

ZIMBABWE- SPECIAL DRAWING RIGHTS UTILISATION PLAN

1. Government, in August 2021, received its SDRs allocation amounting to SDR677.4 million (US\$958 million) from the International Monetary Fund (IMF) under the General Allocation of US\$650 billion. The allocation benefited all IMF member countries and will address the long-term global need for reserves, build confidence, foster the resilience and stability and support the post COVID-19 pandemic recovery.
2. The funds will provide a huge stimulus to the economy and will be used prudently, with accountability and transparency to support projects in the following priority areas: investments in social sectors namely health, education, and the vulnerable groups; productive sectors value chains; infrastructure investments and foreign currency reserves and a contingency fund.
3. The detailed plan on the utilisation of Zimbabwe's SDRs is shown in Table 1.

Table 1: SDRs Utilisation (US\$ millions)

Sector	Priority Area	Allocations	2021 Drawdowns
1. Investments in social sectors			
	Health Support		
	<i>Support to Covid-19 vaccination programs</i>	77	77
	<i>Construction of health infrastructure in regions with extreme poverty (NMS)</i>	35	0
	<i>Support for health consumables and equipment</i>	10	10
	Sub total	122	87
	Education Support		
	<i>Construction of education infrastructure in regions with extreme poverty</i>	10	0
	Sub total	10	0
	Productive social safety nets		
	<i>Agriculture Productive Social Protection Scheme</i>	80	80
	Sub total	80	80
Sub Total		212	167
2. Agriculture support			
	Export revolving fund for agriculture targeting floriculture, blueberries and macadamia	30	0
	Small holder farmer irrigation schemes	20	0
Sub Total		50	0

Sector	Priority Area	Allocations	2021 Drawdowns
3. Industry Support			
	Retooling/revolving fund for new equipment and replacement for the value chains		
	<i>Cotton</i>	10	0
	<i>Leather</i>	10	0
	<i>Pharmaceuticals</i>	5	0
	<i>Other Agro-processing</i>	5	0
Sub Total		30	0
4. Infrastructure Development			
	Transport Sector- Harare Beitbridge Road, Masvingo Road Interchange Development Project (Mbudzi) and Emergency Road Rehabilitation Project	144	144
	Housing Development	10	0
	Gold Centres	10	0
Sub Total		164	144
5. Contingency			
	Contingency Fund	222	0
Sub Total		222	0
6. International Reserves			
	Foreign Exchange Reserves	280	0
Sub Total		280	0
GRAND TOTAL		958	311

Source: Ministry of Finance and Economic Development

4. These SDRs will be utilised over a period of three years, with an amount of US\$311 million expected to be disbursed towards the following social programmes:
- Procurement of Covid-19 vaccines (US\$71 million);
 - Vaccine roll-out programme (US\$6 million);
 - Procurement of Covid-19 related medical and testing equipment (US\$10 million);
 - Support for Agriculture Productive Social Protection Scheme for rural and peri-urban households (US\$80 million); and

- Support to the road infrastructure program - Harare Beitbridge Road, Masvingo Road Interchange Development Project (Mbudzi) and Emergency Road Rehabilitation Program (US\$144 million).

5. In 2022, SDR disbursements of US\$145 million (equivalent of ZWL\$ 18.85 billion) will go towards the social, agriculture, industry and infrastructure sectors as shown in Table 2 below.

Table 1: Projected 2022 SDR Disbursements (US\$ millions)

Projected 2022 SDR Disbursements	US\$ million
Investments in social sectors (Health - NMS (US\$35m) and Education (US\$10m))	45
Agriculture support (Export revolving fund for agriculture (US\$30m)-Cash Guarantee to banks) and smallholder farmer irrigation schemes (US\$20m)	50
Industry Support - (Retooling/revolving fund for new equipment and replacement for the value chains-Cash Guarantee to banks)	30
Infrastructure Development - Housing Development (US\$10m) and Gold Centres (US\$10m)	20
Total	145

Source: Ministry of Finance and Economic Development

Ministry of Finance and Economic Development
29 November 2021