23.4	0.8	0.3

7.3.9 Monthly importation trends

Diesel and petrol imports

The average monthly volume of diesel increased from 86.2 million in 2023 to 89.3 million litres in the year 2023. On the contrary, petrol volumes declined from an average monthly

volume of 51.1 million litres to 49.0 million litres in 2023. The figure 19 below shows the monthly fuel imports trend for main fuels in the year 2023 compared to 2022.

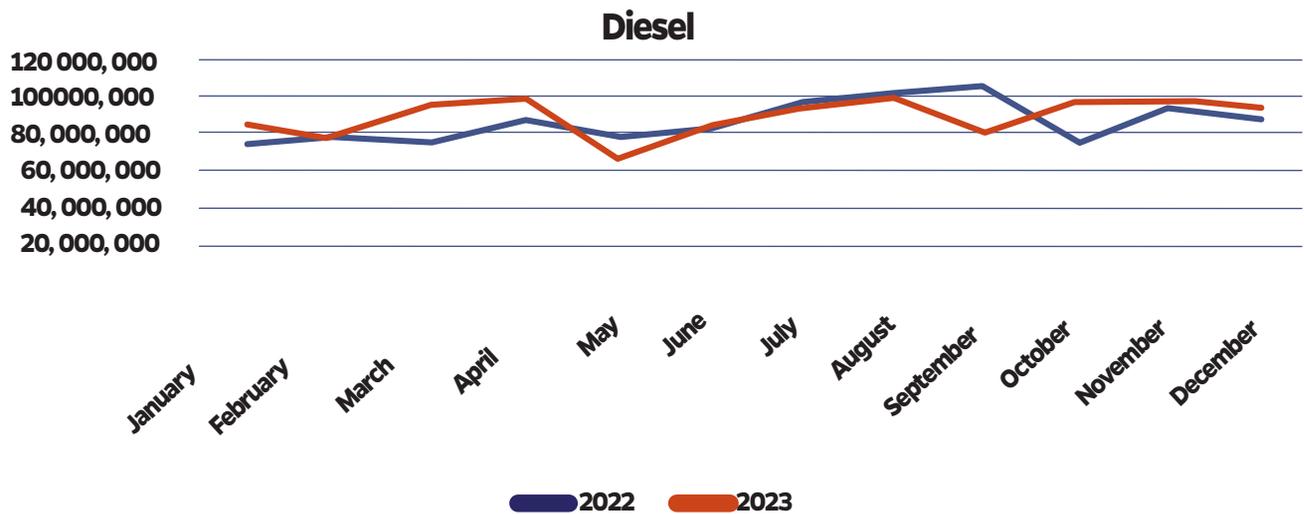


Figure 19: Main fuels importation trends

Petrol

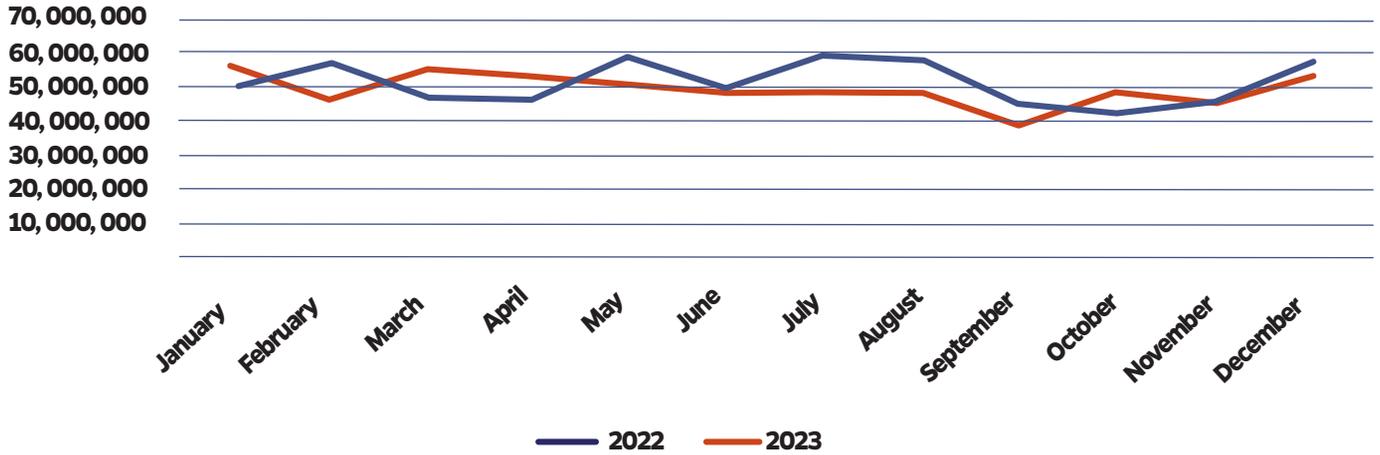


Figure 20: Petrol importation trends

7.3.10 Illuminating paraffin and Jet A1 imports

There was a slight increase in the importation volume of Jet A1 from 78.6 million litres in 2022 to 79.2 million litres in the year 2023. However, Illuminating paraffin imports have

continued to decline and in 2023 a volume of only 0.8 million litres imported compared to 1.1 million litres in 2022. The table below depicts the importation of both illuminating paraffin and Jet A1 for 2022 and 2023.

Table 24: Monthly Illuminating Paraffin and Jet A1 Fuel Imports, 2022/23

Month	Paraffin (ltrs)		Jet a1 (ltrs)	
	2022	2023	2022	2023
Jan	260,000	90,000	1,340,309	7,416,081
Feb	180,000	-	3,721,446	5,504,524
Mar	-	54,800	6,416,791	5,710,778
April	80,000	160,000	3,786,919	8,124,888
May	-	60,064	8,376,997	7,405,695
Jun	55,000	19,892	6,881,121	6,095,942
July	85,000	112,000	8,698,232	5,569,899
Aug	172,000	-	10,297,031	6,937,026
Sep	40,000	23,000	7,824,470	6,306,708
Oct	156,000	153,000	6,719,355	6,952,091
Nov	-	102,976	7,885,811	5,788,161
Dec	34,000	38,000	6,603,651	7,387,617
Total	1,062,000	813,732	78,552,133	79,199,410

7.3.11 LPG imports

There has been a continuous increase in the volumes of LPG imported into the country and the trend is expected to

increase as the market is warming up to the product. In 2023, 66.1 million kgs were imported as compared to 59.8 million kgs in 2022. Figure below displays the annual importation trends of the product since 2012.

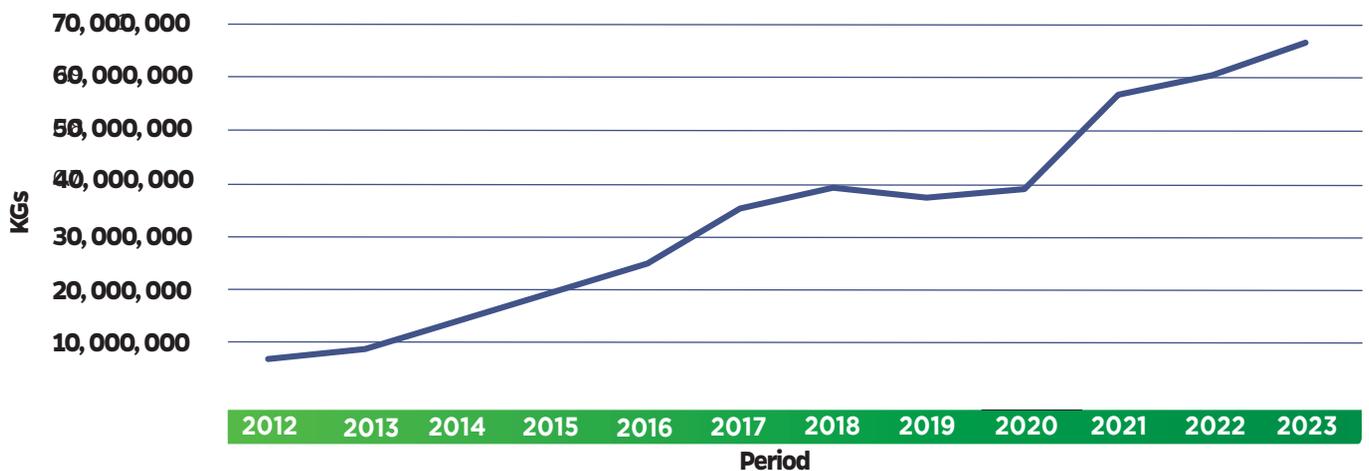


Figure 21: Annual LPG Imports, 2012 - 2023

Table 25: LPG imports

Month	LPG Imports (kgs)	
	2022	2023
January	4,721,237	4,236,265
February	5,097,549	4,485,606
March	4,938,355	6,649,684
April	5,304,169	6,074,914
May	4,586,638	3,960,284
Jun	5,889,312	4,470,417
Jul	5,224,734	4,863,512
Aug	5,528,228	9,550,389
Sep	4,781,947	4,595,329
Oct	4,394,932	5,240,191
Nov	4,311,164	4,203,663
Dec	5,120,280	7,776,004
Total	59,898,544	66,106,257

7.3.12 Ethanol Production

The production of ethanol and dispatches from the two producers are shown in the table below. The differences

between production and dispatches symbolises other uses other than ethanol blending.

Table 26: Ethanol Production and Dispatches, 2023

Month	Green Fuel		Triangle	
	Production (ltrs)	Dispatch (ltrs) to blending	Production (ltrs)	Dispatch (ltrs) to blending
January	0	0	2,859,427	1,451,658
February	0	0	3,206,358	2,576,343
March	0	0	977,319	2,953,458
April	3,573,012	1,670,946	0	0
May	9,950,915	8,125,137	1,066,095	0
June	11,717,458	10,839,346	4,029	1,353,196
July	13,053,939	10,356,978	0	109,912
August	13,884,609	10,802,063	988,254	827,328
September	12,007,178	12,586,115	3,203,791	2,364,123
October			3,008,792	2,964,919
November	9,174,327	8,144,963	3,548,122	2,230,522
December	0	6,112,503	1,798,082	3,075,977
Total	73,361,438	68,638,051	20,660,269	19,907,436

7.3.13 Petroleum sales

The comparison of sales of the main fuels supplied in the

market is shown in the table below show. The fuel imports are not too different from the consumption figures, showing that fuel is immediately gets absorbed into the market.

Table 27: Main Fuel Sales, 2022/23

Month	Diesel		Petrol	
	2022	2023	2022	2023
Jan	73,752,761	76,925,720	46,770,682	51,585,635
Feb	79,401,258	72,291,427	53,483,471	48,579,279
Mar	84,416,711	107,077,965	50,693,257	62,044,520
Apr	80,490,911	104,022,904	45,807,293	54,687,595
May	80,860,344	98,983,732	50,050,107	68,405,025
Jun	83,278,379	81,668,378	47,753,659	72,099,997
Jul	93,063,489	76,742,742	50,947,727	60,261,970
Aug	98,239,823	52,927,042	64,827,360	57,264,021
Sep	94,013,956	81,724,312	53,110,904	40,453,953
Oct	86,267,678	105,971,592	63,155,008	51,250,821
Nov	94,902,783	91,140,082	51,076,602	43,646,749
Dec	88,628,425	91,842,641	69,567,463	46,273,266
Total	1,037,316,518	1,041,318,536	647,243,533	656,552,830

7.3.14 Daily consumption of liquid fuels and LPG

There were significant increases in the daily consumption figures except for illuminating paraffin as shown in the table

below. The consumption trends are commensurate to the corresponding increases in importation of each product.

Table 28: Daily Consumption of fuels, 2023

Product	Daily Consumption estimates	
	2022	2023
Diesel (Itrs)	2,841,963	2,852,927
Blend (Itrs)	1,773,270	1,798,775
Paraffin (Itrs)	3,424	2,438
Jet A1 (Itrs)	165,676	170,912
LPG (Kgs)	158,442	188,285

7.3.15 Petroleum Products Sales by Economic Sector

The table below shows the percentage sales of the diesel and

petrol by economic sectors. The bulk of petroleum products are consumed in the domestic (retail) sector, commercial and transport.

Table 29: Petroleum Products Sales by Economic Sector, 2023

Sector	Diesel Percentage	Petrol Percentage
Retail	39.1	66.7
Commercial	23.9	10.7
Agriculture	5.5	1.9
Mining	9.9	1.6
Construction	3	0.8
Manufacturing	3.8	1.1
Transport	5.4	1.3
OMC	9.4	15.3
Own Use	0.1	0.6
Total	100	100

7.3.16 Petroleum Products Sales by Geographic Region

The table below shows the percentage sales of the petroleum products by geographic region. Harare dominates

regional fuel sales because of higher numbers of fuel sites as highlighted in table 31 below

Table 30: Petroleum Products Sales by Geographic Region

Province	Diesel Percentage (%)	Petrol Percentage (%)
Harare	53.7	55.4
Bulawayo	7.9	8.5
Manicaland	9.1	9.8
Mash Central	3.1	3.3
Mash East	2.2	2.4
Mash West	5.0	5.4
Mat North	3.2	3.5
Mat South	1.0	1.0
Midlands	7.6	8.2
Masvingo	2.4	2.6
Total	100.0	100.0

7.4 TECHNICAL REGULATION-PETROLEUM

7.4.1 Infrastructure Compliance Monitoring and Enforcement

A total of 564 retail sites were monitored during the year with a compliance to standards of 85%, which was on target for the year. The major areas of concern included inadequate provision for leak detection mechanisms, failure to show training records, poorly kept distribution board, non-existent operating procedures, and inadequate fire-fighting provisions at some fuel retail sites. The service station standards training manual has been reviewed to address these issues.

7.4.2 Fuel Industry Safety

During the year, no accidents were recorded at licensed fuel facilities.

7.4.3 Fuel Quality Monitoring

A total of 977 samples were tested from 507 retail sites visited and 30 samples failed due to adulteration (77%), water contamination (13%), misleading advertising of blend as unleaded (6%) and over blending (3%). Fuel retailers have been warned against repeating these offenses or they risk license cancellation.

7.4.4 Fuel Quality Complaints

A total of 24 fuel quality complaints were received in 2023 and samples taken showed that 11 of them were indeed poor quality and the sites were prosecuted. Eight (8) samples tested were found within specification while 5 were lodged rather late to investigate. The Authority continues to conscientize motorists to report complaints timeously to ZERA for prompt attendance so that relevant samples can be taken before evidence is tampered with.

7.4.5 LPGas

LPG Infrastructure Compliance Monitoring

During the year, a total of 603 LPG retail sites were inspected for infrastructure compliance and an overall compliance of 85% was observed and it was on target for the year. All LPG wholesalers managed to meet the minimum storage capacity of 40t and to acquire a minimum of 400 x 48kg cylinders for distribution of their products.

7.4.6 LPG Quality Monitoring and Complaints

In 2023, 102 LPG samples were taken from wholesalers for testing. 1 sample tested failed to meet specifications on vapour pressure. It came to pass that the site had procured butane rich LPG, and it was prosecuted and ordered to purify the product.

7.4.7 LPG Safety

i. Accidents

A total of 11 accidents were investigated and of these 9 occurred at unlicensed LPG retailers while 2 involved domestic users of LPG. All accidents at illegal retailers were caused by non-use of pumps for decanting leading to gas leaks subsequently ignited by naked flames from LPG refrigerators (4), open fire cooking (2) and static electricity (1). The domestic fires were caused by arson (1) and negligent placement of a cylinder on an electric stove (1). ZERA is in the process of accrediting private companies to offer training to LPG fillers to ensure awareness to safety standards of LPG is raised.

(ii). Smuggled LPG Cylinders

Smuggled 48kg LPG cylinders continue to be a cause of worry as they are readily accessible to illegal LPG vendors but also as the major source of fires and explosions at illegal vending sites. ZERA is working with the South African owners of the cylinders, the police, border authorities and local LPG companies to stop the use of smuggled cylinders and to arrange their repatriation or destruction.

(iii). LPG Training and Registration

In 2023, 420 LPG fillers were trained countrywide with 67% being trained in Harare, 16% in Manicaland, 12% in Bulawayo and 5% in Mashonaland West.

ZERA is planning to increase training engagements for fillers in remote areas outside of the major cities and towns.

Registration of LPG installers continued in 2023 with more technicians applying for registration to comply with the LPG regulations. There are now 16 installers registered and displayed on the ZERA website for the public's benefit.

7.4.8 Technical Standards and Regulations

Revised ULP RON 93 ZWS753:2020

The adoption and implementation of the revised ZWS753:2020 standard for unleaded petrol was notified in General Notice 1894 published in the Government Gazette of 10 November 2023 and will be effective from 10 April 2024. ZERA and NOIC will start tracking compliance of imported ULP parcels for compliance to the new specifications during Q1 of 2024.

7.4.9 Grading and Labelling of Service Stations

In 2023, 327 retail sites were graded countrywide for compliance with technical and customer service standards and labelled accordingly. The grades were assigned as follows: 5 = 8%, 3=51% 1 = 39% and not graded 2%. The number of 5 graded sites remains low due to the failure by most sites to offer free compressed air to their customers. The major reason cited is that of vandalism of air nozzles by road side vendors of air pressure and unruly combi assistants. Most sites are resorting to keeping the nozzles locked up and only issuing them out on request.

ZUVA, Totalenergies and Engen oil marketing companies are the top three performing companies in terms of their graded sites achieving the 5 status as 19%, 19% and 16% respectively.

7.4.10 Development of Rural Service Stations

During the year, ZERA lobbied for the fast-track development of guidelines for the approval of the installation and construction of containerized fuel filling stations in rural and remote areas. Consequently, a draft standard, ZWS 1119, giving guidelines for low cost but safe fuel retail sites installations in remote and rural areas has been developed by the Standards Association of Zimbabwe Technical Committee in consultation with key stakeholders. Once published in 2024, the standards will enable decision-makers in government departments to evaluate applications for setting up low-cost fuel retail facilities in designated places.

8.0 STAKEHOLDER ENGAGEMENT & ADVISORY

8.1 Stakeholder Engagement & Advisory Services

8.1.1 Consumer Engagements

The Authority constantly engaged the Consumer Protection Commission and Consumer Council of Zimbabwe in the following activities;

- Resolution of complaints to do with consumer rights violation.

- Education and awareness of consumer rights and responsibilities at stakeholder engagements

The Authority also engaged ZETDC to finalise publishing of Consumer Protection Standards on their website. This is a key requirement of the Electricity Act (Chapter 13:19)



Figure 22: Makokoba, Bulawayo Consumer Education



Figure 23: Dzivarasekwa, Harare Consumer Education



Figure 24: Hauna, Eastern Highlands Consumer Education



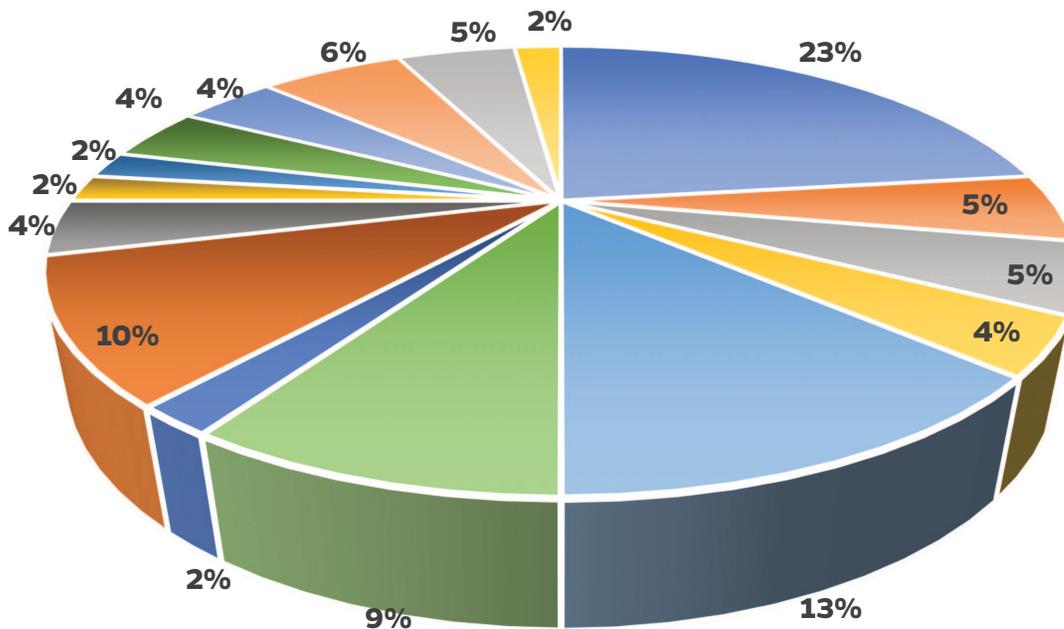
Figure 25: Mzilikazi, Bulawayo Consumer Education

8.1.2. Stakeholder engagement and advisory campaigns conducted.

a) Stakeholder Engagement:

Thirty-eight (38) consumer education and awareness campaigns/ stakeholder engagements were conducted in Harare, Bulawayo and Mutare and the issues raised by attendees are shown in the pie chart in Fig 49 below.

Consumer Education



- Electricity connections, power outage, load shedding, speed of response
- ZETDC office location sparseness and decentralisation
- Hanging poles, trees in lines, safety and accidents
- Metering
- Customer supplied material reimbursement
- Fuel contamination/availability
- LPGas safety, accessories life span and repairs
- LPGas applications and licensing flow chart
- LPGas regulation and new homes
- LPGas price and quality
- Net Metering
- ZERA Consumer education and awareness
- Safe use of energy and energy efficiency
- Solar, IPP's licensing standards and USD currency bills
- CCZ and CPC roles and consumer rights violation

Figure 26: Breakdown of Stakeholder Concerns Raised at Engagements.

b) Stakeholder engagement and advisory policy

Among the Authority's key functions include that of stakeholder engagement and advisory. This responsibility compels the Authority to strategically define, engage, lobby, advocate, inform, empower, educate, and also learn from its diverse stakeholders.

The Stakeholders Engagenent Policy was formulated in 2023 which aims to provide all ZERA employees with an understanding of, and practical tips for successful stakeholder engagement, understanding of mutual interests and influences, as well as execution of interventions that improve alignment and mutual value adding relationship with its stakeholders.

Proactive and meaningful stakeholder engagement can also reduce potential conflict and allow multiple parties to achieve long-lasting outcomes and results.

c) Strategic Partnerships

Two meetings against a target of eight were held with farmers, Confederation of Zimbabwe Industries, Chamber of Mines Zimbabwe and Zimbabwe Electricity Transmission Distribution discussing energy matters, challenges experienced and proposed recommendations in their respective sectors.

Two more meetings were held with Consumer Protection Commission and Consumer Council of Zimbabwe on consumer rights and responsibilities, the roles of the two bodies and Consumer Protection Act and its impact on the energy industry.

Partnerships were also made with stakeholders such as ZRP, City Councils, residents trusts, service providers, licensees and consumers during consumer education and awareness campaigns and pre-strategy workshop/ stakeholder consultation and feedback

8.1.3 Media Engagement Workshop

In 2023, ZERA made significant strides in elevating discussions surrounding Net metering, the safe usage of energy products, championing energy efficiency, and spotlighting evolving trends and investment prospects within the energy sector. A standout accomplishment was the Media Engagement Workshop held in December, which convened editorial teams from leading media outlets across the country. Recognizing the indispensable role of the media as a catalyst for disseminating crucial messages and driving behavioral shifts in energy product utilisation, ZERA proactively engaged with media stakeholders to equip them with the tools to effectively communicate essential information on safe energy practices, energy efficiency strategies, and emerging industry dynamics to a wider audience.

Through this strategic partnership with the media, ZERA successfully amplified awareness and comprehension of key energy-related issues among the public, fostering a more informed and responsible approach to energy consumption. This accomplishment underscored the unwavering commitment in fostering impactful collaborations and leveraging influential channels to advance ZERA's mission of promoting sustainable energy practices. The engagement with media editorial teams not only facilitated the dissemination of vital insights but also catalyzed meaningful conversations on sustainable energy solutions and investment opportunities within the energy sector, driving positive change and cultivating a culture of informed decision-making in energy usage and investments.

8.1.4 ZERA Stakeholder Satisfaction Online survey 2023

ZERA took proactive steps to enhance stakeholder engagement and gather valuable feedback through an online survey aimed at assessing satisfaction levels with its services, communication, and accessibility. The survey results provided crucial insights into the needs and concerns of stakeholders within the fuel and electricity market, laying a solid foundation for a deeper understanding of industry requirements.

The feedback received from the survey indicated an overall satisfaction index of 78.36% against 73.78% recorded in 2022. There are underscoring areas for improvement including the establishment of a customer service center, increased engagement with stakeholders, and enhanced staff capacity to boost operational efficiency. These recommendations

offer a roadmap for ZERA to enhance service delivery, communication practices, and accessibility for stakeholders in the energy sector.

By heeding the insights gathered from the survey, ZERA is poised to strengthen its engagement with stakeholders, foster improved communication channels, and address the specific challenges and needs of the fuel and electricity industry. Through ongoing commitment to implementing these recommendations, ZERA is dedicated to elevating service standards and forging stronger relationships with stakeholders to drive sustainable energy solutions across the sector.

8.1.5 Net- Metering initiative

Throughout the fiscal year, ZERA made significant strides in promoting the adoption of Net Metering as a transformative solution to address the prevailing power supply deficit in Zimbabwe. The Authority's proactive approach included engaging with stakeholders through various platforms, such as the inaugural CEO After Hours panel and the CEO Africa Roundtable Annual Conference, where insights into the Net Metering Concept were shared with over 150 industry leaders. This initiative aimed to drive sustainable and environmentally conscious practices within corporate strategies, urging profit-making organisations to consider integrating Net Metering into their 2024 strategic plans.

Additionally, ZERA's presence at prominent exhibitions including the Zimbabwe International Trade Fair (ZITF), Harare Agricultural Show, Mine Entra, Harare Construction Expo, and the Sanganai Hlanganani show underscored our commitment to advocating for Net Metering. These showcase events provided a platform to further emphasize the importance and benefits of Net Metering, garnering recognition with the 1st Runner up award for the Best Public Institution Stand at the latter exhibition.

The Authority held five workshops on Net-Metering in Bulawayo, Gweru, Mutare, Masvingo and Beitbridge to further engage with key stakeholders.

Most complaints took an average of 38 days compared to 60 days to resolve due to delayed responses by licensees/service providers during dispute resolution. The Authority will initiate development of Dispute Resolution Regulations which will impose fines on licensees/service providers who delay submission of requested information and delay/ignore submission deadlines for dispute resolution.

Table 31: Public Complaints Resolution

No	Description	YTD 2023	YTD 2022
1	Cases received in 2023 and cases pending from previous years	75	135
2	Cases Resolved in 2023	62	122
3	Pending cases (unresolved from previous years)	16	7
4	Complaint Resolution rate (target 90%)	82.70%	90.37%
5	Average resolution Days (Target 60 days)	38	-





ZERA

2023

**Financial
Statements**

GENERAL INFORMATION

NATURE OF BUSINESS:	Regulation of the Energy Sector in Zimbabwe.
BOARD MEMBERS- NON-EXECUTIVE:	Dr. D. Madzikanda (Chairperson) Dr. Pr. Eng. Mavhiya-Bhiza (Vice Chairperson) Mrs.T. Madzivire Dr.T. K. Ncube Mr. M. Kambarami Dr. S. Ziuku Mrs.G. Chikwava
BOARD MEMBERS – EXECUTIVE:	Mr. E.T. Mazambani- Chief Executive Officer
MANAGEMENT:	Mr. E.T. Mazambani - Chief Executive Officer Eng. M. Siyakatshana - Technical Services Director Mr. N. Ranga - Finance and Administration Director Ms. J. Mupamhanga- Corporate Secretary Mr. L. Nechitoro - Senior Manager Economic Regulation Mrs. C. Machimbidzofa- Senior Manager Monitoring and Evaluation Mrs. R. Musiyiwa- Head Internal Audit
BUSINESS OFFICE:	14th Floor Century Towers 45 Samora Machel Avenue HARARE ZIMBABWE
MAIN BANKERS:	ZB Bank Limited 4th& 5th Floors ZB House Cnr Speke Avenue/First Street HARARE Stanbic Bank 59 Samora Machel Avenue HARARE
AUDITORS:	Crowe Chartered Accountants (Zimbabwe) 7 Avon Rise Avondale Harare, Zimbabwe
CORPORATE SECRETARY:	Ms. J. Mupamhanga

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
ZIMBABWE ENERGY REGULATORY AUTHORITY**

The Board Members of Zimbabwe Energy Regulatory Authority (“ZERA”/“the Authority”) are required in terms of the Energy Regulatory Authority Act [Chapter 13:23] and the Public Finance Management Act[Chapter 22:19] to maintain adequate accounting records and prepare the financial statements comprising of the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2023, statement of financial position as at 31 December 2023, summary of accounting policies and notes to the financial statements. The Authority’s independent external auditors, Crowe Chartered Accountants (“Crowe”) have audited the financial statements, and their report appears on pages 55 to 57

The Board Members are also responsible for the implementation and maintenance of systems of internal controls. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements, and to safeguard, verify and maintain accountability of assets, and prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Board Members to indicate that any material breakdown in the functioning of these controls, procedures and systems have occurred during the year under review except those reported by the auditors.

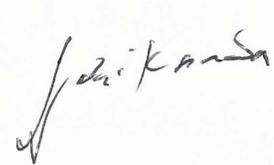
The financial statements are presented on the going concern basis. There is no information that has come to the attention of the Board Members to indicate that the Authority will not remain a going concern for the foreseeable future.

Approval of the annual financial statements

The financial statements set out on pages 58 to 77 were approved by the Board Members on 28 March 2024 and were signed on their behalf by:



Mr. E. T. Mazambani
Chief Executive Officer



Dr. D. Madzikanda
Board Chairperson

These financial statements were prepared under the supervision of:



Mr. N. Ranga
Finance and Administration Director

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
ZIMBABWE ENERGY REGULATORY AUTHORITY**

Opinion

We have audited the financial statements of Zimbabwe Energy Regulatory Authority, set out on pages 55 to 75, and comprising:

- Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2023;
- Statement of financial position as at 31 December 2023;
- A summary of significant accounting policies applied by the Authority during the financial yearended 31 December 2023; and
- Notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of ZERA as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

We summarise below the matters that had the greatest effect on our audit, our key audit procedures, and our findings from those procedures in order that the Authority’s key stakeholders may better understand the process by which we arrived at our audit opinion. Our findings are the result of procedures undertake in the context of and solely for the purpose of our audit opinion on the Authority’s financial statements.

Key Audit Matters	
Key audit matter	How the matter was addressed during the audit
<p>Valuation of leases</p> <p>The Authority has right of use assets valued at ZWL 3 991 429 015 and total lease liabilities valued at ZWL3 664 004 767 as noted in note 4 and 13 of the financial statements.</p> <p>The Authority has four lease agreements that are all significant in value, together with the estimates required in determining the value of the right of use asset (ROUA) and lease liability, we considered this area to be a key audit matter.</p>	<p>Our procedures encompassed the following among others:</p> <ul style="list-style-type: none"> • Inspected the right of use asset and lease liability schedules to confirm the inputs used in calculating the asset and liability; • Enquired of management the discounting rate used in calculating the lease liability; • Recalculated the lease liability for a sample of leased assets to confirm accuracy of the lease liability; • Recalculated the right of use assets for a sample of lease contracts; and • Reviewed the note disclosing the recognition of IFRS 16 Leases to confirm adequacy of disclosure. <p>We were satisfied with the evidence obtained regarding the valuation, completeness, and validity of the right of use assets and lease liabilities.</p>
<p>Valuation of Property and Equipment</p> <p>The Authority engaged an independent expert valuer to revalue its property and equipment.</p> <p>Valuations by their nature involve use of judgement and estimates which involve significant unobservable inputs such as risk yields.</p> <p>The complexity and subjectivity of these estimates may result in material misstatement. The current economic environment is extremely volatile given the valuation intricacies impacting the Zimbabwean market.</p>	<p>Our procedures included the following among others:</p> <ul style="list-style-type: none"> • We assessed the competence, capabilities, objectivity of the independent expert valuer and assessed their qualifications; • We made enquiries to obtain an understanding of the valuation techniques and judgements adopted; • We assessed the work performed by the independent expert in valuing non-monetary assets by reviewing the valuation methods used and assessed whether they are appropriate and consistent with the reporting requirements • We performed physical verification of a sample of assets to determine whether the conclusion reached by the independent valuers were consistent with the actual physical condition; and • Evaluated the inflation adjusted financial statement disclosures for appropriateness and adequacy. <p>Based on the audit evidence obtained, we concluded that property and equipment is accurately valued.</p>

Board Members responsibility for the financial statements

The Board Members of the Authority are responsible for the preparation and fair presentation of these financial statements, in accordance with International Financial Reporting Standards (IFRSs). This responsibility includes, but is not limited to the following:

- Designing, implementing, and maintaining internal controls that ensure proper preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- Formulating and applying appropriate accounting policies; and
- Making accounting estimates that are reasonable in the Authority's circumstances.

In preparing the financial statements, the Board Members are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;

Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal

controls;

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members;

- Conclude on the appropriateness of the Board Members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board Members with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board Members, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on legal and regulatory requirements

In our opinion the financial statements have been properly prepared in compliance with the disclosure requirements of and in the manner required by the Energy Regulatory Authority Act [Chapter 13:23] and the Public Finance Management Act [Chapter 22:19].

The Engagement Partner on the audit resulting in this independent auditor's report is Albert Tirivangani.



CROWE CHARTERED ACCOUNTANTS

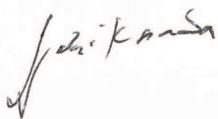
Albert Tirivangani
Engagement Partner
Registered Public Auditor
PAAB Practice Certificate Number: 0584

28 March 2024

Statement of financial position		INFLATION ADJUSTED		HISTORICAL COST	
		2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
ASSETS					
Non Current Assets					
Property and equipment	3	18 303 953 794	2 491 772 752	18 303 953 794	1 496 139 950
Right of use asset	4	3 991 429 015	309 536 719	3 991 429 015	244 663 895
Intangible assets	5	29 337 134	8 781 107	29 337 134	6 940 759
		22 324 719 943	2 810 090 578	22 324 719 943	1 747 744 604
Current Assets					
Inventory	7	43 881 213	8 071 794	43 881 213	6 380 104
Trade and other receivables	8	16 235 099 152	2 044 324 123	16 235 099 152	1 615 873 887
Cash and cash equivalents	9	9 342 378 957	2 153 875 166	9 342 378 957	1 702 465 181
VAT receivable	10	-	41 704 723	-	32 964 231
		25 621 359 322	4 247 975 806	25 621 359 322	3 357 683 403
Total Assets		47 946 079 265	7 058 066 384	47 946 079 265	5 105 428 007
EQUITY AND LIABILITIES					
Equity					
Reserves		12 146 984 479	1 006 733 779	12 861 957 398	1 196 437 722
Retained income		13 596 722 963	3 989 028 328	12 881 750 044	2 308 795 577
Total equity		25 743 707 442	4 995 762 107	25 743 707 442	3 505 233 299
Non-Current Liabilities					
VAT provision	12	2 077 549 254	-	2 077 549 254	-
Lease Liability	13	2 399 586 097	-	2 399 586 097	-
		4 477 135 351	-	4 477 135 351	-
Current Liabilities					
Trade and other payables	11	15 885 564 008	1 632 256 823	15 885 564 008	1 260 276 765
VAT payable	12	575 253 794	167 123 562	575 253 794	132 097 742
Lease liability	13	1 264 418 670	262 923 891	1 264 418 670	207 820 201
Total current liabilities		17 725 236 472	2 062 304 277	17 725 236 472	1 600 194 708
Total liabilities		22 202 371 823	2 062 304 277	22 202 371 823	1 600 194 708
Total equity and liabilities		47 946 079 265	7 058 066 384	47 946 079 265	5 105 428 007

The financial statements and the notes on pages 55 to 75 were approved by the board of directors on 28 March 2024 and were signed on its behalf by:

Dr. D. Madzikanda
Board Chairperson



Mr. N. Ranga
Finance and Administration Director



Mr. E. T. Mazambani
Chief Executive Officer



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
Revenue	14	46 541 044 301	4 628 089 538	41 852 038 958	3 658 132 754
Other income	15	14 640 442 032	2 132 744 737	12 374 298 919	1 705 358 580
Operating expenses	16	(35 259 230 059)	(4 224 282 819)	(31 644 752 825)	(3 338 956 002)
Monetary gain/(loss)		(2 202 343 307)	(253 602 190)		
Operating surplus for the year		23 719 912 967	2 282 949 266	22 581 585 052	2 024 535 332
Surplus/ (Deficit) for the year		23 719 912 967	2 282 949 266	22 581 585 052	2 024 535 332
Other Comprehensive Income					
Revaluation surplus/(loss)		11 140 250 700	707 849 263	11 665 519 676	671 615 664
Total comprehensive income/(loss)		34 860 163 667	2 990 798 529	34 247 104 728	2 696 150 996
Total Comprehensive Income/(loss) attributable to:					
ZERA		20 747 945 335	3 142 689 415	22 238 474 143	2 582 538 580
Rural Electrification Fund	17	14 112 218 332	(151 890 886)	12 008 630 585	113 612 416
		34 860 163 667	2 990 798 529	34 247 104 728	2 696 150 996

STATEMENT OF CHANGE IN EQUITY						
	Note s	Non Distributed Reserve ZWL\$	Revaluation Reserve	Total reserves ZWL\$	Retained Income ZWL\$ ZWL\$	Total Equity
INFLATION ADJUSTED						
Balance at 01 January 2022		298 884 516		298 884 516	1 554 188 176	1 853 072 692
Surplus/ (Deficit) for the year					2 282 949 266	2 282 949 266
Revaluation surplus			707 849 263	707 849 263		707 849 263
Transfer to Rural Electrification Fund Account	17				151 890 866	151 890 866
Total changes			707 849 263	707 849 263	2 434 840 152	3 142 689 415
Balance at 31 December 2022		298 884 516	707 849 263	1 006 733 779	3 989 028 328	4 995 762 107
Surplus for the year					23 719 912 967	23 719 912 967
Revaluation Surplus/ (Deficit)			11 140 250 700	11 140 250 700		11 140 250 700
Transfer to Rural Electrification Fund Account	17				(14 112 218 332)	(14 112 218 332)
Total Change			11 140 250 700	11 140 250 700	9 607 694 435	20 747 945 335
Balance at 31 December 2023		298 884 516	11 848 099 963	12 146 984 479	13 596 722 936	25 743 707 442
HISTORICAL COST						
Balance at 01 January 2022		794 854	524 027 203	524 822 057	397 872 662	1 447 516 776
Surplus for the year					2 024 535 331	2 024 535 331
Revaluation surplus			671 615 664	671 615 664		671 615 664
Transfer to Rural Electrification Fund Account					(113 612 416)	(113 612 416)
Total Changes			671 615 664	671 615 664	2 024 535 331	2 696 150 995
Balance at 31 December 2022		794 854	1 195 642 867	1 196 437 721	2 308 795 577	3 505 233 299
Balance at 01 January 2023		794 854	1 195 642 867	1 196 437 721	2 308 795 577	3 505 233 299
Surplus for the year					22 581 585 052	22 581 585 052
Revaluation surplus			11 665 519 676	11 665 519 676		11 665 519 676
Transfer to Rural Electrification Fund Account	17				(12 008 630 585)	(12 008 630 585)
Total comprehensive income for the year			11 665 519 676	11 665 519 676	10 572 954 467	22 238 474 143
Balance at 31 December 2023		794 854	12 861 162 543	12 861 957 398	12 881 750 044	25 743 707 442

STATEMENT OF CASHFLOWS	INFLATION ADJUSTED		HISTORICAL COST	
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
CASHFLOWS FROM OPERATING ACTIVITIES				
Surplus/(Deficit) for the year	23 719 912 967	2 282 949 266	22 581 585 052	2 024 535 331
Depreciation	1 146 615 584	152 016 718	1 072 232 072	120 156 996
Loss on Asset disposal or assets scrapped	5 196 509	152 904 493	4 107 445	396 946
Interest received	(238 306 171)	(27 554 777)	(246 268 850)	(21 779 719)
Increase in expected credit losses	1 360 833 306	-	938 868 332	-
Bad Debts	76 000 000	-	76 000 000	-
Interest on Lease	167 989 341	-	142 948 285	-
Monetary Loss	2 202 343 307	253 602 190	-	-
Exchange rate gains	(3 035 068 496)	-	(2 446 748 001)	-
Effects of IAS 29	(3 377 849 629)	-	-	-
Rural Electrification Fund Transfer	(14 112 218 332)	151 890 886	(12 008 630 585)	(113 612 416)
Operating Income before working capital changes	7 915 448 386	2 965 808 776	10 114 093 750	2 009 697 138
Working Capital Movements				
Increase /(decrease) in payables	14 253 307 185	1 146 687 175	14 625 287 243	1 157 323 293
(Increase)/decrease in receivables	(14 190 775 029)	(2 391 480 378)	(14 619 225 265)	(1 407 270 597)
(Increase)/decrease in inventory	(35 809 419)	(2 186 626)	(37 501 109)	(5 026 906)
VAT and withholding tax liability	2 807 716 329	(29 616 442)	443 156 052	86 860 596
VAT provision	2 077 549 254	-	2 077 549 254	-
VAT (receivable)/payable	41 704 723	(75 902 596)	32 964 231	(32 964 231)
Sub total	4 953 693 043	(1 352 498 867)	2 522 230 406	(201 077 845)
Cash generated from operating activities	12 869 141 429	1 613 309 909	12 636 324 156	1 808 619 293
Finance costs				
Interest received	238 306 171	27 554 777	246 268 850	21 779 719
Interest accrued	(36 370 621)	-	(30 949 094)	-
Net financing costs	238 306 171	27 554 777	215 319 756	21 779 719
Cash flow from operations	13 107 447 600	1 640 864 687	12 851 643 912	1 830 399 012
Investing activities				
Purchase of tangible non-current assets				
Change in right of Use Asset	(4 705 107 085)	(545 117 171)	(4 178 831 999)	(320 939 298)
Proceeds from sale of assets	-	(268 729 096)	-	(258 783 154)
Purchase of intangible assets	7 020 825	635 945	5 974 277	343 858
	-	(2 227 070)	-	(1 375 250)
Net cashflow from Investing	(4 698 086 260)	(815 437 392)	(4 172 857 722)	(580 753 844)
Net cash inflow/(outflow) before financing				
Financing activities	8 409 361 340	825 427 295	8 678 786 191	1 249 645 168
Lease liability	(1 220 857 549)	213 040 263	(1 038 872 415)	196 350 276
Net cash inflow/(outflow) from financing	(1 220 857 549)	213 040 263	(1 038 872 415)	196 350 276
Increase /(decrease) in cash and cash equivalents	7 188 503 791	1 038 467 558	7 639 913 776	1 445 995 444
Cash and cash equivalents at beginning of year	2 153 875 166	1 115 407 608	1 702 465 181	256 469 737
Cash and cash equivalents at end of year	9 342 378 957	2 153 875 166	9 342 378 957	1 702 465 181
Represented by				
Cash and bank balances	9 342 378 957	2 153 875 166	9 342 378 957	1 702 465 181
Cash and cash equivalents at end of year	9 342 378 957	2 153 875 166	9 342 378 957	1 702 465 181

Reporting entity nature of business

ZERA is a parastatal established by an Act of Parliament, the Energy Regulatory Authority Act [Chapter13:23] and is wholly owned by the Government of Zimbabwe. The mandate of ZERA is to regulate the energy industry.

Basis of preparation

Statement of Compliance

The inflation adjusted financial statements for the year ended 31 December 2023, have been prepared on the going concern basis in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Standards promulgated by the International Accounting Standards Board (IASB) and in the manner required by the Energy Regulatory Authority Act [Chapter 13:23].

Application of IAS 29- Financial Reporting in Hyperinflation Economy

The Public Accountants and Auditors Board (PAAB) issued a pronouncement in October 2019 prescribing application of inflation accounting for reporting periods ended on or after 1 July 2019. The pronouncement was issued pursuant to a broad market consensus within the accounting and auditing professions that the Zimbabwe economy had met the characteristics of a hyper-inflationary economy. IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary financial results. However, the historical cost results are included as supplementary information to meet other user requirements.

As a result, the auditors have not expressed an opinion on this historical information. In order to account for the rapid loss in the purchasing power of the local currency, hyperinflation accounting principles require transactions and balances to be stated in terms of the measuring unit current at the end of the reporting period.

ZERA adopted the Zimbabwe consumer price index (CPI) as the general price index to restate transactions and balances as appropriate. The conversion factors used to restate the organisation’s financial statements for the year ended 31 December 2023 are as follows:

Dates	Indices	Conversion factor
31 December 2023	113.21821	1
31 December 2022	89.48989	1.2652
31 December 2021	57.38993	1.9728

The main procedures applied for the above-mentioned restatements are as follows:

Financial statements prepared in the currency of a hyper-inflationary economy are restated in terms of the measuring unit current at the statement of financial position date, and corresponding figures for the period are restated in the same terms.

Monetary assets and liabilities that are carried at amounts current at the financial position date are not restated because they are already expressed in terms of the monetary unit current at the financial position date.

Non-monetary assets and liabilities that are not carried at amounts current at the financial position date and components of shareholders' equity are restated by applying the relevant conversion factors.

Monetary assets and liabilities denominated in foreign currencies at the financial position date are translated to Zimbabwe dollars at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Zimbabwean dollars at the foreign exchange rate ruling at the date of the transaction.

Comparative financial statements are restated using general inflation indices in terms of the measuring unit, current at the latest balance sheet date.

All items in the income statement are restated by applying the relevant month, yearly average or year-end conversion factor.

The effects of inflation on the net monetary position of the organisation are included in the income statement as a monetary gain/(loss) adjustment (IAS 29)

Presentation and functional currency

These financial statements are presented in Zimbabwean dollars (“ZWL\$”) which was both the functional and presentation currency of the organisation for the year ended 31 December 2023.

Critical accounting judgments assumptions and estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. The use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future may differ from these estimates, which may be material to the financial statements. Estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

Useful lives and residual values of property, plant, and equipment

ZERA assesses useful lives and residual values of property, plant, and equipment each year considering past experience and technology changes. The depreciation rates are set out in note 2.7 and no changes to these useful lives have been considered necessary during the year. The residual values for the year were assessed and have been noted as adequate. The value for this year has been assessed as \$Nil (2022 \$ Nil).

New and revised standards and interpretations effective for the current year

The new standards and amendments for the financial year ended 31 December 2023 were as follows;

New and revised standards and interpretations effective for the current year	
Effective date	New accounting standards or amendments
1 January 2023	IFRS 17 Insurance Contracts Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 Definition of Accounting Estimates – Amendments to IAS 8 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
23 May 2023	International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The Authority did not adopt any new standards in the current year.

Revenue recognition

As per IFRS 15, revenue is recognized on accrual basis and the revenue categories of the entity areas follows;

Electricity annual levies

Levies are charged at 1% of electricity sales to electricity generating, transmission and distributing companies in terms of Statutory Instrument number 6 of 2008.

Electricity license application fees

License application fees are charged to all companies and individuals who submit applications to obtain any form of trading license in terms of the applicable regulation promulgated through statutory instrument.

License fees

Electricity License fees are charged to new companies who are into the generation, transmission and distributing companies in terms of the applicable regulation promulgated through statutory instrument.

Liquefied petroleum gas (LPG) license fees are charged in terms of fees promulgated through statutory instrument.

License fees for the Petroleum sub-sector vary depending on the category of business as follows:

- (a) Blending
- (b) Procurement
- (c) Production
- (d) Retail
- (e) Wholesalers

Interest received

Revenue is recognised as the interest accrued in line with IFRS 9.

Property, plant, and equipment

Property, plant, and equipment are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation.

Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised. Property, plant, and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Depreciation on revalued assets is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings. Properties in the course of construction for administrative purposes are carried at revalued amounts. Cost includes professional fees and, for qualifying assets, borrowing costs. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use. Land is not depreciated. Depreciation is provided for on a straight-line basis over the assets' expected economic useful lives on the following rates:

Item	Depreciation Rates
Furniture and fixtures	20%
IT equipment	33.3%- 50%
Buildings	2.5%
Land	-
Motor vehicles	20%
Office equipment	20%
Office partitions	4%
Other property and equipment	33.3%-50%

Depreciation commences when the asset is ready for intended use and it ceases when the asset is no longer in use or is disposed. The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The gain or loss arising from de-recognition of an item of property and equipment is included in profit or loss when the item is de-recognized. The gain or loss arising from de-recognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Impairment of assets assessment

The carrying amounts of ZERA assets are reviewed at each financial reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. An impairment loss is recognized in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

Investment property

Investment property is initially recognized at cost and subsequently measured at fair value at every statement of financial position date.

Intangible assets

Intangible assets acquired are measured on initial recognition at cost. After initial recognition, the assets are carried at revalued amounts, being fair value at the date of revaluation. The Authority adopted the revaluation model in 2021 and all assets are carried at fair value as at 31 December 2023.

Item Amortisation rates

Computer software	33.33%
ZERA website	20.00%

Provisions

Provisions are recognized when ZERA has a present legal or constructive obligation because of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Employee benefits

Employee benefits are the consideration given by ZERA in exchange for services rendered by employees. In summary the benefits are;

Short-term benefits

Benefits earned by employees under normal employment terms including salaries, bonuses and leave pay. These are expensed as earned and accordingly provisions are made for unpaid bonuses and leave pay.

Post-employment benefits

Contributions to Old Mutual Pension Fund and Group Life Cover are expensed as and when incurred. All employees contribute to the National Social Security Authority pension scheme and the amounts are included in the determination of surplus for the year.

Corporate tax

ZERA is exempt from paying corporate tax in accordance with the Income Tax Act (Chapter 23:06).

Inventory

Inventory are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average price method.

Foreign currency transactions

Transactions in foreign currency are translated into United States dollars at rates of exchange prevailing at date of transaction. At each statement of financial position date, monetary assets and liabilities that are dominated in foreign currencies are translated at the rates prevailing on the statement of financial position date. Gains and losses arising on exchange are included in the statement of comprehensive income for the period.

Financial instruments Classification

ZERA classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss – designated.
- Loans and receivables.
- Financial liabilities measured at amortized cost.

Classification depends on the purpose for which the financial instruments were obtained and takes place at initial recognition. Classification is re-assessed on an annual basis, except for financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognized initially when ZERA becomes a party to the contractual provisions of the instruments. ZERA classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments that are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognized in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period. Net gains or losses on the financial instruments at fair value through profit or loss includes interest. Loans and receivables are subsequently measured at amortized cost, using the effective interest method, less accumulated impairment losses.

Impairment of financial assets

At each reporting date ZERA assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired. For amounts due to ZERA, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognized in profit or loss. Impairment losses are recognized in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognized, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognized. Reversals of impairment losses are recognized in profit or loss except for equity investments classified as available-for-sale. Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable. Where financial assets are impaired through use of an allowance account, the amount of the loss is recognized in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to directors, managers, and employees

These financial assets are classified as loans and receivables

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables.

Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payable

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Leases

The Authority accounts for leases in line with IFRS 16 principles. The Authority recognize right-of-use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of the future lease payments. Depreciation of right-of-use assets and interest on lease liabilities for the reporting period is recorded in profit or loss. The Authority separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the Statement of Cash Flows.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Authority recognize a lease expense on a straight-line basis as permitted by IFRS 16 through the profit or loss.

Value Added Tax (VAT)

VAT is accounted for on accrual basis but remittance to Zimbabwe Revenue Authority (ZIMRA) is on cash basis. This was after ZIMRA approved for the use of the cash basis. The difference which arises between accrual and cash basis are classified under current assets as VAT receivable and under non-current liabilities as VAT Payable. However, there is no obligation to settle it with ZIMRA, the liability will clear when the cash amount received from electricity receivables exceeds the invoiced value. ZERA had collected amounts from which VAT is due to ZIMRA and these are classified under current liabilities in the Statement of Financial Position.

3. PROPERTY AND EQUIPMENT		INFLATION ADJUSTED		HISTORICAL COST				
		2023		2022				
	Cost or Revaluation	Accumulated	Depreciation	Carrying Value	Cost or Revaluation	Accumulated	Depreciation	Carrying Value
Furniture and fixtures	461 231 059			461 231 059	87 050 602			
IT Equipment	851 622 393			851 622 393	193 046 434			193 046 434
Land	1 875 000 000			1 875 000 000	189 772 618			189 772 618
Motor vehicles	7 225 080 525			7 225 080 525	535 866 032			535 866 032
Office equipment	32 118 243			32 118 243	62 813 845			62 813 845
Office partitions	1 389 112 610			1 389 112 610	248 853 551			248 853 551
Other assets	1 407 288 964			1 407 288 964	265 404 607			265 404 607
W.I.P building	5 062 500 000			5 062 500 000	908 965 063			908 965 063
Total	18 303 953 794			18 303 953 794	2 491 772 752			2 491 772 752

Reconciliation of Property and equipment -2023

	Opening Balance	Additions	Revaluation	Disposals	Depreciation	Depreciation Write Back	Total Balance
Furniture and fixtures	87 050 602	178 768 244	195 412 213	-	23 740 002	(23 740 002)	461 231 059
IT Equipment	193 046 434	268 210 663	392 731 592	(2 366 296)	74 084 416	(74 084 416)	851 622 393
Land	189 772 618	-	1 685 227 382	-	-	-	1 875 000 000
Motor vehicles	535 866 032	2 500 189 866	4 193 697 189	(4 672 562)	272 653 662	(272 653 662)	7 225 080 525
Office equipment	62 813 845	9 191 233	(39 886 835)	-	3 039 582	(3 039 582)	32 118 243
Buildings	248 853 551	68 931 977	1 071 327 082	-	6 846 994	(6 846 994)	1 389 112 610
Other assets	265 404 607	497 996 630	646 977 318	(3 089 591)	139 626 846	(139 626 846)	1 407 288 964
W.I.P building	908 965 063	1 181 818 472	2 971 716 465	-	-	-	5 062 500 000
Total	2 491 772 752	4 705 107 085	11 117 202 406	(10 128 449)	519 991 502	(519 991 502)	18 303 953 794

Reconciliation of Property and equipment -2022

	Opening Balance	Additions	Revaluation	Disposals	Depreciation	Total
Furniture and fixtures	84 494 846	10 555 288	11 820 349	(1 507 234)	(18 312 647)	87 050 602
IT Equipment	121 093 607	65 513 101	45 628 808	-	(39 189 082)	193 046 434
Land	82 602 340	-	107 170 278	-	-	189 772 618
Motor vehicles	137 488 692	300 610 612	176 420 310	-	(78 653 582)	535 866 032
Office equipment	33 094 570	2 999 913	28 481 935	-	(1 762 573)	62 813 845
Buildings	48 537 090	27 440 316	178 917 991	(142 322)	(5 899 524)	248 853 551
Other assets	170 165 389	83 406 843	62 650 075	-	(50 817 700)	265 404 607
W.I.P building	760 633 804	54 591 098	93 740 161	-	-	908 965 063
Total	1 438 110 338	545 117 171	704 829 907	(1 649 556)	(194 635 108)	2 491 772 752

Assets were revalued on 31 December 2023 by a qualified independent valuer, Crusader Real Estate Consultancy P/L, using the open market value as the basis to determine the fair value of the Property and Equipment. The net replacement value was used in determining the Fair Value (FV) of the Property and Equipment. The directors certify that there are no restrictions on the title and the Property and Equipment has not been pledged against any liability of the Authority.

3. Property and Equipment (continued)	INFLATION ADJUSTED			HISTORICAL COST		
	2023			2022		
Property and Equipment	Cost or Revaluation	Accumulated Depreciation	Carrying Value	Cost or Revaluation	Accumulated Depreciation	Carrying value
Furniture and fixtures	461 231 059			51 311 780		51 311 780
IT Equipment	851 622 393		851 622 393	79 264 531		79 264 531
Land	1 875 000 000		1 875 000 000	150 000 000		150 000 000
Motor vehicles	7 225 080 525		7 225 080 525	423 559 022		423 559 022
Office equipment	32 118 243		32 118 243	4 623 934		4 623 934
Office partitions	1 389 112 610		1 389 112 610	106 476 174		106 476 174
Other assets	1 407 288 964		1 407 288 964	110 628 817		110 628 817
W.I.P building	5 062 500 000		5 062 500 000	570 275 692		570 275 692
Total	18 303 953 794		18 303 953 794	1 496 139 950		1 496 139 950

Reconciliation of Property and equipment -2023							
	Opening Balance	Additions	Revaluation	Disposals	Depreciation	Depreciation Write Back	Total
Furniture and fixtures	51 311 780	164 539 559	245 379 720		(21 254 318)	21 254 318	461 231 059
IT Equipment	79 264 531	245 337 807	529 200 415	(2 180 360)	(66 988 406)	66 988 406	851 622 393
Land	150 000 000		1 725 000 000				1 875 000 000
Motor vehicles	423 559 022	2 208 140 490	4 597 074 613	(3 693 600)	(243 903 854)	243 903 854	7 225 080 525
Office equipment	4 623 934	9 191 233	18 303 076		(2 689 616)	2 689 616	32 118 243
Buildings	106 476 174	65 836 178	1 216 800 258		(5 958 276)	5 958 276	1 389 112 610
Other assets	110 628 817	441 945 398	857 066 635	(2 351 886)	(127 893 310)	127 893 310	1 407 288 964
W.I.P building	570 275 692	1 043 841 334	3 448 382 974				5 062 500 000
Total	1 496 139 950	4 178 831 999	12 637 207 691	(8 225 846)	(468 687 780)	468 687 780	18 303 953 794

Reconciliation of Property and equipment -2022							
	Opening Balance	Additions	Revaluation	Disposals	Derecognition	Depreciation	Total
Furniture and fixtures	25 428 208	5 533 132	29 551 883			(9 201 443)	51 311 780
IT Equipment	27 721 433	32 906 531	38 864 394	(669 165)		(19 558 662)	79 264 531
Land	126 000 000		24 000 000				150 000 000
Motor vehicles	112 858 685	167 405 479	180 832 983			(37 538 125)	423 559 022
Office equipment	1 201 291	1 371 723	2 888 005			(837 085)	4 623 934
Buildings	4 684 748	21 436 121	27 666 974		56 000 000	(3 311 669)	106 476 174
Other assets	39 526 104	52 165 394	42 657 608	(71 640)		(23 648 649)	110 628 817
W.I.P building	210 000 000	40 120 918	320 154 774				570 275 692
Total	547 420 469	320 939 298	666 616 621	(740 805)	56 000 000	(94 095 633)	1 496 139 950

4. Right of use of asset

INFLATION ADJUSTED

Right of use of asset						
2023				2022		
	Cost or Revaluation	Accumulated Depreciation	Carrying Value	Cost or Revaluation	Accumulated Depreciation	Carrying Value
Right of use asset	4 615 560 830	(624 131 815)	3 991 429 015	357 738 938	(48 202 219)	309 536 719
Total	4 615 560 830	(624 131 815)	3 991 429 015	357 738 938	(48 202 219)	309 536 719

Reconciliation of Right of use asset -2023						
	Opening Balance	Additions	Revaluation	Disposals	Depreciation	Total
Right of use asset	309 536 719	4 306 024 111	-	-	(624 131 815)	3 991 429 015
Total	309 536 719	4 306 024 111	-	-	(624 131 815)	3 991 429 015

Reconciliation of Right of use asset -2022						
	Opening Balance	Additions	Revaluation	Disposals	Depreciation	Total
Right of use asset	178 468 415	179 270 523	-	-	(48 202 219)	309 536 719
Total	178 468 415	179 270 523	-	-	(48 202 219)	309 536 719

HISTORICAL						
Right of use of asset 2023				Disposals	Depreciation	Total
	Opening Balance	Additions	Revaluation			
Right of use asset	244 663 895	4 064 844 506	-	-	(318 079 386)	3 991 429 015
Total	244 663 895	4 064 844 506	-	-	(318 079 386)	3 991 429 015
Total	4 309 508 401	(318 079 386)	3 991 429 015	270 178 124	(25 514 229)	244 663 895

Reconciliation of Right of use asset -2022						
	Opening Balance	Additions	Revaluation	Disposals	Depreciation	Total
Right of use asset	11 394 969	258 783 155	-	-	(25 514 229)	244 663 895
Total	11 394 969	258 783 155	-	Total	(25 514 229)	244 663 895

5. Intangible assets

	2023			2022		
	Cost or Revaluation	Amortisation	Carrying Value	Cost or Revaluation	Amortisation	Carrying Value
Computer software	24 549 134		24 549 134	7 742 671		7 742 671
ZERA website	4 788 000		4 788 000	1 038 436		1 038 436
Total	29 337 134		29 337 134	8 781 107		8 781 107

Reconciliation of intangible assets-2023

	Opening Balance	Additions	Revaluation	Depreciation	Depreciation written back	Disposals	Total
	7 742 671				(2 299 350)		
Computer software ZERA website	1 038 436		19 105 813	2 299 350	(192 917)		24 549 134
			3 942 481	192 917			4 788 000
Total	8 781 107	23 048 294		2 492 267	(2 492 267)		29 337 134

Reconciliation of intangible assets-2022

	Opening Balance	Additions	Revaluation	Depreciation	Disposals	Amortisation	Total
	2 886 049						
Computer software ZERA Website	1 957 087	2 227 070	3 845 084	2 299 350		(1 215 532)	1 038 436
			3 942 481	192 917		(92 923)	4 788 000
Total	4 843 135	2 227 070		2 492 267	(2 492 267)	29 337 134	8 781 107

5. Intangible assets (Continued)

	2023			2022		
	Cost or Revaluation	Amortisation	Carrying Value	Cost or Revaluation	Amortisation	Carrying Value
Computer software	24 549 134		24 549 134	6 119 959		6 119 959
ZERA website	4 788 000		4 788 000	820 800		820 800
Total	29 337 134		29 337 134	6 940 759		6 940 759

Reconciliation of intangible assets- 2023

	Opening Balance	Additions	Revaluation	Amortisation	Amortisation Written Back	Disposal	Total
	6 119 959						
Computer software ZERA Website			18 429 175	(1 911 536)	1 911 536		24 549 134
	820 800		3 967 200	(164 160)	164 160		4 788 000
Total	6 940 759		22 396 375	(2 075 696)	2 075 696		29 337 134

Reconciliation of intangible assets-2022

Reconciliation of Intangible assets -2022

	Opening Balance	Additions	Revaluation	Disposals	Amortisation	Total
Computer software						
ZERA	663 600	1 375 250	4 407 149		326 040	6 119 959
Website	450 000		591 894		221 094	820 800
Total	1 113 600	1 375 250	4 999 043		(547 134)	6 940 759

	INFLATION ADJUSTED		HISTORICAL	
	2023	2022	2023	2022
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
6. Investment Property				
Opening balance	-	70 848 444	-	56 000 000
Fair value adjustment	-	-	-	-
Derecognition of Investment Property	-	(70 848 444)	-	(56 000 000)
Closing balance	-	-	-	-
7. Inventory				
Cartridges	24 332 615	5 220 594	24 332 615	4 126 460
Cleaning materials	-	27 096	-	21 417
Consumables	2 010 280	708 262	2 010 280	559 824
Promotional material	396 587	501 742	396 587	396 587
Seals	-	974 166	-	770 000
Stationery	14 506 238	639 934	14 506 238	505 816
Teas and beverages	2 635 493	-	2 635 493	-
Total	43 881 213	8 071 794	43 881 213	6 380 104
8. Trade and Other Receivables				
Trade receivables	16 733 173 609	1 626 209 164	16 733 173 609	1 285 387 622
Prepayments	532 087 960	534 702 994	532 087 960	422 639 735
Other receivables	859 385	-	859 385	-
Total	17 266 120 954	2 160 912 158	17 266 120 954	1 708 027 357
Trade Receivables Reconciliation				
Gross trade receivables	17 266 120 954	2 160 912 158	17 266 120 954	1 708 027 357
Allowance for credit losses	(1 031 021 802)	(116 588 035)	(1 031 021 802)	(92 153 470)
Total	16 235 099 152	2 044 324 123	16 235 099 152	1 615 873 887
9. Cash and Cash Equivalents				
Cash and cash equivalents consist of:				
Bank balances	9 342 378 957	2 153 875 166	9 342 378 957	1 702 465 181
Total	9 342 378 957	2 153 875 166	9 342 378 957	1 702 465 181
10. VAT Receivable				
VAT refundable	-	41 704 723	-	32 964 231
VAT Receivable	-	41 704 723	-	32 964 231
11. Trade and Other Payables				
Trade payables	13 220 643 345	328 059 562	13 220 643 345	259 304 713
Statutory obligations	2 323 601 431	291 452 805	2 323 601 431	230 368 778
Deferred income	341 319 232	1 012 744 456	341 319 232	770 603 274
Total	15 885 564 008	1 632 256 823	15 885 564 008	1 260 276 765
12. VAT Liability				
VAT Provision	2 077 549 254	-	2 077 549 254	-
VAT due and payable	575 253 794	167 123 562	575 253 794	132 097 742
VAT Payable	2 652 803 048	167 123 562	2 652 803 048	132 097 742

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
13. Lease Liability				
Current liability	1 264 418 670	262 923 891	1 264 418 670	207 820 201
Non-current liability	2 399 586 097		2 399 586 097	
Total	3 664 004 767	262 923 891	3 664 004 767	207 820 201
14. Revenue				
Electricity annual levies	40 548 205 274	4 043 394 429	36 704 331 721	3 195 978 270
Electricity licenses application fees	442 176 924	11 927 611	397 344 664	9 427 818
Electricity licenses fees	1 018 196 096	39 372 697	972 003 666	31 120 952
Liquid petroleum gas license fees	508 643 570	78 386 956	437 384 768	61 958 588
Petroleum licenses fees	4 023 822 437	455 007 845	3 340 974 139	359 647 126
Total	46 541 044 301	4 628 089 538	41 852 038 958	3 658 132 754
15. Other income				
Insurance proceeds	84 053	45 166	63 750	35 700
Interest received	238 306 171	27 554 777	246 268 850	21 779 719
Loan administration commission	46 133	14 788	42 311	11 252
Penalties and fines	88 248 451	26 125 808	76 538 248	19 815 040
Realized gain on Foreign Currency Account	11 182 777 027	1 597 083 287	9 515 834 657	1 229 952 064
Tender income	95 911 701		88 803 102	
Training registration fees		9 879 812		8 726 345
Foreign currency exchange gain	3 035 068 496	283 710 221	2 446 748 001	252 979 957
Decrease in allowance for credit losses		188 330 878		172 058 503
Total	14 640 442 032	2 132 744 737	12 374 298 919	1 705 358 580
16. Operating expenses				
Audit fees	6 232 730	1 485 365	4 926 892	1 174 062
Bad debts	76 000 000		76 000 000	
Bank charges	505 640 569	106 389 398	490 548 492	84 092 267
Board fees	420 183 446	12 033 650	373 031 168	9 511 633
Computer expenses	193 545 425	27 737 182	170 037 292	21 924 013
Consulting and professional fees	684 613 838	173 302 381	595 357 104	136 981 601
Consumables	464 634 701	13 770 701	345 147 150	10 884 632
Corporate social responsibility and donations	691 281 711	15 136 675	659 722 040	11 964 325
Depreciation and amortisation	1 146 615 584	152 016 718	1 072 232 072	120 156 996
Employee costs	17 769 211 170	1 586 614 080	16 170 816 017	1 254 090 891
Entertainment	39 223 757	6 036 850	34 436 959	4 771 645
Impairment and loss on disposal of assets	5 196 509	502 197	4 107 445	396 946
Insurance	350 127 123	35 483 978	313 161 539	28 047 232
Interest on lease	146 175 817	4 747 927	142 948 285	3 752 855
Lease rentals on operating lease	26 803 307	85 395 204	23 875 322	67 498 044
Motor vehicle expenses	484 478 408	173 398 402	433 057 741	137 057 498
Postage	1 512 486	382 284	1 312 761	302 165
Printing and stationery	71 139 808	26 038 678	62 393 775	20 581 482
Promotions, advertising and publicity	992 145 046	154 683 791	892 864 134	122 265 103
Repairs and maintenance and office administration	2 232 184 986	444 840 362	1 981 727 963	351 610 548
Research and development	336 366 096	138 297 260	317 188 862	109 312 867
Subscriptions	280 870 544	71 209 054	242 977 442	56 285 033
Telephone and fax	930 048 679	87 568 592	842 373 606	69 215 933
Foreign travel and subsistence	1 750 535 466	206 212 848	1 564 518 146	162 994 680
Local travel and subsistence	1 394 066 313	292 646 594	1 245 152 581	231 313 608
Workshops and seminars	2 899 563 234	408 352 648	2 645 969 705	322 769 943
Increase in allowance for credit losses	1 360 833 306		938 868 332	
Total	35 259 230 059	4 224 282 819	31 644 752 825	3 338 956 002

17. Income attributable to Rural Electrification Fund

In accordance with the Energy Regulatory Authority Act [Chapter13:23] section 31, ZERA is required to remit surplus funds realised in the electricity account to the Rural Electrification Fund. As at 31 December 2023, an electricity revenue and expenditure statement was prepared and audited, and the account had a surplus of ZWL\$ 12 008 630 585, accordingly remittance of same will be made to the Rural Electrification Fund. In 2022 a surplus of ZWL\$ 113 612 416 was recognised. Below is the electricity revenue and expenditure statement as at 31 December 2023:

	INFLATION ADJUSTED		HISTORICAL	
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
	44 743 261 096	5 257 445 247	38 073 680 051	3 236 527 040
AA Private Mileage	(109 255 897)	(144 648 810)	(92 969 845)	(81 769 134)
Admin overheads	(1 469 672 833)	(569 822 401)	(1 250 598 454)	(513 991 135)
Advertising and promotional Costs	(891 881 349)	(192 325 550)	(758 934 514)	(103 627 470)
Audit Fees	(4 921 469)	(3 286 690)	(4 187 858)	(997 953)
Bank Charges	(447 113 365)	(109 201 386)	(380 465 143)	(71 478 427)
Board fees and Sitting Allowances	(372 620 569)	(14 914 335)	(317 076 493)	(8 084 888)
Cleaning Consumables	(597 168 959)	(14 716 122)	(508 152 945)	(9 251 938)
Communication costs	(841 446 396)	(103 110 202)	(716 017 565)	(69 793 080)
Computer Expenses	(169 850 130)	(29 137 065)	(144 531 698)	(18 635 411)
Consulting & Professional Fees	(681 350 568)	(226 216 078)	(579 786 160)	(112 058 078)
Corporate Social Responsibility	(658 995 877)	(14 946 018)	(560 763 734)	(9 212 628)
Courier & Postage	(1 311 316)	(934 784)	(1 115 847)	(302 165)
Depreciation and Amortisation	(1 071 051 854)	(207 523 915)	(911 397 261)	(102 133 448)
Insurance	(312 816 838)	(44 265 682)	(266 187 308)	(23 840 147)
Loss on disposal of assets	(4 102 923)	-	(3 491 328)	-
Motor Vehicle-Expenses	(432 581 068)	(194 666 005)	(368 099 079)	(61 848 451)
Printing & Stationery	(370 303 403)	(29 085 680)	(315 104 732)	(7 717 413)
Research & Development	(316 839 729)	(137 370 145)	(269 610 533)	(92 915 937)
Staff Overheads	(16 296 777 633)	(1 779 452 951)	(13 867 525 126)	(1 079 289 185)
Subscriptions	(96 472 313)	(78 883 823)	(82 091 825)	(6 884 036)
Travel and Acc External	(1 571 683 731)	(224 776 710)	(1 329 840 424)	(117 763 656)
Travel and Acc- Local	(1 234 894 360)	(323 535 699)	(1 058 379 694)	(167 124 081)
Workshop & seminars	(2 643 057 257)	(409 641 919)	(2 249 074 249)	(179 056 536)
Capital expenditure	(34 872 927)	(556 874 163)	(29 647 651)	(285 139 426)
Total Expenses	(30 631 042 764)	(5 409 336 133)	(26 065 049 466)	(3 122 914 624)
Profit(Loss) for the year	14 112 218 332	(151 890 886)	12 008 630 585	113 612 416

18. Related Party Disclosures

	2023	2022
	ZWL\$	ZWL\$
Executive management remuneration and benefits	1 656 272 904	119,251,896
Non- Executive Board Members fees	225,690,496	5,216,033
Sub-Totals	1,881,963,400	124,467,929
Other transactions		
Skills Retention- Ministry of Energy and Power Development	0	136,046
Total related party transactions	1,881,963,400	124,601,975

The amount disclosed above is the amount recognized as an expense during the reporting period related to Non-Executive Board Members' fees (2023 \$ 225,690,496 and 2022 \$ 5,216,033) and key management personnel (2023 \$ 1 656 276 984. and 2022 \$ 119 251 896). For key management personnel, the figure includes salary and bonus, medical aid, pension, security, and motoring benefits.

19 Lease commitment classified as right of use asset

ZERA entered into a lease agreement with Old Mutual Properties for Harare Head Office and Gweru Regional Office spaces, Zimbabwe International Trade Fair for ZERA Bulawayo Regional Office space and Zimre Properties for ZERA Mutare Regional Office space and these have been recognised as right of use assets in the statement of financial position in compliance with IFRS 16. The lease agreements have a term of five years and there is a renewal clause.

Future minimum rental payable are as follows as at 31 December 2023 Historical

ZWL\$

Within one year	3,666,554,708
After one year	<u>11,493,316,734</u>
Total	<u>15,159,971,442</u>

20 Risk management

ZERA has in place a Risk management policy whose thrust is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While risks cannot be fully eliminated, ZERA endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behavior are applied and managed within predetermined procedures and constraints. The following are financial risks pertaining to 2023 financial statements.

20.1 Financial risk management

ZERA's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

20.1.1 Interest rate risk

ZERA has significant interest-bearing assets, these assets relate to investments that are at market rates. ZERA has invested in fixed interest money market investments, hence interest receivable is not affected by fluctuations of interest rates and as a result the sensitivity analysis was not performed.

20.1.2 Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. ZERA only deposits cash with major banks with sound financial standing. The followings were the banks and financial partners ZERA dealt with in 2023:

- (a) ZB
- (b) Stanbic
- (c) Eco Cash

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Financial assets exposed to credit risk at year-end were as follows:

	2023	2022
	ZWL\$	ZWL\$
Cash and cash equivalents	9,342,378,957	1,702,465,181
Trade and other receivables	16,235,089,152	1,615,873,887

20.1.3 Liquidity risk

ZERA maintains sufficient cash and cash equivalents. Management reviews cash flow forecasts on a regular basis to determine whether ZERA has sufficient cash reserves to meet future working capital requirements and to fund initiatives to fulfill mandate. ZERA has good relations with financial institutions to access additional means of easing liquidity risk if considered necessary.

Contingencies liabilities

Note 21.1 to 21.3 details the contingent liabilities in the reporting period.

21.1 ZERA Head office Construction Contractor-Nantong International

Nantong International, the ZERA Head Office building Contractor submitted a claim amounting to US\$4,193,673 which the Authority is disputing. The project which is 65% complete has been suspended. Discussions are in progress between Nantong International and ZERA through the ProjectManagers (Studio Arts). Nantong International is claiming for the exchange rate loss and charging interest, citing that the contract was signed during the US Dollars era in 2018 when the economy was operating on a 1:1 basis.

The Contractor is also claiming the IMT Tax, costs incurred during the suspension of the project.

21.2 Busumandale Farm (Pvt) Ltd

A claim in regards to the following was received and the matter is before the Court;

- a. Payment of US\$64,344.70 or its equivalent in RTGS dollars at the prevailing Auction rate being damages incurred by the Plaintiff as a result of the Defendant's breach of contract and failure to issue the Plaintiff with a procurement licence for the year 2020.
- b. An order compelling ZERA to issue a procurement licence to its assignee.
- c. Interest thereon on the prescribed rate from the date of summons to date of payment in full;
- d. Costs of suit on a legal practitioner and client scale.

21.3 Meizon Petroleum and Logistics (Pvt) Ltd is claiming the following

A claim in regards to the following was received and the matter is before the Court;

- e. Payment of US\$77 420.00 or its equivalent in RTGS dollars at the prevailing Auction rate being damages incurred by the Plaintiff as a result of the Defendant's breach of contract and failure to issue the Plaintiff with a procurement licence for the year 2020.
- f. An order compelling ZERA to issue a procurement licence to its assignee.
- g. Interest thereon on the prescribed rate from the date of summons to date of payment in full;
- h. Costs of suit on a legal practitioner and client scale.

Pension and retirements benefits

ZERA contributes to a defined pension benefit plan, which is administered by Old Mutual Pension Fund and to the National Social Security Authority (NSSA), which is a defined contributory fund. The contributions to Old Mutual Pension Fund are 10% and 7.5% of the monthly basic salary by the employer and employee respectively.

Contributions to NSSA are 3.5% and 3.5% of the monthly basic salary by the employer and employee respectively.

ZERA also contributes 1.25% towards Worker's Compensation Insurance Fund (WCIF) on behalf of its employees. The amount charged through the statement of profit or loss and other comprehensive income during the year under review is indicated in the table below.

Pension and retirement benefits			
Details	Historical		Historical
	2023		2022
	ZWL\$		ZWL\$
National Social Security Authority	358,803,733		21,133,015
Old Mutual Pension Fund	514,012,546		35,390,610
Total	872,816,279		56,523,625

22. Disclosure on Foreign Currency Transactions and Balances

In compliance with the recommended reporting guidelines issued by the Public Accountants and Auditors Board, the Authority has elected to provide enhanced disclosures on foreign currency transactions and balances with effect from the 1st of January 2022 as indicated on pages 74-75

22.1 Statement of Profit and loss and Other Comprehensive Income

The following table depicts a listing of transactions which were presented in the Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2023;

Statement of profit and loss and other comprehensive income		
	2023	2022
	US\$	US\$
Revenue	3,051,928	1,907,280
Electricity Annual levies	152,493	-
Electricity licences application fees	37,500	7,500
Electricity licenses fees	124,655	26,000
Liquid petroleum gas license fees	255,000	29,800
Petroleum licences fees	2,482,280	1,843,980
Other income	71,129	
Tender and Trainings Income	8,974	4,646
Investment interest	46,627	20,734
Interest on Current Account	6,717	15,880
Miscellaneous Income	8,810	2,135
Operational Expenses	2,188,656	909,500
Advertising	2,590	9,036
Bank Charges	56,589	55,263
Consulting and professional fees	219,305	177,139
Corporate membership affiliation fees	222,259	85,156
Employee Costs	1,063,046	289,924
Entertainment Allowances	5,071	32
Food and refreshments	756	316
Insurance	58,228	15,897
Motor vehicle repairs and maintenance	7,373	8,401
Office Administration and Repairs and maintenance	137,203	34,971
Printing and Stationery	320	509
Research and Development	175,147	11,935
Travel and Accommodation Costs	360	159,639
Workshops, Seminars and Training	240,410	61,282

22.2 Statement of Financial Position

The following table depicts additions to non-current assets and the closing cash balance as at 31 December 2023;

Statement of Financial position		
	2023	2022
	US\$	US\$
Additions to Non Current Assets	1,436,446	1,060,773
Assets Under Construction	283,933	90,660
Building	50,348	94,865
Computer Equipment	13,565	
Fixtures and Fittings	2,748	
Motor Vehicles	967,083	875,248
Other Assets	118,769	
Current Assets		
Cash and Cash Equivalents	1,077,804	2,383,983
Cash at Bank	77,804	1,363,251
Fixed Term Deposit (Money market placement)	1,000,000	1,020,732

22.3 Statement of Cashflows

The following table is an excerpt of foreign currency transactions included the Statement of Cashflows for the year ended 31 December 2023;

Statement of Cashflows		
	2023	2022
	US\$	US\$
Additions to Non Current Assets	1,436,446	1,060,773
Assets Under Construction	283,933	90,660
Building	50,348	94,865
Computer Equipment	13,565	
Fixtures and Fittings	2,748	
Motor Vehicles	967,083	875,248
Other Assets	118,769	
Current Assets		
Cash and Cash Equivalents	1,077,804	2,383,983
Cash at Bank	77,804	1,363,251
Fixed Term Deposit (Money market placement)	1,000,000	1,020,732

23. Going concern

The directors assess the ability of the Authority to continue in operation in the foreseeable future at each reporting date. As at 31 December 2023, the directors reviewed the Authority budget and cash flow forecasts for the year to end 31 December 2024 and the current financial position, and in light of this review, are satisfied that ZERA has the ability to continue operating as a going concern and believe that the preparation of these financial statements on a going concern is appropriate.



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