



# 2022 Annual Report

A decade of sustainable service



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# List of Abbreviations

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





## 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

- |                   |                   |
|-------------------|-------------------|
| 1. Transparency   | 4. Teamwork       |
| 2. Responsiveness | 5. Innovation     |
| 3. Integrity      | 6. Accountability |



## THE YEAR OF 2022 IN NUMBERS

**18**



new **electricity licences** with total capacity of **79.56206MW** electricity licenses were issued in 2022 as compared to 17 in 2021 (529.9 MW)



**10,710 GWh**

of energy supplied in 2022 against 10, 193GWh of 2021



**IPPs**

supplied **385.2 GWh** in 2022 against 131.1 GWh in 2021

Total fuel imported in 2022 is

**1.734 billion litres**



**1,041 billion litres** of diesel in 2022 against **850 million litres** in 2021 and **614 million litres** of petrol in 2022 against **510 million litres** in 2021.

**905**



**retail sites licensed** in 2022 against **882** in 2021.

**32**



Independent Power Producers power projects were operational out of **115 licensed** by end of 2022 compared to **20 out of 96** in 2021

**4,046**



inspections under energy efficiency program resulted in seizure of **0.63MW worth of banned products**

**208**



lighting products verified for compliance and **127 registered**

**59,898,544 kgs**



of LPG imported in 2022 against **56,789,548kgs** in 2021.

**90.37%**



**success rate** of resolving consumer complaints in 2022 as compared to 82.35% in 2021

**73.78%**



being the **customers satisfaction rate** of the year against target of 60%

**\$\$\$**

Inflation adjusted revenue increased by **74%** from **ZWL\$ 3,957,295,301** to **ZWL\$6,891,379,263** in 2021 and 2022 respectively.

Inflation adjusted surplus increased by **16%** from **ZWL\$856,752,166** to **ZWL\$989,973,606** in 2021 and 2022 respectively.



# 1.1 | Chairperson's Statement



**Dr. D. D. Madzikanda**  
Board Chairperson

## 1.1.1. Introduction

It gives me great pleasure to present the Annual Report 2022 for Zimbabwe Energy Regulatory Authority (ZERA). The global energy crisis continues and this conundrum calls for innovative ways to be proffered by the Zimbabwe Energy Regulatory Authority to ensure that power and energy is available to grow the economic growth. For the celebratory year of 2022, the Authority managed to perform beyond expectations in the key result areas of fuel quality compliance to standards, electricity transmission and distribution infrastructure compliances to codes, processing of fuel prices, stakeholder satisfaction and resolution of public complaints. Looking into 2023, I am confident that we can build on the initiatives of 2022, as ZERA aims for sustainable energy.

Through dialogue, concerted efforts, and

engagements, we hope to entice the local financial markets, and in particular, the Pension Funds to invest in independent power plants (IPPs) and increase renewable energy generation, since they are prescribed assets. The Authority will continue to review electricity tariffs and petroleum retail margins to attract investors in the energy and power sector.

Consideration to carry buffer stocks to be held by oil companies will be considered to ensure that the country can sail through transient turbulences that may be outside our control.

The Authority hopes to automate most of its operations, and in particular the accounting systems. Technical audits will be undertaken to ensure compliances with auditing standards.

Research and development will be enhanced to explore areas of energy efficiencies as well as having import substitutions on many components used in the generation of power.

The implementation of the System Development Plan will be promoted to ensure that least cost generation plan is implemented in a least cost procurement manner.

Further decentralisation of operations will be undertaken, and more regional offices opened to enable a faster and efficient responsiveness to stakeholder needs and enhance the Authority's image. Lastly, the Authority hopes to help expand the energy sector to the rural areas so that the goal of universal access to energy is realised.

## 1.1.2. Macroeconomic overview

The Authority prevailed in a hyperinflationary environment that persisted in the year, thereby affecting pricing of energy products. The exchange rate instability, unsustainable debt levels, increased the cost of production whilst reducing incentives for productivity-enhancing investment. The country's economy mainly

depended on mining and agriculture, which sectors had to be supported with energy provision to ensure they kept the economy in motion.

### 1.1.3. Energy Market

Despite the economic turbulence, coupled with the implications of the Russia-Ukrainian War, the Authority was challenged to find solutions, and advise government on how to ensure a consistent supply of fuel at affordable prices to the end user. The Government took measures to protect consumers, manufacturing, agricultural and mining industries continued operating even as the cost of oil rose on the international market.

The low supply of electricity which was primarily due to low generation at Kariba Power Station because of depleted water levels and curtailed output from thermal stations, resulted with supply-demand imbalances leading to power curtailment to customers. This necessitated the Authority to engage all stakeholders on how to avert a crisis, with a strong focus on investments by consumers in Roof top PV solar systems for own generation as well as net metering any excess energy to the national grid.

Incentive Regulation

#### 1.1.3.1. Electricity

In line with the Electricity Act, the Authority continued to implement tariff adjustments indexed to the exchange rate and inflation to ensure preservation of the approved tariff level of US\$10.63/kWh.

The objective was to ensure that ZETDC's financial performance was not adversely affected, resulting in capacitating the Utility to improve its service delivery and undertake the necessary mandatory maintenance on equipment. The focus was also to allow the Utility to improve its operational efficiency and cut down on costs without necessarily relying on tariff increases.

It is encouraging that eleven (11) new licence applications were received in 2022 with a total installed capacity of 177.925MW. Six (6) projects would feed into the grid, one (1) was for captive power and four (4) were for own consumption. Ten (10) of the projects are solar photovoltaic while one (1) will be coal-fired.

The Net Metering campaign promises to bring the much-needed kWhs to the grid, as the call to

both the public and organisations grows louder, and a significant number heeding the call.

#### 1.1.3.2. Petroleum

A 10% growth on average in Gas infrastructure was realised in the sub-sector with 905 retail sites licensed in 2022 against 882 in the previous year. The same growth was realised in the consumption of both liquid petroleum and liquefied petroleum gas which increased significantly during the year 2022. It is the responsibility of the Authority to ensure that licensed sites have been inspected and are compliant to the set regulations and therefore adequate to service consumers.

The service station grading system gained momentum, with over 324 sites graded at the close of the year 2022. This will see an improvement in the petroleum industry, as fuel retailers follow set standards in service delivery, whilst consumers have been empowered to make informed decision when choosing to use a service station. This is because the grading system is based on compliance to customer service and technical standards, therefore offering best customer experience and benchmarked to international standards.

### 1.1.4. Corporate Governance

The Board recognises the importance of good corporate governance and remains committed to conducting the business of the Authority with integrity and in line with best corporate governance practices. The Board's top priority was to improve performance of the Authority and enable it to regulate the energy industry so that it continues to be the catalyst in the growth of the Zimbabwean economy, as the country progresses towards attaining Vision 2030.

#### 1.1.5. Stakeholder Engagement and Advisory Services

The 10th anniversary celebrations were centred on re-engaging stakeholders, old and new, re-introduced the Authority and its mandate to them. It was a point of reflection for the Authority, a moment of review and feedback from stakeholders how ZERA had fared in its first decade of existence. The feedback will be used by the Authority to chart the way forward regulating the energy sector.



### 1.1.6. Finance and Administration

Inflation adjusted revenue increased by 74% from ZWL\$3,957,295,301 to ZWL\$6,891,379,263 in 2021 and 2022 respectively, operating expenses increased from ZWL\$ 2,428,676,267 to ZWL\$4,383,526,108 for the comparative years. In 2022, the Authority realized an inflation adjusted surplus of ZWL\$989,973,606 up from a restated surplus of ZWL\$856,752,166 in 2021, an increase of 80%.

The net worth of the Authority for the year ended 31 December 2022 was at ZWL\$3,532,263,968 compared to ZWL\$2,528,646,528 in the prior year and this accounted for a 40% increase from 2021 to 2022.

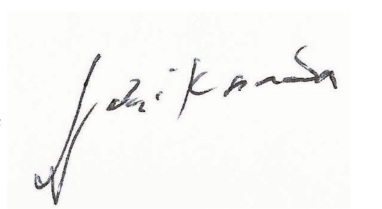
In regards to the electricity account, a surplus of ZWL\$ 113,612,416 was realized in comparison to a surplus of ZWL\$ 28,749,071` in the prior year. In accordance with the Energy Regulatory Authority Act (Chapter13:23) section 31, ZERA is required to remit surplus funds realized in the electricity account to the Rural Electrification Fund.

### 1.1.7. Way forward

The continuation of the global energy crisis calls for innovative ways, to proffered by the Authority to ensure security of energy supply to enable growth of the economy. Looking into 2023, ZERA is confident that it can build on the initiatives of 2022, to achieve it's strategic plan objectives.

### 1.1.8. Appreciation

ZERA is committed to continue driving the development of the energy industry in Zimbabwe, and is confident that this will be reflected in it's performance in the coming years. My appreciation goes to the Ministry of Energy and Power Development and other government arms that facilitated and enabled achievement of key performance indicators set for the year. The private sector ought to be commended for sustaining the petroleum and gas sector using their free funds. My gratitude is extended to my fellow Board Members for providing direction in the various Board Committees and overseeing the operations of ZERA, to the Management and staff of ZERA, for the continued support and commitment as evidenced in the 2022 performance of the organisation and lastly to the rest of our stakeholders for giving us invaluable input in regulating the energy and power sector. We are committed to continuing to drive the development of the energy sector in Zimbabwe, and we are confident that this will be reflected in our performance in the coming years as we continue to create value for the energy and power sector.



**Dr. D. Madzikanda**

Board Chairperson



## 1.2 | Chief Executive Officer's Overview



**Edington Mazambani**  
Chief Executive Officer

### 1.2.1. Introduction

In the year 2022, the Authority commemorated its 10th anniversary since its establishment. Stakeholder dinners and inaugural ZERA Charity Golf Tournaments that were held in Bulawayo and Harare, as well as the celebrations that took place during the ZITF 2022 edition, served as platforms for the Authority to re-invigorate itself in the market. The 10th anniversary was an opportunity to retrospect on the major achievements of the Authority, identify the shortcomings and therefore re-strategize on how to embrace the future. In all its activities, the Authority took the opportunity to re-engage its stakeholders across the country in a bid to understand how stakeholders perceive the Authority and its mandate.

### 1.2.2. Operational Overview

The organisational overall performance in 2022 stood at 102%. This is a commendable effort by the Authority's board management and staff, who under the most difficult working conditions, serve the organisation and it successfully execute its mandate.

### 1.2.3. Electricity sub-sector regulation

Electricity supply increased marginally (5%) to a total of 10,710 GWh of energy in 2022 against 10,193GWh of 2021. There however continues to be a deficit in supply and measures to mitigate this include attracting new investment and risk mitigation in the form of government support. Independent Power Producers (IPPs) contributed only 4.5% of the total energy production in 2022.

To accelerate renewable energy penetration, the Authority increased the Net Metering maximum participation threshold to 5MW from 100kW allowing more consumer with excess generation to be exported to the grid. The initial response to the scheme was encouraging as 5MW was linked to the grid by the end of 2022. This scheme is expected to be expanded further in 2023 through the introduction of virtual net metering whereby the energy credits can be passed to other accounts not necessarily linked to the meter with generation.

Regulations/codes covering improved energy access, energy efficiency and renewable energy were developed/revised during the year and these are expected to improve the regulatory framework. These include the Generation Code and Third-Party Access Code.

The Authority remains concerned about safety in the sector where the number of electrical

accidents recorded increased to 88 from 74 in 2021 (a 18.92% increase). Various initiatives were taken to mitigate the incidences of collapsed infrastructure and unsafe practices by members of the public, which were the main causes of the accidents. These initiatives included public awareness campaigns, development of standards for reticulation after the meter.

The Authority continued to enforce energy conservation measures through lighting products inspections for banned and sub-standard products. The efforts are slowly bearing fruit as retailers are now wary of trade in banned and sub-standard products as the compliance rate increased from 81.89% in 2021 to 85.66% in 2022. Training in energy management was conducted to increase sector capacity ahead of Energy Management Regulation to be published soon.

Electricity transmission and distribution infrastructure compliance audits were in their fifth year and the compliance levels are steadily increasing. The Authority continues to encourage licensees to self-audit regularly so as to maintain their networks in an orderly and safe manner.

Distribution Code compliance audits were carried out on distribution infrastructure throughout the year and the overall compliance levels was 76%, up from 75% in 2021.

The Authority took an active role in the development of the National Electric Mobility Policy, Energy Efficiency policy and Market Readiness Framework for Zimbabwe by the Ministry of Energy and Power Development. Adoption of e-mobility is expected to increase in line with global trends and as the public is being exposed to the benefits of e-mobility.

In 2022 the Board directed that Research and Development activities be stepped up and that 5% of the Authority's budget be committed to this area. The authority therefore issued a second call for proposals during the year and this should increase the overall R&D projects in 2023. These projects are to focus mainly on heritage based renewable energy research to address real challenges in the energy sector.

#### 1.2.4. Petroleum sub-sector regulation

In the year under review, the Authority licensed 905 retail sites compared to 882 licensed in 2021. This reflects the continued steady growth

of the petroleum sector, as we see a stability in the supply of main fuels in the country. To note, is that consumption trends are commensurate to the corresponding increases in importation of each product, with the bulk of petroleum products being consumed in the domestic (retail) sector, commercial and transport. A total of 1.734 billion litres of fuel was imported into the country in 2022 against 850 million litres imported in 2021, representing the highest quantity ever to be imported into the country.

However, the entire year of 2022 had extremely high volatility in the price of crude oil due to a variety of global events that had an impact on the oil market, including the conflict in Russia and Ukraine, COVID-19 in China, and production cuts by OPEC+, among other factors.

LPG pricing went on downward trend beginning at USD2.05 in January 2022 and closing at USD1.85 in December 2022. The major determinant of the final LPG price has been the changes in the prices at source.

For compliance to petroleum standards, a total of 574 fuel retail sites were visited. Of these sites, 56 were first time applicants for licences indicating a 10% growth rate in the subsector for the year 2022. A total of 47 applications for retail licenses were rejected in the year due to poor infrastructure standards endangering safety.

As the Authority piloted the Fuel Service Station Grading system, a total of 324 retail sites were graded in the year. Of the graded sites, 10% scored a 5-star rating, 62.40% scored 3-star and 27.60% scored a 1-star. The grading system is meant to promote service excellence in the sector, as well as offer consumers a holistic service at each visit to the service station.

A total of 149 cases for liquid fuels and LPG were filed with the Police and prosecuted for either operating without valid ZERA licenses or charging above the Authority's prescribed prices. There was a 25% increase on cases filed for prosecution in 2022 and this is attributed to the number of new 'unlicensed' LPG operators, who set up operations without fully regularizing their business. However, 90% of the prosecuted operators were able to regularize their operations during the trading period under review.

#### 1.2.5. Stakeholder Engagement and Advisory Services

The key highlights of the Authority's Stakeholder

Engagement for the year, included the National Stakeholder Satisfaction Survey and Energy Use Survey whose Stakeholder Satisfaction index stood at 73.78%, and it was established that electricity remains the most used form of energy in the country.

In addition, the Authority held a Stakeholder Feedback Workshop, which brought together various stakeholders in their distinct categories to proffer suggestions to the Authority regards service delivery in the energy sector. The feedback was utilised to inform policy makers and ZERA on the energy sector strategic requirements and enabled the Authority to make an informed review of its 5-year (2021-2025) Strategic Plan and develop proactive and tangible outcomes for 2023.

### 1.2.6 Finance and Administration

The financial results for the year ended 31 December 2022 were achieved in a challenging economic environment. Coupled with exchange rate volatility the macroeconomic environment continued to exhibit hyperinflationary traits, thereby impacting on the Authority's operations. Year on year inflation increased from 24.9% in 2021 to 105.5% in 2022. However, the year saw revenue increasing by 74% compared to the prior year. This helped keep the Authority afloat and self-sufficient in its operations.

### 1.2.7 Human Resources

The call for adequate, skilled, and engaged employees remains as the Authority experienced skills flight during the year. –This affected some departments, who however made strides to cover the gaps enough to attain our 100% target as an organisation. We continue to engage all stakeholders to ensure that working conditions and remuneration are competitive enough to retain our talented team, whilst attracting the requisite skillset that is needed to achieve the Authority's mandate.

### 1.2.8 Corporate Social Responsibility

As part of its 10th anniversary commemorations, the Authority held its Inaugural Golf Tournaments in Harare and Bulawayo, whose proceeds were channelled towards the Zimbabwe Albino Association – Matabeleland North Chapter. The Authority purchased skin care products which were then handed over to the Minister of State,

Provincial Affairs and Devolution – Matabeleland North, to further distribute the products to 194 people living with Albinism in the province.

The Authority also continued its quest to contribute to the education of engineering students by awarding prizes to the Best Graduating students in the country's tertiary institutions.

### 1.2.9 Regional Engagement

Membership to the Regional Energy Regulators Association of South Africa (RERA) African Forum for Utility Regulators (AFUR) and Regional Association of Energy Regulators for Eastern and Southern Africa (REARESA) was maintained to offer the Authority a platform to engage with other regulators within the region. Physical meetings of the RERA resumed in the 3rd quarter of the year, with ZERA representatives attending the Sub-Committee and portfolio committee meetings which were held in Eswatini.

The Authority also resumed physical attendance to Regional Conferences such as the Africa Energy Week to keep abreast with developments within the sector at regional level.

### 1.2.10 Conclusion

Given the sterling organisational performance for the year 2022, I am pleased to say we are on the right path in ensuring the stability and growth of the energy sector. With the potential offered by the different forms of renewable energy, coupled with the much-anticipated commissioning of the Hwange Unit 7 and 8, the turbulence being experienced in the electricity sub-sector, will be a thing of the past. As the energy regulatory authority, our goal remains to ensure that energy is available, accessible and affordable to every Zimbabwean as we forge towards vision 2030.



-----  
**Mr. E. T. Mazambani**  
Chief Executive Officer





## 2.0 | Board Members



**Dr. D.D. Madzikanda**  
Board Chairperson



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



**Mrs. G.S. Chikwava**  
Board Member



**Mr. M. Kambarami**  
Board Member



**Mrs. T. Madzivire**  
Board Member



**Dr. T.K. Ncube**  
Board Member



**Ms. S. Rufu**  
Board Member



**Dr. S. Ziuku**  
Board Member



**Mr. E. T. Mazambani**  
Chief Executive Officer  
EX OFFICIO BOARD  
MEMBER



### **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.



### **Eng. F. Mavhiya-Bhiza**

#### **Board Vice 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.



### **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 organizations 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. 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.



**Ms. S. Rufu**  
**Board Member**

Ms. Rufu is a seasoned lawyer with experience in corporate, mineral and environmental law. Currently, she is the Legal Manager and Company Secretary for Chemplex Corporation Limited. She attained her Bachelor of Laws Degree from Rhodes University in South Africa and a Master of Laws Degree in Corporate Law from the University of South Africa (UNISA). In addition, she obtained a Bachelor of Social Science Degree majoring in industrial sociology and legal theory from Rhodes University. She also has previous experience in the private legal practice, having worked for a Port Elizabeth-based law firm Rushmere Noach Attorneys. After undertaking legal studies and private practice in South Africa, she relocated back to Zimbabwe where she successfully converted her law degrees with the Council for Legal Education before registering as a legal practitioner with the High Court of Zimbabwe.



**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.



**Mr. E. 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.





## 3.0 | Executive Management



**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



## 4.0 | ZERA Mandate

### Mandate and Objectives

ZERA derives its mandate from the Energy Regulatory Authority Act [Chapter 13:23] of 2011 as read together with the Electricity Act [Chapter 13:19] of 2002, Petroleum Act [Chapter 13:22] of 2006 and subsequent amendments and the Petroleum Act [Chapter 13:22] of 2006

#### 4.1 Functions of ZERA

The Zimbabwe Energy Regulatory Authority (ZERA) is a body corporate established in terms of the Energy Regulatory Authority Act [Chapter 13:23] of 2011. The Authority 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.

The Electricity Act prescribes 18 functions and powers of the Authority which have been summarized as below:

- Regulation and licensing
- Research and development
- To increase access and security of energy supply
- Market Reform and Competition
- Energy efficiency and Environmental protection
- Key Stakeholder Advisory

#### 4.2 STRATEGIC PLANNING, MONITORING & EVALUATION

##### 2021 STRATEGIC PLAN IMPLEMENTATION REVIEW AND 5 YEAR (2021-2025) STRATEGIC PLAN FORMULATION

Under the guidance of the Public Service Commission, the Authority conducted both an interim and the budget year 2022 annual workshops to review the Authority's 2022 Strategic Plan implementation progress and

formulate its 2023 Strategic Plan in accordance with the National Development Strategy 1 (NDS1)

##### Interim (January to May 2022) Strategic Plan Implementation Review Workshop for Programmes and Sub Programmes.

The Authority conducted a review workshop in June 2022 whose objective was for its internal stakeholders to assess the Programmes, Sub-Programmes and overall organisational performance progress against the set milestones as at May 2022. The set goals and targets were also revisited with a view to adjust the targets where necessary. This was designed to alert the Authority on strategy implementation areas that needed to be attended to.

The interim workshop gave ZERA an insight into the implementation gaps and challenges as well as the particular bottlenecks to these challenges and determined the immediate and most effective measures to address them. The identification of appropriate mitigatory measures guided the implementation of the rest of the 2022 targets. This assisted ZERA's strategic direction in the attainment of its mandate and mission and in its contribution to the Nation's Vision 2030 and national priorities.

#### 4.2.1 2022 Strategic Plan Implementation Review

In terms of the NDS1, the Authority's contribution to the energy sector falls under the sectorial key result area of "Provision of improved infrastructure and services", the priority area being "Infrastructure and Utilities". A Stakeholder feedback Workshop was conducted in October 2022 immediately before the annual review workshop to understand from stakeholders, their needs, aspirations and expectations from

the Regulator so that these could be considered in the 2023 policy and strategy objectives formulation process. The feedback was utilised to inform policy makers and ZERA on the energy sector strategic requirements and enabled the Authority to make an informed review of its 5-year (2021-2025) Strategic Plan and develop proactive and tangible outcomes for 2023. Amongst other issues, Stakeholders highlighted the need to continue to raise awareness and spread information on efficient and safe energy use to all corners of the country. This was

incorporated into the Regulator's strategy under Programme 3, Stakeholder Engagement and Advisory Services.

In accordance with the Government thrust of Programme Based Budgeting (PBB), ZERA has, since 2021, been implementing its activities guided by the Programme Performance Management System and it has three programmes that have been maintained since, with the following

**Table 1: ZERA Programmes**

Programme Name	2023 Outcomes	Departments
Policy and Administration	• Improved institutional capacity	Support Services
Energy Regulation	<ul style="list-style-type: none"> <li>• Increased regulatory compliance</li> <li>• Enhanced cost reflectivity of energy prices</li> <li>• Improved uptake of modern, renewable energy and technological innovations</li> <li>• Increased energy efficiency</li> </ul>	Technical and Economic Regulation
Stakeholder Engagement and Advisory Services	• Improved stakeholder satisfaction	Consumer Services and Communications

These outcomes clearly show alignment of ZERA's strategic thrust with the Sectoral Outcomes, which are;

1. Improved Service Delivery
2. Improved Energy Supply Capacity
3. Improved Access to Modern Energy Services
4. Improved Energy Efficiency

#### 4.2.3. Organisational Operations Performance

During the year under review, the Authority continued to focus on its strategic role of energy regulation. ZERA's annual organisational performance index achievement for 2022 was 102% against a set target of 100%.

The performance was partly attributed to high performing core business KPIs as outlined in Table 2:

Table 2: Organisational Performance

	KPIs	Target	Achievement	Variance
1.	Fuel quality compliance to standards	98%	99.3%	+1.3%
2.	Electricity transmission infrastructure compliance to codes	82%	88%	+6%
3.	Electricity distribution infrastructure compliance to codes	75%	78%	+3%
4.	Incentivized fuel prices processed	100%	383%	+283%
5.	Stakeholder Satisfaction Index	60%	73.78%	+13.78%
6.	Stakeholder Engagement and Advisory Campaigns conducted	100%	141%	+41%
7.	Resolution of Public Complaints	84%	91.04%	+7.04%
8.	Research	100%	93%	-7%

### 100 Day Cycle Rapid Results Initiative Projects

In line with Government's thrust to expedite strategic plan implementation of low hanging fruit projects, ZERA continued to identify and roll out Rapid Results Initiatives.

These are:

- i) Promoting Service Station Standards - Phase 1 & 2
- ii) Donation to Zimbabwe Albino Association - Matabeleland North Chapter.





# 5.0

## Corporate Governance Report

### 5.1. Introduction

The Authority's governance framework supports corporate governance best practice as outlined in the Public Entities Corporate Governance Act [Chapter 10:31] (PECOGA). The Board recognizes that it is accountable to its stakeholders for good corporate governance and is therefore committed to high standards of governance. In an environment of increasing change and complexity of regulation, the Board aims to achieve a balance between the governance expectations of its stakeholders.

The Authority has in place a continuous development programme to ensure that the Board keeps up to date with developments in respect of corporate governance and regulatory matters. The Board Members attended some corporate governance refresher courses to ensure that they kept up to date with relevant developments. The Board also conducted tours

of the Zimbabwe Power Company (ZPC)'s Harare and Hwange Power Stations, some independent power producer projects as well as the Zambian Energy Regulatory Board. These tours were beneficial as they provided an insight on the infrastructural and operational issues affecting the energy industry both nationally and within the region.

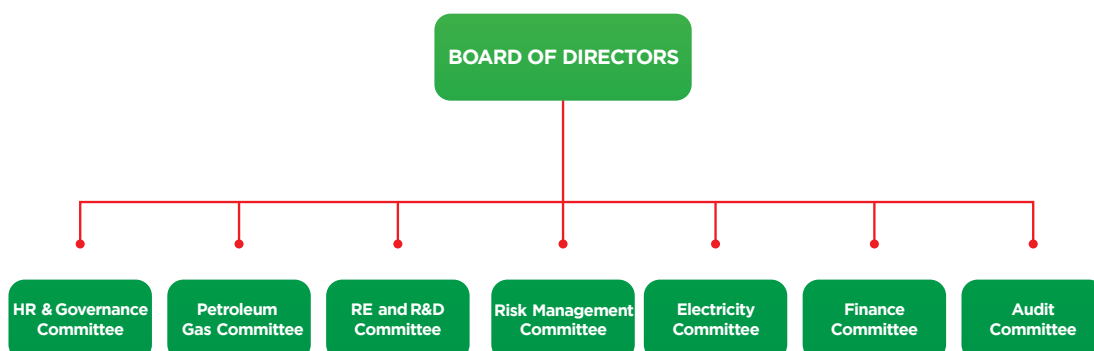
In terms of PECOGA, the Board is required to carry out an annual evaluation exercise to appraise its performance both collectively and for individual members. During the year under review, the Board evaluation exercise was successfully conducted under the facilitation of a Consultant. The results of the evaluation were submitted to the Ministry of Energy and Power Development.

### 5.2 Governance Structure

The structure of the Board as of 31 December 2022 was as follows:

Figure 1

The Structure of the Board



### 5.2.1 Board of Directors

Section 6(2) of the Energy Regulatory Authority Act [Chapter 13:23] provides that the operations of the Authority shall be controlled by a Board of Directors comprising of individuals with knowledge of, ability and experience in the following:

- a. Finance and administration;
- b. Electricity industry;
- c. Petroleum industry;
- d. Qualified to practice as a legal practitioner in terms of the Legal Practitioners Act [Chapter 27:07]; and
- e. Qualified to practice as an engineer in terms of the Engineering Council Act [Chapter 27:22].

The Board's skills matrix, qualifications, expertise, and gender balance are in compliance with the provisions of PECOGA.

### 5.2.2 Board Meetings

The Board continued to conduct its meetings through online platforms as the business world was still recovering from the impact of the Covid-19 pandemic. All the quarterly-scheduled Board and Committee meetings were successfully conducted during the year under review. Special Board and Committee meetings were also conducted to cater for urgent issues that could not wait for the scheduled meetings. In line with PECOGA, the Board also held a meeting with the Honourable Minister of Energy and Power Development to discuss pertinent energy regulatory issues as well as the general policy direction that the Government expects the organisation to comply with.

### 5.2.3 Annual General Meeting for 2022

An AGM was successfully conducted during the year under review in line with the provisions of section 33(3) of PECOGA. The Authority's key stakeholders which include the Ministry of Energy and Power Development (MoEPD), the Office of the President and Cabinet - Corporate Governance Unit, the Accountant General and the Auditor General were all represented at the meeting. All the issues tabled before the meeting were duly adopted.

### 5.3.3 Board Committees

The Board established and delegated specific

roles and responsibilities to seven (7) Committees to ensure the efficient discharge of the Board's mandate. The Committees assist the Board in giving detailed attention to specific areas of the Directors' duties and responsibilities. The Terms of Reference of each Committee are approved by the Board and reviewed when necessary. All Committees are chaired by non-executive Directors of the Board with Executive Management attending meetings upon invitation. The Committees meet quarterly, and special meetings are held as and when they are necessary. The Board receives minutes of the Committees, and the Committee Chairpersons present the recommendations made by their respective Committees for Board approval.

#### 5.3.3.1 The Committees' Key Responsibilities:

#### a. Human Resources and Governance Committee

Ensures that the Authority discharges its responsibility to attract, motivate, develop, and retain the required staff competencies in line with its Strategic Plan.

#### b. Petroleum and Gas Committee

Discharges the Board's responsibilities with regards the regulation of the petroleum and gas sub-sectors in terms of the Energy Regulatory Authority Act [Chapter 13:23] as well as the Petroleum Act [Chapter 13:22].

#### c. Renewable Energy and Research and Development Committee

Strategically drives the Authority's promotion of the uptake of green sources of energy with a view to maintain the cleanliness of the environment and minimize the negative effects of climate change. Unlocking of potential in new discoveries of the energy industry is undertaken through research and development as spearheaded and overseen by this Committee.

#### d. Risk Management Committee

Plays an oversight role in respect of the Authority's risk management policies and practices. It ensures that the Authority's risk management frameworks are commensurate with the organizational structure, risk profile, risk appetite, complexity, activities, and size.

**e. Electricity Committee**

Discharges the Board's responsibilities with regards the regulation of the electricity sub-sector in terms of the Energy Regulatory Authority Act, 2011 [Chapter 13:23] and the Electricity Act [Chapter 13:19].

for financial management and procurement processes in adherence with international financial reporting standards, the Public Finance Management Act [Chapter 22:19] and other relevant statutes and standards.

**f. Finance Committee**

Ensures that Management has created and maintained an effective control environment

**g. Audit Committee**

Ensures that Management has created and maintained an effective environment for internal control processes in line with PECOGA and other Board-approved policies and procedures.

**Table 3: Board Committees**

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

Table 4: Board Members' Attendance Register

BOARD MEMBER	BOARD OF DIRECTORS' MEETINGS (4)	SPECIAL BOARD OF DIRECTORS' MEETINGS INCLUDING ANNUAL GENERAL MEETINGS (6)	HUMAN RESOURCES AND GOVERNANCE COMMITTEE (5)	PETROLEUM AND GAS COMMITTEE (4)	ELECTRICITY COMMITTEE (6)	FINANCE COMMITTEE (7)	AUDIT COMMITTEE (6)	RISK MANAGEMENT COMMITTEE (4)	RENEWABLE ENERGY AND RESEARCH AND DEVELOPMENT COMMITTEE (4)	STAKEHOLDER ENGAGEMENT MEETINGS/WORKSHOPS (7)	BOARD MEMBERS' MEETINGS WITH THE MINISTER OF ENERGY AND POWER DEVELOPMENT (2)	BOARD MEMBER MEETINGS WITH THE INTERNAL AUDIT DEPARTMENT (2)	TOTAL
Dr. D.D. Madzikanda **	4	4	5							2	1	1	17
Eng. F. Mavhiya-Bhiza ***	4	4			8	7		4	2	1	1		31
Mrs. T. Madzivire	3	6	5			7		4		2	1	1	29
Dr. T.K. Ncube	4	6			6	7		4		2	1		30
Mr. M. Kambarami	4	6		4			6		4	1	1	1	27
Ms. S. Rufu	4	5	5	4	8					2	1	1	30
Dr. S. Ziuku	2	4			7		6		4		1	1	25
Mrs. G. Chikwava	4	4		4			5	4		2	1	1	25

\*\* Board Chairperson  
 \*\*\* Board Vice Chairperson

## 5.4 PROSECUTION AND LITIGATION CASES

### Prosecution Cases

In 2022, the Authority instituted ninety-six (96) prosecution cases as it sought to enforce the energy laws against non-compliant operators in the energy industry. The cases involved the following offences:

- The sale of petroleum products without a licence in contravention of the Petroleum Act [Chapter 13:22];
- The sale of contaminated fuel in contravention of the Petroleum (Fuel Quality) Regulations, 2013 published in Statutory Instrument (SI) 23 of 2013;

iii. Failure to pay penalties as well as selling banned lighting products in contravention of the Electricity (Inefficient Lighting Products Ban and Labelling) Regulations, 2017 published in SI 21 of 2017; and

iv. Failure to rectify an infrastructural condition that exposes the public to electrical risk in contravention of the Electricity (Public Safety) Regulations, 2018 published in SI 177 of 2018.

Amongst the ninety-six (96) cases, eighty-six (86) were finalized with fines ranging from ZWL\$2 000 to ZWL\$200 000 being imposed by the courts. The remaining ten (10) cases were pending as at 31 December 2022. The Authority will continue to engage both the Police and the Public Prosecutors to ensure finalization of the pending cases whose prospects of prompt set-



down were negatively affected by court-roll backlogs which arose from the Covid-19 induced national lockdowns in 2020/2021.

### 5.5 Litigation Cases

The Authority handled four (4) new litigation cases that were instituted in 2022. The cases involved court applications challenging certain regulatory decisions by the Authority. Three (3) of the cases were pending at the courts as of 31 December 2022 whilst one (1) was finalized in favour of the Authority.



## 6.0 | Internal Audit

### 6.1.1 Overview

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 2022

audit plan was affected by the unavailability of the anticipated staff members. The plan was therefore amended during the course of the year. Assurance Services.

The following assurance audits were completed in 2022:

Table 5: Assurance Audits

Audit Engagement		Audit Observations			
		Total	High Risk	Medium Risk	Low Risk
1.	Employment, Recruitment and Selection	23	20	2	1
Follow-Up Audit Engagement		Total	Implemented	Partially Implemented	Not implemented
1.	Payroll Follow Up	8	4	3	1
2.	Change Management Follow Up	9	2	7	-
3.	Business Continuity Follow Up	16	3	11	2
4.	External Audit Follow Up	5	1	4	-

### 6.1.2 Consulting Services

Consulting services were provided to management on various emerging issues during the year. The following services were rendered:

- A review of the Amendments to the HR Policy
- A review of the ICT Strategy and ZERA Magazine issue

### 6.1.3 Stakeholder Engagement

In addition to the ongoing engagement of management and staff through audit engagements, Internal Audit participated in the

global May Month of Internal Audit Awareness activities by giving staff Internal Audit awareness winter jackets.

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. Updates on Governance Trends were also submitted to the Board each quarter.



**Figure 2:** Internal Audit regalia for the 2022 Internal Audit Awareness, a winter jacket with the awareness inscription.

**From left:** T Mutizamhepo (Graphic Designer), J. Mailos (IT Officer) P. Matinhure (IT Administrator), M. Makundidze (Registry Clerk), F. Siwadi (Financial Analyst)

**Seated:** P. Mkunydze (ERD Secretary) Y. Govere (Finance Secretary), G. Ngoma (Economist) L. Nyoni (Communications Officer)



## 7.0 | Operational Report

This section presents a detailed account of the Authority's operations under each operational unit. This includes the key achievements and challenges encountered by the Authority during the year.

### 7.1 ELECTRICITY SUB-SECTOR REGULATION

#### 7.1.2 New applications for 2022

Eleven (11) new licence applications were received in 2022 with total installed capacity of 177.925MW. Six (6) projects would feed into the grid, one (1) project for captive power and four (4) projects for own consumption. Ten (10) projects are solar projects while one (1) project will be a coal-fired power plant

Table 6: New Applications

Company/Investor	Site/ Power Station	Location	Capacity (MW)	Technology	Offtaker
1. Ruzawi Solar Park (Private) Limited	Ruzawi Solar Park Ruzawi Road, Marondera	Marondera, Mashonaland East	5	Solar PV	ZETDC
2. Chatsworth Energy (Private) Limited	Gutu Solar Plant	Gutu, Masvingo Province	5	Solar PV	ZETDC
3. Moores Farming (Private) Limited	Virginia Farm, Dawerndale	Mashonaland West Province	0.175	Solar PV	Own Consumption
4. Siyavuma (Private) Limited	Cyrene Farm, Plumtree Road	Matabeleland Province	50	Solar PV	ZETDC
5. Infrastructure Fund Zimbabwe (Private) Limited	First Mutual Park, 100 Borrowdale Road, Harare	Borrowdale, Harare	0.15	Solar PV	Own Consumption
6. Ravensus (Private) Limited	Kranspoort Farm, Shangani, Insiza	Matabeleland South Province	50	Solar PV	ZETDC
7. Bindura Solar (Private) Limited	Bosrand Farm, Masuri Sana 2, Bindura	Mashonaland Central Province	25	Solar PV	ZETDC
8. Tanganda Tea Company Ltd - Tingamira Estates	Tingamira Estates, Chipinge	Manicaland Province	1.2	Solar PV	Own Consumption
9. Tanganda Tea Company Ltd - Jersey Estates	Jersey Estates, Chipinge	Manicaland Province	1.4	Solar PV	Own Consumption

10.	Max Mind Investments (Zimbabwe) P/L	Mukwasi Village, Buhera District	Manicaland Province	15	Coal-fired Thermal	Captive Power
11.	Lafrica Energy (Private) Limited	Kalisine, Nekatambe Ward, Hwange	Matabeleland North Province	25	Solar PV	ZEDTC
				177.925		

### 7.1.3 Licences Amended

As part of monitoring progress in the implementation of generation projects, one licence for TD Energy (Private) Limited was amended to accommodate changes encountered

in implementation. Another licence for Acacia Energy (Private) Limited was amended to in response to a request by the licensee.

Table 7: Licenses Amended

Licensee Name	Power Station	Date of Amendment	Nature of Amendment
1. Acacia Energy (Private) Limited	Chipangayi RET Park-1 Solar Power Park	10th February 2022	Amended to match tenure of power purchase agreement
2. TD Energy (Private) Limited	Norton Solar Plant	7th June 2022	Amended in line with review of project milestones

### 7.1.4 Licenses issued in 2022

The Authority processed applications for generation licences and issued eighteen (18) new licences in 2022 with total capacity of 79.56206MW. Out of the 18 generation licences, four (4) are for generation to supply to captive customers, twelve (12) to generate for own consumption and two (2) for selling to the national grid. The Authority has noted some trend that companies are installing solar systems for own

consumption and also being net metered to allow them to bank excess power into the grid. There is also the continued trend towards supplying to captive customers as a way of managing risk. Sixteen (16) projects are solar photovoltaic power plants while one is for a coal-fired thermal power and one project is for coal bed methane gas-fired power plant.



Table 8: Projects licensed in 2022

	COMPANY/ INVESTOR	SITE/ POWER STATION	CAPACITY MW	PROJECT LOCATION	TECHNOLOGY	DATE OF LICENSING	VALID FOR (YEARS)	STAGE OF DEVELOPMENT	OFFTAKER
1.	Centrawest (Private) Ltd	Centrawest Bulawayo Solar Plant	12	Farm 1 of Willsgrove Bulawayo District	Solar PV	10/2/22	25	Project Development	Captive Power
2.	Centrawest (Private) Ltd	Centrawest Colleen Bawn Solar Plant	20.8	Copthal Block 2 Gwanda District	Solar PV	10/2/22	25	Project Development	Captive Power
3.	Lubimbi Power & Gas (Private) Ltd	Lubimbi Power Plant	5	Lubimbi Coalfields Area Lupane District	CBM gas	25/7/22	25	Project Development	Captive Power
4.	Max Mind Investments (Zimbabwe)	Max Mind Coal Power Plant	15	Mukwasi Village, Buhera	Coal-fired Thermal	16/12/20	25	Project Development	Captive Power
5.	Medicines Control Authority of Zimbabwe	Medicines Control Authority of Zimbabwe Solar Plant	0.14	106 Baines Avenue, Harare	Solar PV	6/1/22	25	Commissioning	Own Consumption
6.	Rift Valley Properties (Pvt) Limited	Bay 11 Solar Plant	0.5	5 Paisley Road, Southerton, Harare	Solar PV	25/1/22	25	Operational	Own Consumption
7.	Econet Wireless Zimbabwe Ltd	Econet Msasa Solar Plant	0.105	2 Old Mutare Road, Msasa, Harare	Solar PV	25/1/22	25	Operational	Own Consumption
8.	Econet Wireless Zimbabwe Ltd	Econet Graniteside Solar Plant	0.10176	13426 Corner Kelvin Road, Southerton, Harare	Solar PV	25/1/22	25	Operational	Own Consumption
9.	Econet Wireless Zimbabwe Ltd	Econet Mutare Solar Plant	0.1089	Econet Mutare Base Station 30 Chimoio Street, Mutare	Solar PV	25/1/22	25	Operational	Own Consumption
10.	Luxafior Roses P/L	Luxafior Roses Solar Plant	0.1184	Manyewe North Farm, Concession, Mazowe District	Solar PV	25/1/22	25	Operational	Own Consumption
11.	MD De Chassart & Son P/L t/a Surrey Abbatoir	Surrey Abbatoir Solar Plant	0.117	Surrey Farm, Bromley, Marondera	Solar PV	25/1/22	25	Operational	Own Consumption
12.	Schweppes Zimbabwe Ltd	Schweppes BBJ Factory Solar Plant	0.564	Schweppes Mazunga Estates, Beitbridge	Solar PV	25/1/22	25	Operational	Own Consumption
13.	Domervale (Private) Ltd	Domervale Farm Solar Plant	0.382	Dormervale Estate, Marondera District	Solar PV	7/4/22	25	Commissioning	Own Consumption
14.	Tanganda Tea Company Ltd	Tanganda Ratelshoek	1.8	Ratelshoek Estates, Chipinge District	Solar PV	4/10/22	25	Operational	Own Consumption
15.	Moore's Farming (Private) Ltd	Moore's Farming Solar Plant	0.175	Virginia Farm, Darwendale Mash West	Solar PV	4/10/22	25	Project Development	Own Consumption
16.	Infrastructure Fund Zimbabwe (Private) Ltd	First Mutual Park Borrowdale Solar Plant	0.15	First Mutual Park, 100 Borrowdale Park	Solar PV	4/10/22	25	Operational	Own Consumption
17.	CDF Resources (Private) Ltd	EMD Power Plant	12	Farm 274, Zviyambe Mash East	Solar PV	3/8/22	25	Project Development	ZETDC
18.	Afrobliiss Energy	Afrobliiss Energy Solar Power Plant	10.5	Southlawn Farm, Marondera	Solar PV	4/10/22	25	Project Development	ZETDC
<b>Total</b>			<b>79.56206</b>						

Table 9: Table of off takers in 2022

Offtaker	Numbers	Capacities in MW
ZETDC	2	22.5
Captive Power	4	52.8
Own Consumption	12	4.26206
	18	79.56206

### 7.1.5 Transfer of Shareholding

ZERA approved the application for transfer of 80% shareholding from Rusitu Power Corporation to Penhalonga Energy in terms of section 45(1) of the Electricity Act (Chapter 13:19).

### 7.1.6 Licenses cancelled.

The Authority considered cancellation of four licences for non-performance and failure to meet licence conditions.

### 7.1.7 Licence Application with Objections

There were no objections raised on the licence applications processed during the course of 2022.

### 7.1.8 Electricity Tariffs

In line with the Electricity Act, the Authority continued to implement tariff adjustments emanating from the movement in exchange rate and inflation to ensure that the approved tariff level of US\$10.63/kWh is preserved. The objective was to ensure that the Utility's financial performance is not affected, resulting in improvement in service delivery. To achieve this objective, the following tariff adjustments were implemented in 2022:

Table 10: Tariff Adjustments in 2022

Date	% Adjustment	US\$ Equivalent	ZWL Equivalent
January 2022	12.3%	US\$ 10.63/kWh	ZWL c9.212/kWh
May 2022	21.8%	US\$ 10.63/kWh	ZWL c2.929/kWh
August 2022	35%	US\$ 10.63/kWh	ZWL c3.956/kWh
September 2022	38.5%	US\$ 10.63/kWh	ZWL c5.478/kWh
October 2022	21.6%	US\$ 10.63/kWh	ZWL c6.663/kWh

In accordance with section 53(6) of the Electricity Act, the Authority received and approved the following Power Purchase Agreements (PPAs)

between Independent Power Producers (IPPs) and the Zimbabwe Electricity Transmission and Distribution Company (ZETDC):

Table 11: Power Purchase Agreements

QUARTER	NAME OF LICENSEE	TECHNOLOGY	CAPACITY
Q1	-	-	-
Q2	-	-	-
Q3	Matshela Energy	Solar PV	100 MW
	Parvalue Energy	Solar PV	50 MW
	Tokwe Mukosi	Hydro	15 MW
	EPCA South	Solar PV	5 MW
	Indo Africa	Solar PV	10 MW
Q4	Corezim Mining	Solar PV	20.6 MW
	Mvura Dam	Hydro	0.6 MW
	Nyakupinga Power Station	Hydro	0.6 MW
	Pelshong Investments	Hydro	1.0 MW
	Pito Investments	Solar PV	25 MW
	Yellow Africa	Solar PV	50 MW

## 7.2 DEVELOPMENT OF THE REGULATORY FRAMEWORK & ENVIRONMENT

### 7.2.1 Increased Access (plans, policies and frameworks)

#### a) National Electric Mobility Policy and Market Readiness Framework for Zimbabwe

The Authority took an active role in the development of the National Electric Mobility Policy and Market Readiness Framework for Zimbabwe by the Ministry of Energy and Power Development.

The Policy Framework will assist in introduction of electric mobility in Zimbabwe and address various barriers to its scale up.

The Policy is expected to be published in 2023.

#### b) 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 2023.

## 7.2.2 Ensuring Safety, Reliability and Quality of Supply

### 7.2.2.1 Regulations and Codes

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

**a) ZWS400:2006 Electrical wiring of premises standard (revision)** - The Authority facilitated the review of ZWS400:2006 Electrical wiring of premises standard following stakeholder consultations. The following amendments were made;

- i) mandatory use of residual current devices
- ii) standards for grid connected solar pv installations
- iii) requirements for EV charging installations at premises,
- iv) wiring standards after the meter

The amendments in i) and iv) were initiated to mitigate numerous recorded accidents in consumer premises arising from poor wiring connections after the meter.

**b) Generation Code** - has been developed in order to ensure efficient coordinated operation, and maintenance of the electricity generation system under the dynamic environment.

The objective of the generation code is to establish the basic rules, procedures, requirements, and standards that govern the operation, maintenance, of generation plants in Zimbabwe to ensure the safe, reliable, and efficient operation.

**c) Third Party Access Code** - this code allows for grid access by third parties in non-discriminate and equitable manner. The code was initiated as a result of a requirement in the Renewable Energy Policy which seeks to increase the contribution by IPPs by promoting investment.

### 7.2.2.2 Distribution Compliance Audits

The Authority carried out thirty-eight distribution infrastructure audits throughout the year. The focus was following up on progress made to the 2021 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%.

Table 11 b: Distribution Compliance Audits

No.	Depot	Overall Compliance
1.	Borrowdale	77%
2.	Kuwadzana	74%
3.	Victoria Falls	77%
4.	Kwekwe	75%
5.	Redcliff	77%
6.	Masvingo	85%
7.	Mutare	73%
8.	Karoi	69%
Average compliance Rate (%)		76%

## Grid Infrastructure Audits

The Authority carried out grid infrastructure audits on the transmission and sub-transmission network. The focus was following up on progress made to the 2021 Grid Code audit report recommendations. A progress appreciation visit was also carried out at the new Sherwood B 330kV substation.

Grid Code follow-up checks were based on non-compliances that were noted during the last audit carried out in 2020 except for Warren 330kV and Gwanda 132kV that were not assessed in 2020.

**Table 12: Grid Infrastructure Compliance Levels Audits**

No.	Depot	Previous Compliance Level	New Compliance Level
1.	Warren	Not Assessed	74%
2.	Marvel	83%	96%
3.	Insukamini	91.3%	86.96%
4.	Hwange	83%	91%
5.	Gwanda	Not Assessed	91.3%
6.	Sherwood	83%	91%
7.	Haven	83%	83%
Average Compliance Rate (%)			88%

### 7.2.2.3 Customer Supplied Prepayment Meter Scheme

The Authority continues to administer the scheme with 39,822 meters imported and 32,611 meters sold during the year among the 23 registered agents.

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

### 7.2.2.4 Promotion of Renewable Energy

#### 7.2.2.5 Regulations and Codes

The following was done during the year;

#### a) Solar Products Regulations

The Regulations seek to curb the influx of substandard solar products on the local market. The draft Solar Products Regulations were submitted to MOEPD for promulgation.

The implementation of the solar products regulations once they are promulgated is envisaged to ensure quality of products in the market. Products to be monitored under these regulations include solar PV panels, inverters, batteries, solar water heaters, pico-solar products, and solar home system kits.

However, this effort has been hamstrung by shortcomings in the Electricity Act which impede promulgation of the same. The Act will be subjected to review in 2023 to address such shortcomings.



### b) Rooftop Solar PV Installation Guidelines

These guidelines were developed to improve safety and standardized quality of rooftop solar PV installations following the upsurge in same. The guidelines are expected to be published in 2023.

### 7.2.3.6 Net Metering

The Authority continues to monitor and promote

the uptake of Net Metering in the country. Countrywide workshops have been planned for 2023 to further raise awareness and stir interest to prospective participants and funders. Net Metering is an important scheme to help in the uptake of small-scale renewable energy generation as the energy transition continues.

Table below depicts the uptake status as shown below: -

**Table 13: Status of Net metering uptake as of 31 December 2022**

Status of Application	Number	Average Turn around period (days) from Application	Capacity (kW)
Commissioned	123	141	4,981
Awaiting Commissioning	2	407	650
Awaiting Meter Installation	1	679	3
Stores Requisition in Progress	6	0	298
Awaiting ENM2 Payment	43	40	3,607.8
Awaiting Network Studies	7	192	3,079.3
Exception	1		
<b>Total Applications</b>	<b>183</b>	<b>161</b>	<b>12,619.1</b>

### 7.2.3.7 Solar Water Heater Installers Training

The Authority commissioned solar water heater installations training for the year 2022 with the following key objectives:

- a)** To build local capacity for quality design, installation, testing, commissioning, handover, servicing, and fault finding of solar thermal hot water systems in the country
- b)** To improve SWH design, installation and maintenance/repair in the country design, installation, testing, commissioning, handover, servicing, and fault finding of solar thermal hot water systems
- c)** To increase the uptake of SWH systems in the country

The training targeted people with a technical background preferably plumbing who are working for companies that design, install, and distribute Solar Water Heaters in Zimbabwe.

The Authority conducted five training workshops in Harare, Gweru, Bulawayo, Mutare and Masvingo respectively as shown in the table below. The training was conducted in partnership with SIRDC and the Southern African Solar Thermal Training & Demonstration Initiative (SOLTRAIN) which is a regional initiative on capacity building & demonstration of solar thermal systems in the SADC region. SOLTRAIN availed the demonstration trailer at the ZERA training venues to complement the practical sessions.

Table 14: SWH Training Update

Venue	Training Dates	Number of Participants	Number of Women Participants	Pass Rate
Harare	25 - 29 July 2022	24	4	71%
Bulawayo	29 August - 2 Sept 2022	33	3	82%
Masvingo	10 - 14 October 2022	25	1	80%
Mutare	21-25 November 2022	33	4	79%
Gweru	12 - 16 December 2022	31	4	90%
<b>Total</b>		<b>147</b>	<b>16</b>	<b>Average = 80%</b>

#### 7.2.3.8 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.

The study aims to quantify 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.

An independent consultant was selected to undertake the assignment at a cost of US\$42,000.00 which is expected to be completed

in Q2 2023.

#### 7.2.3.9 Rural Health Centres Solar PV/ Thermal CSR Installations

The Authority initiated installation of solar PV and thermal systems at two rural health centres as provided for by the Ministry of Health and Child Care for solarisation as part of its Corporate Social Responsibility as well as renewable energy demonstration projects for marginalised communities. Gamanya Clinic in Makonde District of Mashonaland West Province and Chirogwe Clinic in Chivi District of Masvingo Province were nominated as beneficiaries.

A competitive tender was advertised in the press to procure contractors to implement the projects. SINET Africa was the successful bidder for the tenders and was awarded the contract to do both projects. The implementation of the projects is expected to commence in the first quarter of 2023.

**Figure 3:** The two Clinics to be solarized

Chirogwe Clinic - Chivi District



Gamanya Clinic - Makonde District

## 7.2.4 RESEARCH AND DEVELOPMENT

### 7.2.4.1 Call for Research Proposals 2022

The Authority commissioned the Research Council of Zimbabwe (RCZ) to issue a "Call for Proposals for Research 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 14 proposals were received in response to the call and were whittled down to three (Table1) projects that were then approved for funding at a total cost of US\$222,362.60.

The Authority disbursed a total of \$115,522.50 through RCZ towards first phase implementation of the projects as indicated in table 15 below:

Table 15: Projects First Phase Disbursements made			
No.	2022 Call for Proposals - R&D Project Title	Project Amount (USD)	First Phase Disbursement 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	72,272.50
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
<b>Total</b>		<b>222,362.60</b>	<b>115,522.50</b>

The Authority has been monitoring the delivery of first phase projects milestones as guided by the project grant agreements. The second phase disbursements to be done once the first phase deliverables have been produced. The 2023 Call for Proposals was published and advertised during Q4 of 2022.

#### **7.2.4.2 Jatropha Multi-Purpose Plant (US\$70,000)**

In 2014, the Harare Institute of Technology submitted a proposal for investigating the possibility of designing a plant that could self sustainably generate electricity, produce bio-diesel, glycerine, and stock feed from Jatropha and on a mobile platform.

The mobile diesel plant is about 75% complete with the final stages involving oil press filter installation, raw material collection, and integration of the various components including the automation control unit are the major remaining aspects to be done before a test run.

The Authority disbursed US \$8,564.14 which was requested by the institution to procure the outstanding equipment and bring the project to completion. The institution is now in the process of procuring the equipment and materials required to complete the project.

#### **7.2.4.3 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 1500C. The proposed technology could be configured to provide preheating and economization for processes requiring higher temperatures thereby significantly saving energy.

The second phase, which involves the prototype development of medium temperature solar thermal technology was completed. The prototype developed is a heat generator which uses borosilicate evacuated tubes with a counter flow absorber, a stationery reflector and an advanced header design. Laboratory tests were carried out to test its heat generation capacity (the attainable maximum temperature, flowrate and pressure). The advanced medium temperature solar thermal technology has three main novel characteristics, which are counter-flow copper absorber, a semi-circle stationary reflector and a compartment-based header design.



**Figure 4:** Project Prototype developed.

The first 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. The next step (third phase) required is to fabricate the advanced prototype, make the required series-parallel connections and retrofit to a real food processing system.

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.

### 7.2.5 Promotion of Energy Efficiency Regulations and Codes

#### a) Green Building Code

The Authority initiated development of a Green Building Code which seeks to improve the efficiency of building performance by adopting measures that promote resource management efficiency and site sustainability while minimizing the negative impact of buildings on human health and the environment. The Code proposes a

set of standards which apply to efficient use of resources, operation and maintenance.

#### b) Review of Inefficient Lighting Regulations and Labelling Regulations

The Authority sought to repeal Statutory Instrument 21 of 2017 and 208 of 2018 and replace them with a new Statutory Instrument.

The review and subsequent repeal of the Regulations was due to;

- i. Operational Challenges – the Authority has faced several challenges in implementing the SI including lawsuits. The replacement will enhance the monitoring and enforcement of the regulations by ZRP on prohibited lighting products. It will also outline the responsibility of exhibits safekeeping after seizure and penalization of repeat offenders.
- ii. Incorporation of SADC harmonized Minimum Energy Performance Standards (MEPS) for general service lamps – these guidelines provide a comprehensive lighting product exemptions and separation of labelling requirements for lighting products and packaging.
- iii. Upward Review of fines- The current fines have been eroded by inflation and are no longer deterrent in the trading of the prohibited inefficient lighting products.

Promulgation of the reviewed Regulations awaits the review of the Electricity Act to pave way for the same.



### 7.2.5.1 Capacitation

The Authority procured portable lighting product testing equipment to capacitate staff in field testing. This has contributed to an increase in the number of inspections over the previous year.

### 7.2.5.2 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 retrofit is projected to reduce electrical load contributed by lighting systems by over 50%.

#### 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 will be operational by Q2 2023. More projects have been budgeted for in 2023

### 7.2.5.3 Energy Efficiency Trainings

Fifty-two (52) candidates in Harare and Bulawayo were trained as Certified Energy Managers as a drive to capacitate the industry. The Certified Energy Manager (CEM) training was with the view to:

- i. Build local capacity for energy efficiency and energy management,
  - ii. Build a critical mass for trained and Certified Energy Managers in the Country in preparation for the implementation of the drafted Energy Management Regulation.
  - iii. Increase and improve the uptake of Energy Efficiency and Energy Management.
- The pass rate averaged 70%.

### 7.2.5.4 CSR Project Assessment

The Corporate Social Responsibility (CSR) projects were visited for assessment and evaluation of the LED light retrofits and solar geysers initiatives the

Authority sponsored between 2015 and 2016. The findings are as follows;

#### a) Matthew Rusike Children's Home

Only twenty-one (21) LED lighting bulbs have been changed in the past 7 years from a total of 106. The replacements started in August 2021, showing that the bulbs had lasted more than 5 years in use whilst reduction in energy bill was noted.

#### b) Mashambanzou Care Trust

Three (3) out of forty-three (43) LED tubes had been replaced by mid-2022, whilst 19 LED bulbs were replaced out of ninety-eight (98) installed. The solar geysers were installed without backup elements, and the Authority did not attend to the raised issue. One (1) out of eight (8) installed solar geysers has completely shut down, whilst the rest were still working but with limited hot water retention capacity.

#### c) Chinyaradzo Children's Home

The Home was retrofitted with 150 spiral compact fluorescent lamps (CFL) in 2015 and lasted for more than 4 years with the replacements only starting in February 2019. The use of CFL resulted in lowering of the energy bill and budget of light bulb replacement.

## 7.2.6. Compliance and enforcement of regulatory framework

The Authority carried out 4,046 inspections, with a compliance rate of 85.66% as compared to 81.89%. 0.63MW of both inefficient and sub-standards lighting products were seized from the market, representing a 53% drop in inefficient and sub-standards lighting products seized from the market. The megawatt equivalent of destroyed inefficient and sub-standards lighting products dropped by 91% from 1.52MW in 2021 to 0.14MW in 2022. A total of 283 fines were issued, amounting to ZWL 20,321,768.40. ZIMRA started checking all imports for compliance to standards and this has helped improve compliance levels.

Table 16: Compliance and Enforcement regulatory framework

Description	2022	2021	% Change
<b>Retailers Inspected</b>	4,046	1,038	290%
<b>Product Lines tested</b>	256	1,005	-75%
<b>Non-comp Retailers</b>	580	188	209%
<b>NC%</b>	14.34	18.11	-21%
<b>Fined Retailers</b>	283	173	64%
<b>Amount Fines</b>	20,321,768.40	123,748.40	16,332%
<b>kW Seized</b>	628.23	1,339.53	-53%
<b>kW Destroyed</b>	143.97	1,515.63	-91%

Two hundred and eighth (208) lighting products were verified on the Integrating Sphere, one hundred and twenty seven (127) of products were compliant and resultantly registered to be sold in Zimbabwe. Eighty-one (81) of the non-compliant products failed to meet the labelling criteria, electrical and photometric requirements.

The majority of the light products fell in the 5W to 25W range which are mainly general service lamps, product below 5W constituted 31.73% whilst products above 25W constituted 12.50%.

## 7.2.7 Electricity Sub-Sector Prosecution Cases

### 7.2.7.1 Prosecution

Seven (7) electrical accidents cases were filed at various Police stations countrywide. The cases included five (5) fatal and two (2) non-fatal electrical accidents. The cases are to be carried over into 2023. The preferred charges were in accordance with the Electricity (Public Safety) Regulations, Statutory Instrument 177 of 2018.

Table 17: Electricity Accidents Reported

NO.	ZRP Station Reported	Accident Status	Circumstance
1.	Chegutu Central	Non-fatal	Infrastructure collapse. The victim made contact with a low-lying live contact.
2.	Kadoma Rural	Fatal	Infrastructure collapse. The victim made contact with a low-lying live contact.
3.	Gokwe	Fatal	Lack of wayleave clearance. The victim made contact with a live conductor with a wet stick in the process of plucking fruits.
4.	Gokwe	Non-Fatal	Infrastructure collapse. The victim made contact with a low-lying live contact.
5.	Hillside (Bulawayo)	Fatal	Infrastructure collapse. The victim made contact with a low-lying live contact.
6.	Musami	Fatal	Lack of maintenance. The victim was electrocuted due to a sustained lightning on the HV line.
7.	Karoi Rural	Fatal	Infrastructure collapse. The victim made contact with a low-lying live contact.

The cases emanated from negligent behaviour on the part the power utility and its employees as well as lack of awareness on electrical safety in rural areas.

#### 7.2.7.2 ZETDC Compensation

A total of ZWL\$80,664,972.00 was paid out to twenty-six (26) claimants in 2022. ZETDC is however citing funding challenges for not being able to compensate all claims lodged.

### 7.3. PETROLEUM SUB-SECTOR REGULATION

#### 7.3.1 Licensed Petroleum Companies

In the period January to December 2022, the Authority licensed petroleum sector operators as shown in Figure 5.

**Figure 5**  
**Petroleum Licensing**

License Category						
Year	Retail	Procurement	Wholesale	Blending	Production	Total
2012	229	48	16	5	1	299
2013	411	39	6	11	2	469
2014	496	32	7	18	4	557
2015	595	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

**Figure 5:** Petroleum Licensing Statistics, 2012 – 2022

The total number of licensees increased over the years since inception with the most significant change being attributed to the retail licensees, which rose from 229 in the year 2012 to 905 in the year 2022. The 2022 licensing year recorded the highest number of licenses issued in ZERA's ten-year history.

### 7.3.2 Geographical Information Systems

The Authority continues to utilise Geographical Information Systems (GIS) to enhance compliance enforcement and increase stakeholder awareness on the geographical positions of energy facilities in the country. To further increase the efficiency

and effectiveness of the system, work is underway to integrate GIS and SAP system.

#### 7.3.2.1 Sites licensed in 2022

The GIS system in the petroleum sector is capturing all information with regards to the physical positions of retail sites in the ZERA licensing database. A total of 881 petroleum retail sites (i.e. 631 urban and 250 rural) were licensed in 2022. The year 2022 has thus shown a 4% increase in the licensed retail sites in the country as compared to those licensed in 2021. The map below depicts all retail sites licensed in the year 2022.

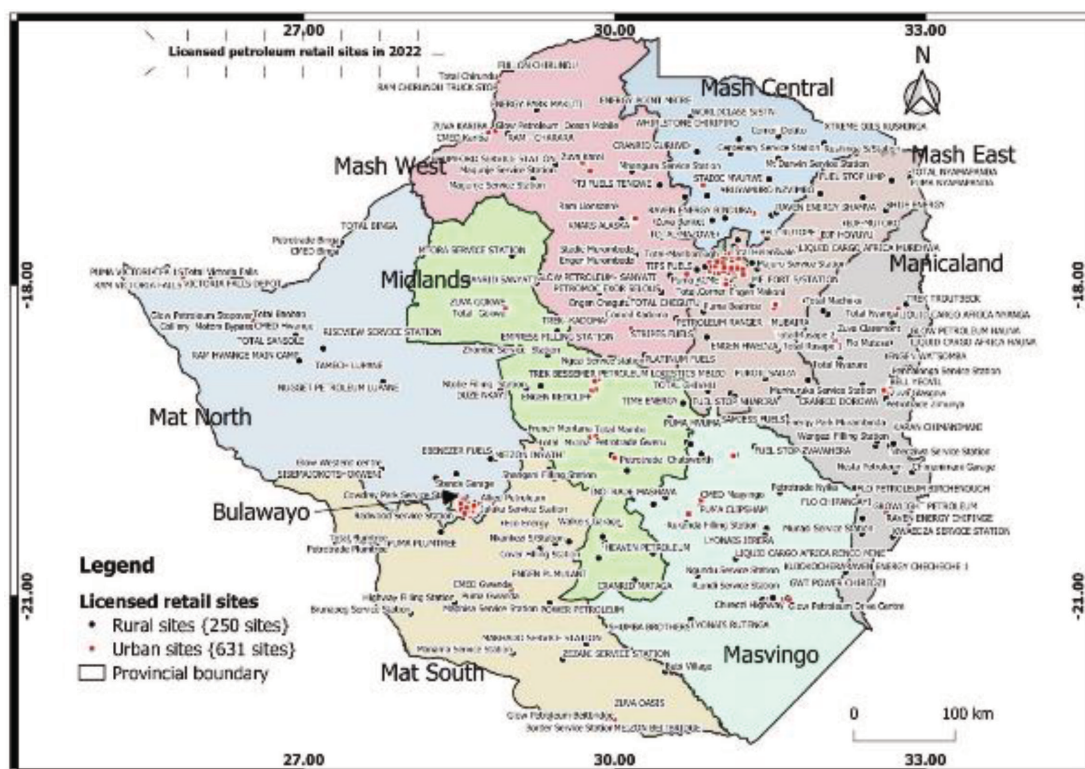


Figure 6: Petroleum licensed retail sites in 2022

### 7.3.2.2 Production sites licensed in 2022

The map below shows the location of companies licensed to produce ethanol and those licensed for blending of ethanol with unleaded petrol.

### 7.3.2.3 New petroleum retail sites

The GIS database keeps an up to date data set of new licensed sites at any given time. The map below indicates the distribution of new sites licensed in each province in 2022.

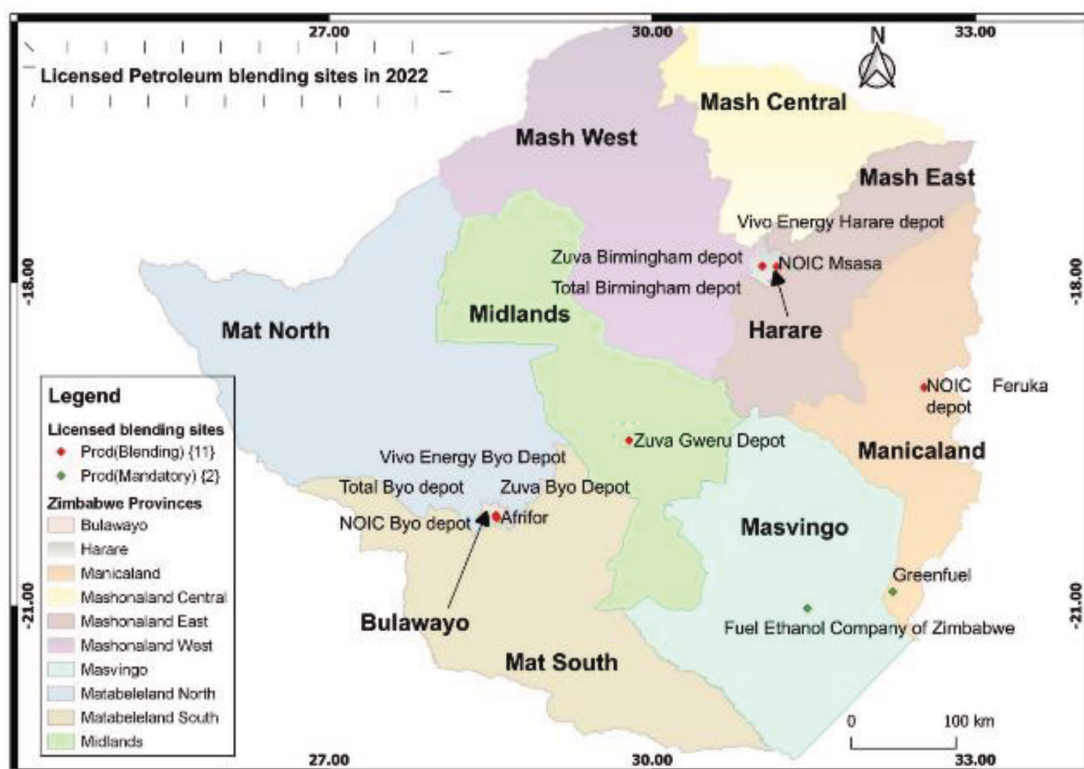
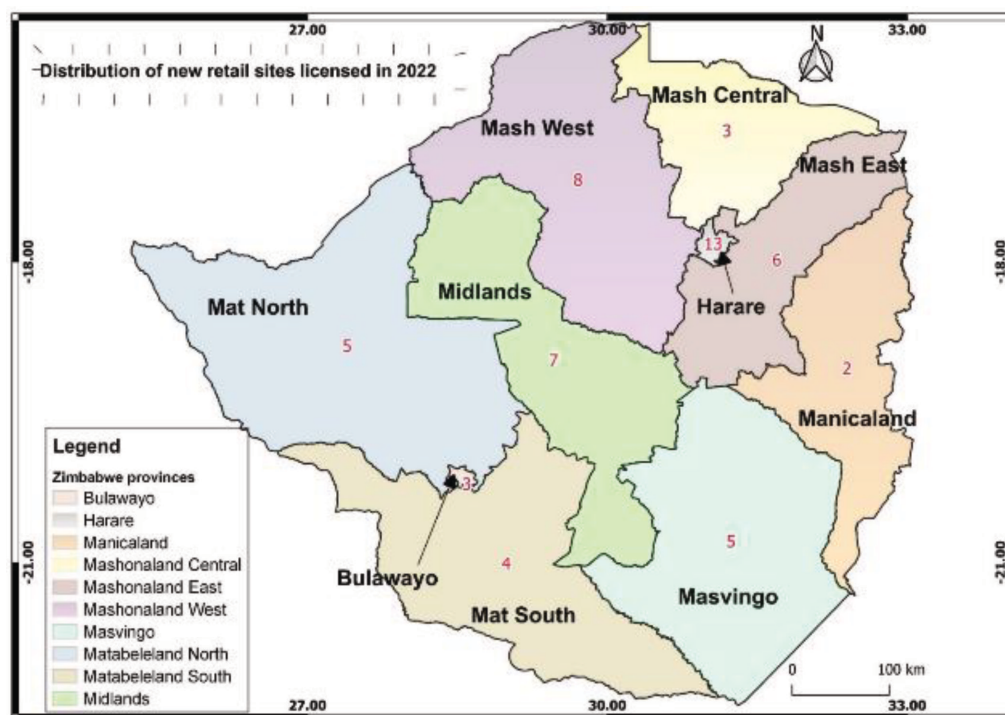


Figure 7: Petroleum licensed blending sites in 2022



### 7.3.2.3 New petroleum retail sites

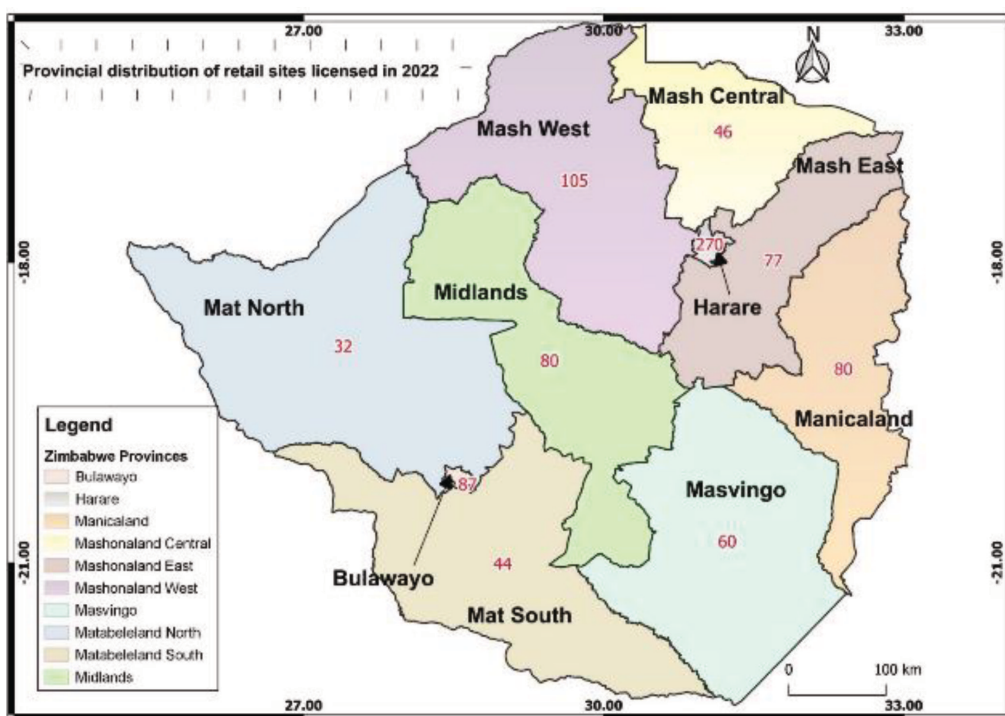
The GIS database keeps an up to date data set of new licensed sites at any given time. The map below indicates the distribution of new sites licensed in each province in 2022.



**Figure 9:** Distribution of the licensed retail sites in each province

### 7.3.2.4 Distribution of petroleum retail sites at Provincial level

The map below shows the distribution of retail sites in the country. A higher concentration is evident from the provinces with more urban centres as compared to those with more rural centres.



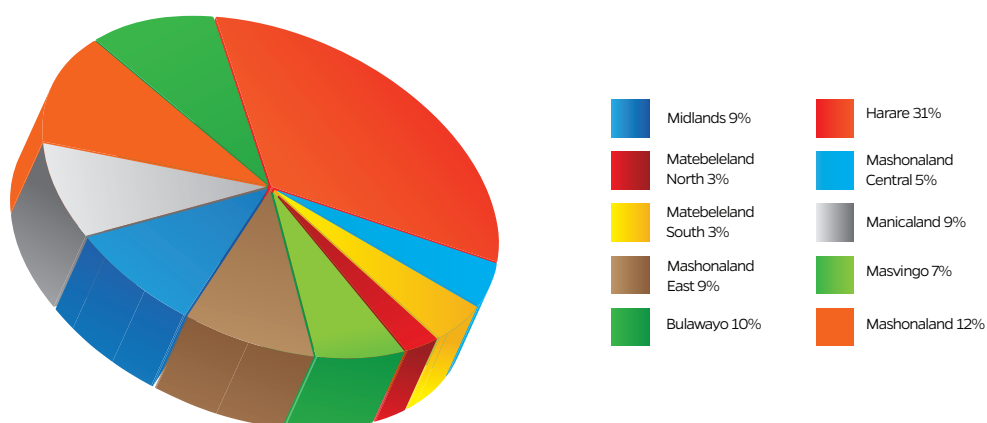
**Figure 9:** Distribution of the licensed retail sites in each province

Harare contributes 31% of all the licensed retail sites in the country, whilst Bulawayo contributes 10%. Matabeleland north has the minimum sites

in the country with a 3% contribution. Figure 9 illustrates the distribution summary for the rest of the provinces in the country.

Figure 10

Distribution of the licensed retail sites in each province



### 7.3.3 LPG Licenses

The table below shows that the number of licensed LPG operators have increased over the period 2015 and 2022.

Table 18: Number of Licensed LPG operators, 2015 to 2022

License Category	YEAR							
	2015	2016	2017	2018	2019	2020	2021	2022
Retail	39	80	110	135	125	158	356	325
Wholesale	14	17	16	17	13	23	18	29
<b>Total</b>	<b>53</b>	<b>97</b>	<b>126</b>	<b>152</b>	<b>138</b>	<b>181</b>	<b>374</b>	<b>354</b>

### 7.3.4 Compliance level/trends

The Authority ensures that there is a complete compliance in the petroleum sector through scheduled field compliance visits to all provinces in the country. Petroleum licensing enforcement was done in all the 10 provinces with a compliance rate of 97% being achieved by December 2022.

Pricing surveys are done countrywide on a weekly basis for both liquid fuel and LPG to ensure compliance to the Authority's prescribed prices. four (4) cases of over pricing were filed with the Police for prosecution during 2022 trading year.

### 7.3.5. Prosecution and litigation

During the period January to December 2022, a total of 149 cases for liquid fuels and LPG were filed with the Police and prosecuted as shown below:

- Operating without valid ZERA licenses - 145 retail sites
- Charging above the Authority's prescribed prices - 4 retail sites

There was a 25% increase on cases filed for prosecution in 2022 compared to 119 cases filed during the 2021 trading period. This was mainly

attributed to by the number of new LPG operators that find it easy to quickly set up operations without fully regularizing their operations. 90% of the prosecuted operators were able to regularize their operations during the year under review.

Fines levied to the offending operators ranged from ZWL\$2 000 to ZWL\$200 000 and 1 retail site operator was sentenced to 175 hours of community service

## 7.4. PETROLEUM SECTOR INFRASTRUCTURE MONITORING

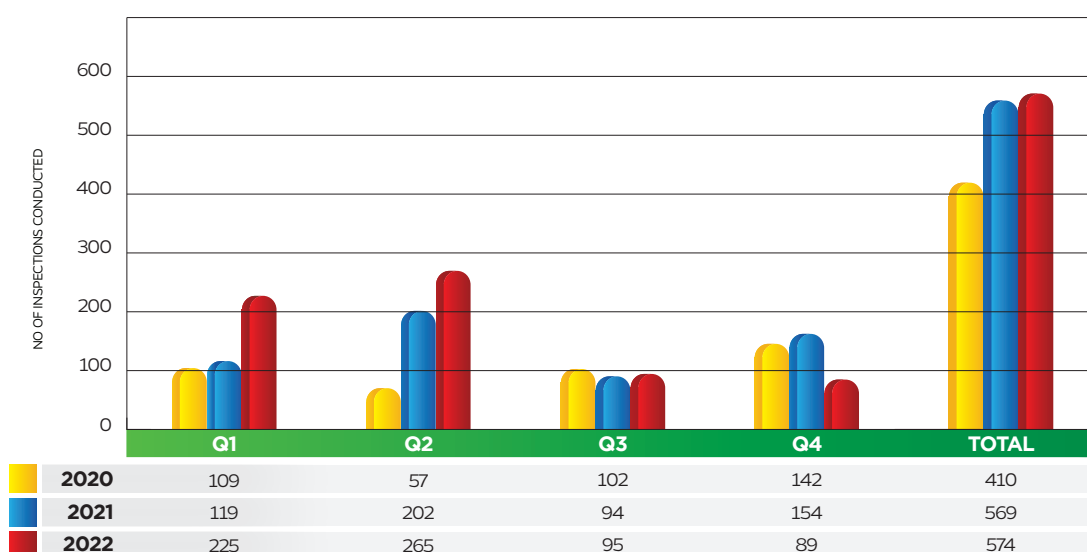
### 7.4.1. Fuel Retail Sites Inspection

During the year a total of 574 fuel retail sites were visited for compliance to petroleum standards compliance. Of these sites, 56 were first time applicants for licences indicating a 10% growth rate in the subsector for the year 2022. There has been a 40% increase in field monitoring activities since the relaxation of Covid 19 restrictions resulting in increased compliance to standards since 2021.

Below is a summary of the retail sites monitoring inspections.

Figure 11

Fuel retail sites inspected from 2020 to 2022



A total of 47 applications for retail licenses were rejected in the year due to poor infrastructure standards endangering safety. The sites were issued with compliance orders and asked to apply after upgrading to meet retail sites standard ZWS 970:2020 for service stations.

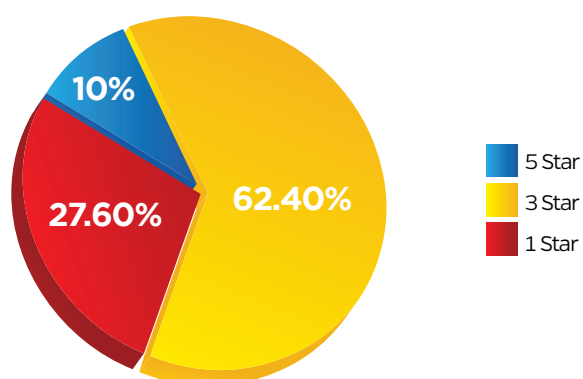
#### 7.4.1.1 Grading of fuel retail sites

In 2022, the Authority rolled out the pilot grading and rating of fuel retail sites in the major cities of

Harare, Bulawayo and Mutare. Sites were rated 5 star, 3 star and 1 star with a 5 star site meeting very high technical standards and all customer service experience aspects of aesthetics, customer care, availability of free compressed air, availability of clean toilets and a well-stocked convenience shop; while a 1 star site met technical standards but missed most of the customer service aspects. A total of 324 retail sites were graded in the year and the distribution of grades is given below.

Figure 12

Distribution of ratings of graded sites



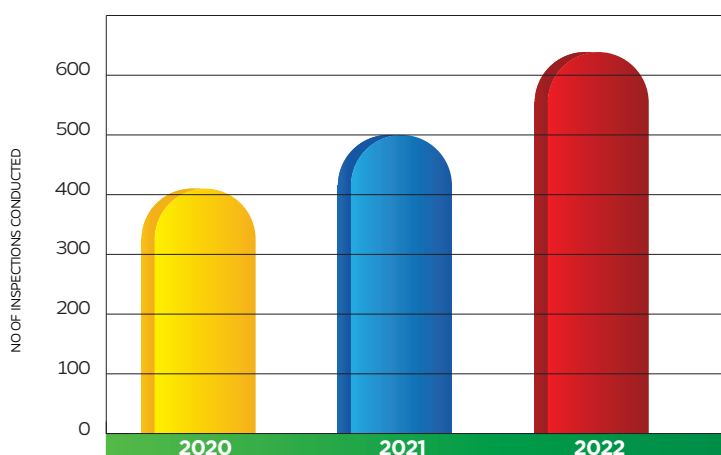
The grading program has seen oil companies making bookings with the Authority to have their frontline staff trained on petroleum industry standards to improve service quality at their forecourts. Consequently, 203 forecourt operators were trained by ZERA in 2022, up from only 99 trained in 2021.

#### 7.4.2. LPG Retail Sites Inspections

There was a significant number of LPG retail sites pre-licensing inspection requests received in 2022 compared with the past 2 years as shown below.

Figure 13

LPG retail sites inspections conducted



The number of inspection visits were occasioned by increased awareness of LPG standards and enforcement requirements. Increased awareness was driven by increased ZERA training of LPG retail and wholesale operators from 363 in 2021 to 464 trained in 2022.

### 7.4.3. Fuel Quality Monitoring

A total of 552 fuel retail sites were visited countrywide in 2022 and 984 samples were taken for testing. One (1) blend and seven (7) D50 samples failed the tests due to water contamination and low flash point respectively.

Table 19: Fuel retail sites monitoring and testing

		2022	2021	2020
<b>Number of sites visited</b>		552	592	445
<b>No. of samples tested</b>	Blend	494	421	257
	D50	490	439	226
	<b>Total</b>	<b>984</b>	<b>860</b>	<b>483</b>
<b>No. of failures</b>	Blend	1	4	0
	D50	7	8	3
	<b>Total</b>	<b>8</b>	<b>12</b>	<b>3</b>
<b>Compliance %</b>	Blend	99.8	99	100
	D50	98.6	98.6	98.7
	<b>Total</b>	<b>99.2</b>	<b>98.6</b>	<b>99.4</b>

The eight (8) oil companies found with contaminated fuel were prosecuted for violating fuel quality regulations. After conviction they paid fines ranging from ZWL\$60,000 to ZWL\$200,000. ZERA also facilitated the compensation of 6 motorists whose cars had been filled with contaminated fuel. The Authority is rolling out systems audits at fuel retail sites to minimise fuel contamination issues at the forecourts using petroleum industry best practices.

### 7.4.4. Petroleum Standards Awareness

During the year, the Authority trained 667 fuel and LPG fillers across the country. The lifting of the covid19 restrictions enabled ZERA to reach out to many industry players for face-to-face training resulting in improved standards awareness by front office workers in the industry.

Table 20: Petroleum operators training

Offtaker	Number of operators trained		
	2022	2021	2020
ZWS 960:3 Standard for LPG filling stations and procedures	464	462	148
ZWS 970 Guidelines and requirements for fuel service stations	203	99	0
<b>Total</b>	<b>667</b>	<b>561</b>	<b>148</b>

The Authority has noted an improved safe operating environment during the year as not a single accident was reported at a licensed fuel or LPG retail facility.

## 7.4.5. Standards Development & Review

### 7.4.5.1 Standards and Guidelines

**a) Piped Gas Installation Guidelines** – these guidelines were developed in consultation with key stakeholders in the LPG industry under the auspices of the Standards Association of Zimbabwe (SAZ). The guidelines in the form of a standard, are now waiting for publication by SAZ. They will guide regulatory bodies, installers and developers in supervising and installing safe reticulated LPG supply systems in residential and commercial premises.

**b) Registration Scheme of LPG Installers** – the scheme has taken off with the successful registration of 9 industrial, commercial, and residential installers by the Authority in the year. The registered installers are listed on the ZERA website for the information and interest of members of the public. Registering of the installers is a way of giving independent assurance to the public of the workmen's experience and competence in the grade in which they are registered.

### 7.4.5.2 Regulations

Aviation Fuel Regulations – were developed in consultation with the Civil Aviation Authority of Zimbabwe (CAAZ) and the oil companies participating in the aviation fuel industry. The regulations were drafted to fulfil the Authority's mandate to regulate all petroleum products and to ensure that only licensed and designated fuel companies supply aviation fuels to airports and airlines in line with petroleum and aviation industry requirements. The regulations will be submitted to the Ministry of Energy and Power Development in the first quarter of 2023.

## 7.5. FINANCE AND ADMINISTRATION

### 7.5.1 Financial Overview

#### Introduction

The financial results for the year ended 31 December 2022 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 24.9% in 2021 to 105.5% in 2022. However, the year saw revenue increasing by 74% compared to the prior year, surplus correspondingly increased by 16%. This helped keep the Authority afloat and self-sufficient in its operations.



## Financial performance overview

The following overview of the financial performance for the year ended 31 December 2022 is based on inflation adjusted figures.

Revenue increased by 74% compared to the prior year. A total inflation adjusted revenue of ZWL\$ 6,891,379,263 was recognized in 2022, of which 60% was attributable to electricity levies, 16% to electricity and fossil fuels licenses fees and the remaining 24% was from other income. A total of ZWL\$3,957,295,301 was recognized as income in 2021.

Total expenditure for the year ended 31 December 2022 amounted to ZWL\$4,383,526,108, out of which 38% related to employment costs, 57% administration overheads, 4% depreciation and amortization and 1% corporate social responsibility and donations, whereas expenditure for the year ended 31 December 2021 was at ZWL\$2,428,676,267.

Operating surplus rose by 16% when comparing 2021 and 2022. In 2022, the Authority realized a surplus of ZWL\$989,973,606 up from a restated surplus of ZWL\$856,752,166 in 2021.

The net worth of the Authority for the year ended 31 December 2022 was at ZWL\$3,532,263,968 compared to ZWL\$ 2,528,646,528 in the prior year and this accounted for a 40% increase.

Capital expenditure acquisitions for the year ended 31 December 2022 totaled ZWL\$432,631,625 up from ZWL\$67,919,403 in 2021, thus accounting for an increase of 537%. The acquisitions were mainly for operational and condition of service vehicles and other tools of trade such as cell phones and laptops.

In regards to the electricity account, a surplus of ZWL\$113,612,416 was realized in comparison to a surplus of ZWL\$28,749,071` 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.

## 7.5.2 Administration Overview

The Authority continued to exercise caution and make concerted efforts toward minimizing the spread of the Covid 19 pandemic, as all employees and field officers were supplied with personal protective equipment such as masks and sanitizers. Fumigation and sanitization of all offices including regional offices remained an on-going process for the department and this was maintained fortnightly. All employees were provided with fuel to curtail the use of public transport.

## 7.5.3 Procurement Overview

The Procurement Management Unit obtained a Class A procurement license from the Procurement Regulatory Authority of Zimbabwe. This entails that the Authority is perceived to be a low risk procuring entity in terms of incidences of procurement mal-practices. The Authority procured goods worth ZW\$1,879,321,269.29 during the year against a planned expenditure of ZW\$1,900,000,000.00. Procurement levels increased by 1094.95% from ZW\$157,272,497.03 in 2021. Out of the total procurement spend, ZW\$1,050,003,000.29 were services whilst ZW\$829,318,269.00 were goods. Obsolete assets and equipment were also disposed during the year. The performance of key suppliers by category was satisfactory as there were no returns of goods and services due to poor quality.

Table 21: List of Tenders awarded in 2022

Tender Number	Tender Description	Winning Bidder	Award Amount
ZERA COMP 01/2022	Provision of Consultancy Services for foreign currency conversion in SAP	Tano Digital Solutions	\$US42,365.00 payable at prevailing bank rate
ZERA COMP 02/2022	Provision of National Stakeholder Satisfaction and Energy Use Survey Services	University of Zimbabwe	US\$114,176.00 payable at prevailing bank rate
ZERA COMP 05/2022	Recruitment Services	Hatch Talent Solutions	ZWL\$1,845,480.00
ZERA COMP 06/2022	Supply and Delivery of 5 x Mazda BT-50 Vehicles	Croco Motors	US\$271,450.00
ZERA COMP 07/2022	Supply and Delivery of Coulometric Karl Fisher	SlowGrad Engineering	US\$43,932.15 payable at the prevailing bank rate
ZERA COMP 08/2022	Supply and Delivery of Sulphur Tester	SlowGrad Engineering	US\$107,087.83 payable at the prevailing bank rate
ZERA COMP 09/2022	Supply and Delivery of 7 x Toyota D/Cab vehicles	Croco Motors	US\$465,850.00
ZERA COMP 10/2022	Supply and Delivery of 2 x Mazda D/Cab vehicles	Tsapo Commercial	US\$106,376.00
ZERA COMP 11/2022	Provision of Training Services for Certified Energy Manager and Certified Energy Auditor	Sustenergy	US\$81,520.00
ZERA COMP 12/2022	LED lighting Retrofit for Chinhoyi Provincial Hospital	Power-Fix Electrical	US\$105,719.86 payable at the prevailing bank rate
ZERA COMP 13/2022	Demolition of Existing Durawall and Erection of a Palisade Fence at Athanasia Court	Helensvale Construction (Pvt) Limited	US\$18,600.64
ZERA COMP 14/2022	Removal of Existing Pavers, Landscaping and Paving of Athanasia Court	Emmanuel & Son Solutions (Pvt) Limited	US\$38,700.57
ZERA COMP 15/2022	Drilling of a 60m borehole, solar installation for borehole, booster pumps and plumbing works for 2 storey Athanasia Court.	Gloer Investments	US\$17,595.51
ZERA COMP 16/2022	Installation of Biometric System at Athanasia Court	Fuzzy Electronics	US\$11,987.22
ZERA COMP 17/2022	Installation of CCTV at Athanasia Court	Fuzzy Electronics	US\$7,353.08
ZERA COMP 18/2022	Installation of Network System at Athanasia Court	Flogate Technology Group	US\$26,000.00
ZERA COMP 19/2022	Supply and delivery of 2023 Diaries and Calendars	Decadesigns Advertising & Installation -A2 Desk & Tent	ZWL\$3,015,000.00
	Wall calendars and diaries	Grantpack Printing	ZWL\$2,512,500.00
	Slimline diaries	ZIMUE Media	ZWL\$1,587,900.00
ZERA COMP 20/2022	Supply and installation of solar PV and thermal systems - Gamanya Clinic in Makonde District (Mashonaland West Province)	Sinet	US\$63,771.34
ZERA COMP 21/2022	Supply and installation of solar PV and thermal systems - Chirongwe Clinic in Chivi District (Mashonaland West Province)	Sinet	US\$40,881.09
ZERA COMP 22/2022	Selection of Consultancy Services for Biomass Resource Potential Assessment in Zimbabwe	Future Projects Consulting Africa	US\$42,000.00

## 7.6. HUMAN RESOURCES

### 7.6.1. Head Count and technical and professional capacity

The Authority strives for continuous improvement in quality service delivery and ensuring its mandate is met. To meet the strategic goals and

ZERA mandate, the Authority needs adequate, skilled and engaged employees. Table below shows the headcount for the organisation

**Table 22: ZERA Head Count**

Department	Budgeted	Strength	Male	Female	Vacancies
CEO's Office	5	5	3	2	0
Procurement Unit	3	3	2	1	0
Internal Audit	3	2	1	1	1
Communications	2	2	1	1	0
Consumer Services	4	3	1	2	1
Corporate Service	7	7	3	4	0
Technical Services	19	18	15	3	1
Economic Regulation	11	9	6	3	2
Finance & Admin	17	16	5	11	1
<b>Totals</b>	<b>71</b>	<b>65</b>	<b>37</b>	<b>28</b>	<b>6</b>

The headcount as at 31 December 2022 was 65 against a budget of 71 resulting in a vacancy rate of 8%. In addition to the 65-permanent staff,

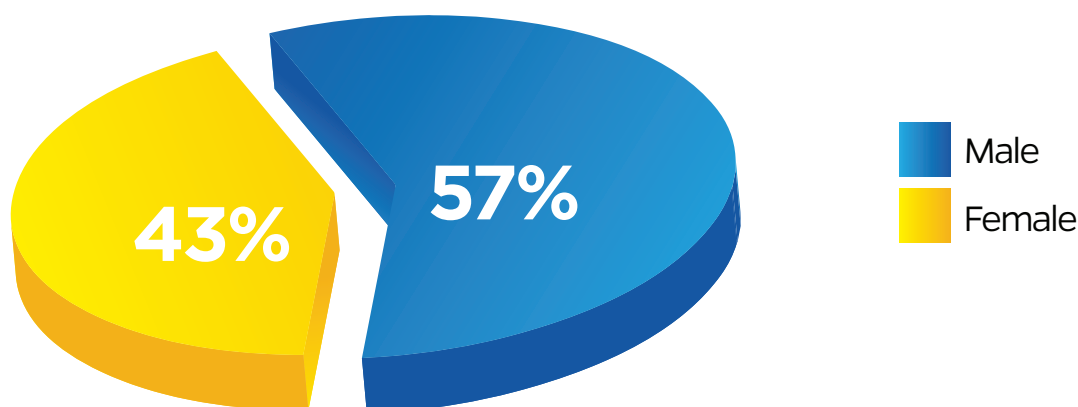
the Authority had 1 Student Intern, 2 Graduate Trainees and 16 Fixed Term contract employees.

### 7.6.2 Gender Mainstreaming

During the period under review, female employees accounted for 43% of head count.

Figure 14

Gender mainstreaming pie chart



The Authority is continuously striving to achieve a gender balance of 50% female employees. A deliberate effort will be made to create the required gender balance while taking cognisance of qualification, experience and aptitude.

performance. This creates a comprehensive process that includes full co-operation and involvement of each staff member.

### 7.6.3 Organisational structure

In pursuit of a properly structured organization, ZERA is in the process of reviewing the current organizational structure to align it to the strategy and ever-changing needs of the market. This structure will enable the Authority to fulfil its mandate in the most effective and economical manner.

### 7.6.5 Employee Engagement

Employee engagement plays a critical role in achieving excellence in service delivery and the achievement of objectives. In pursuit of improving employee engagement, ZERA continued to work on issues that were ranked low by employees in the previous year's survey resulting in an increase from 53% in 2021 to 64% in November 2022. A team building event was done for the Authority's employees to improve on teamwork.

### 7.6.4 Employee performance & turnover

Voluntary turnover was at 5% for the period under review, ZERA continues to give priority in attracting and retaining the right skills to execute its mandate. The organisation recognizes and awards excellence and talent. Creating a strong personal sense of commitment from staff pushes individual employees to take ownership and responsibility for their part in achieving business objectives and outcomes. In addition to this, ZERA is committed to developing good performance management by monitoring performance quarterly and giving constructive feedback to employees and rewarding excellent

### 7.6.6 Training and Development and Talent management

Training and development is a continuous process as skills, knowledge and quality of work needs constant improvement. A lot of attention was paid to Learning and Development resulting in skills acquisition and exposure to regional and international best practices. The Authority is committed to talent management through capacity building.

### 7.6.7 Employee relations

Employee relations is important in fostering and improving the relationship between employees

and employers, and a lot of investment was done to promote cordial relations with the employees. Relevant training was conducted to capacitate all stakeholders in employee relations and engagement to discuss issues of mutual interest.

### 7.6.8 Employee Wellness

Employee wellness is essential to the Authority as it strives to achieve its mandate. Wellness impacted positively to ZERA's productivity. Employees had an opportunity to take part in physical wellness programmes amongst them soccer and golf. The Authority finished the year on second place in the Soccer Parastatals League, up from third place in 2021.

ZERA held online wellness programmes which helped in creating awareness amongst its employees on issues to do with physical health covering cancer, stress, mental and HIV and Aids and on financial and social wellness.

#### 7.6.8.1 Covid-19

The Authority followed the guidelines for managing the Covid-19 pandemic by decongestion of offices, social distancing, handwashing, sanitizing, wearing of masks and the use of Personal Protective Clothing. The offices were also disinfected for Covid-19 occasionally and every time whenever there were some positive Covid-19 cases. There were no fatalities from Covid-19.

Employees were capacitated to work remotely, and meetings and trainings were done virtually to

avoid physical contact.

### 7.6.9 Ethics

ZERA revised its Code of Ethics and held consultative meetings with all stakeholders to make sure their input is incorporated in the new Code of Ethics. ZERA won three awards from the Ethics Institute of Zimbabwe for this effort as follows: -

- Best Code of Ethics Development and Implementation Award - State Owned Enterprises and Parastatals Category
- Most Ethical Company of the Year Award - Runner Up - Overall Category
- Ethical Company of the Year Award for State Owned Enterprises and Parastatals Category

## 7.7 STAKEHOLDER ENGAGEMENT AND EDUCATION

### 7.7.1 Regional Consumer Education Outreaches

Physical meetings were held in Chivhu, Chegutu, Norton, Chitungwiza, Sunningdale, Rimuka, Patchway, Jameson High School, Marange High School, Zaka, Jerera, Gutu, Birchenough Bridge, Mutare State University of Applied Sciences, Nyanga Traditional leaders, Mutasa DC Traditional leaders, Biriiri High School, Pafiwa High School, Pumula South, Tshabalala, Nketa, Gokwe, Kwekwe, Gweru, Kezi, Maphisa, Mhlahlandela, Great Zimbabwe University, Pamushana High School, Gokomere High School, Hwange Empumalanga, Hwange Colliery and Entumbane in Bulawayo.



**Figure 15:** Stakeholder engagement at Jameson High School, Kadoma





**Figure 16:** Stakeholder engagement at Gutu RDC offices in Masvingo



**Figure 17:** Stakeholder engagement at Hwange Colliery in Matebeleland North Province



**Figure 18:** Stakeholder engagement in St Marys, Chitungwiza





**Figure 19:** Stakeholder engagement held at Great Zimbabwe University, Masvingo Campus.

## 7.8. Quarterly Stakeholder Meetings

Online quarterly stakeholder meetings were held with the Chamber of Mines Zimbabwe (COMZ), the Confederation of Zimbabwe Industries (CZI), Farmers, Zimbabwe Electricity Transmission and Distribution Company and the Indigenous Petroleum Association of Zimbabwe (IPAZ).

### 7.8.1 Consumer complaints and dispute resolution

The Authority continued with one of its mandates of resolving complaints and disputes. Most of the disputes resolved in 2022 were from the electricity subsector which contributed 61% of the 127 complaints and disputes received. Most of these complaints and disputes received were to do with electricity power outages which had taken long to be attended to. The constant follow-up on electricity complaints, the existence of ZETDC national contact centre, the enforcement of consumer protection standards contributed to the increase in resolved complaints from 112 in 2021 to 122 in 2022 marking a percentage increase of 90.37% in 2022 from 82.35% in 2021.

### 7.8.2 Consumer Initiated Conferences and Networking initiatives

The Authority made efforts to attend all the Consumer initiated conferences and networking initiatives which it was invited to in 2022. The notable ones were CZI Annual Economic Outlook, Customer Experience webinars: Customer Care Association of Zimbabwe (CCAZ);

Consumer Protection Act: the roll out plan; CCAZ Strategic Customer Experience seminar, IPRCZ Communication & PR symposium; CZI Strategy review workshop; Chamber of Mines :State of mining industry; ZNCC: Mainstreaming SDGs into business operations training; Consumer Protection Commission Strategy Planning Workshop; MAZ Customer Experience Convention; UZ Golf Tournament fundraiser, Parirenyatwa Golf tournament and the Harare Residents Trust Conference meeting.

## 7.9. COMMUNICATIONS AND PUBLIC AFFAIRS

### 7.9.1 Executive summary

The Communications Department led the commemoration of the Authority's 10th year anniversary focusing on milestones achieved as well as re-engaging stakeholders. This theme resonated throughout the Authority's key activities, as both internal and external stakeholders joined in celebrating this feat. The year also saw the inaugural Golf Tournaments being held, the donation to the Zimbabwe Albino Association, the branding of ZUPCO buses with awareness messages, with the Authority receiving various accolades in acknowledgement of the Authority's commitment to excellence in its operations.

### 7.9.2 ZERA @10 Celebrations

The Authority celebrated its 10 year anniversary in style through a series of events rolled out in

Harare and Bulawayo.

The ZERA @ 10 celebrations started off with a cake cutting event at the Harare head office and regional offices followed by the dinner held at the Palm Estate attended by all ZERA staff and key stakeholders.

The ZERA @ 10 banner paved way for the inaugural golf tournaments that were held in Harare at Chapman Golf Club and Bulawayo Golf Club respectively.



**Figure 20:** ZERA pioneer staff at the ZERA@10 dinner

All staff received ZERA @10 branded promotional items in commemoration of the 10-year anniversary and the use of the ZERA @ 10 logo, letter head and email signatures were discontinued on the 31st of December 2022 as the 10-year anniversary celebration for the Authority came to a close.

### 7.9.3 International Engagements

#### i. Dubai Expo

The authority had a delegation consisting of the Chief Executive Officer, Senior Manager Economic Regulation and Communications Officer, joining Ministry officials in attending the Energy Week during the 2022 Dubai Expo.

#### ii. International Renewable Energy Conference

The Authority attended the Third International Renewable Energy Conference hosted by Alpha Media Holdings (AMH), through The Standard newspaper and Heart and Soul TV, who facilitate

this conference on renewable energy annually. The conference and expo were in partnership with the Ministry of Energy and Power Development under the theme “The New Frontier: Net Zero Africa” and came on the heels of the anticipated world conference COP27.

The Renewable Energy Conference and expo is the Energy sector’s affirmation of Zimbabwe’s endorsement in the adoption of renewable energy and its quest for clean energy by 2030. The conference and expo brought together various experts, authorities and financiers for discussions to map the way forward on the road to the 2030 clean goal.

The Authority had on display the Electric Vehicle which resonated well with the theme as well as a delegation from senior management and staff, with the Senior Engineer, Electricity having podium time to speak on Electric vehicles as well as participating in a panel discussion on the Twitter Spaces platform.



**Figure 21:** The CEO, Mr. Mazambani gives the President, Cde. E. D. Mnangagwa an insight of the EV

### iii. Conference of Parties 27

The Authority was part of the delegation from the Energy Sector consisting of the parent Ministry, that attended the Cop 27 Climate Change Conference, Sharm el-Sheikh in November 2022. This year's conference saw the signing of a landmark 500MW Solar Climate Action Acceleration Agreement between Sky Power and the Government of the Republic of Zimbabwe.

The agreement signified a new era of sustainable clean growth as it sealed the People-first Public Private Partnership under the regional UN Economic Commission guidelines for renewable energy procurement. During the signing ceremony, Zimbabwe was represented by H.E. President Mnangagwa, Minister of Energy and Power Development Hon. Zhemu Soda and Senior Delegates of the country. Sky Power was represented by the President and CEO, Kerry Adler, and Senior Executive team.

### 7.9.4 Stakeholder Engagement and Exhibitions

The Authority participated at the Zimbabwe International Trade Fair in the month of April, where the Authority won the Bronze Medal for Best Exhibit in the Regulatory Authorities Category.

ZERA participated as part of achieving its mandate to raise awareness and promoting alternative sources of energy and renewable energy sources with the energy consumers, potential investors, farmers and commercial users of energy. The Authority was commemorating its 10th year anniversary, thus the overarching theme for the ZITF exhibition was #ZERA@10, with a luncheon and Cake Cutting Ceremony to commemorate and mark the beginning of ZERA @10 celebrations being held.

The Authority sponsored a floating trophy which is exclusively for exhibitors from the energy sector.





**Figure 22:** Hon Minister of Energy and Power Development, Z. Soda, is assisted in cutting the ZERA@10 Cake, by his deputy, Hon. M. Mudyiwa (Left), Dr. Gloria Magombo – Permanent secretary in the Ministry of Energy, ZERA Vice Board Chair Eng. Farai Mavhiya-Bhiza while ZERA board members and CEO (partly obscured) look on at the ZITF ZERA@10 celebrations.

The Authority also attended the Harare Agricultural Show, Mashonaland Central Show, Manicaland Show, Midlands Show and Mine Entra.

### 7.9.5 National Energy Satisfaction Survey

The Authority rolled out the second National Energy Satisfaction Survey in fulfilment of PECOGA 2018 which compels state entities to undertake such surveys as part of assessing how well they are meeting their stakeholders' needs and expectations. The survey was finalised with an outcome Stakeholder Satisfaction Index of 73.85%. Electricity remains the dominant form of energy in the country, calling for stepped up efforts to consistently raise awareness on use of renewable energy.

### 7.9.6 Information, education and communication material

The department facilitated the production of the Net Metering brochure, the LED lighting as well as the Net Metering awareness video. The goal being to widely share messages promoted by the Authority to as vast an audience as possible. The Authority also had audio messages aired on national radio in English, Shona and IsiNdebele, on dangers of fallen electricity cables.

### 7.9.7 Corporate publications

The 2021 Annual Report was duly approved and published well within its statutory deadline. The report was shared widely with Parliament, Ministry of Energy and Power Development and stakeholders in the industry, whilst electronic copy was uploaded onto the ZERA website.

The first edition of the ZERA Magazine was also published as well as a Net Metering corporate video that was played at the Annual CEO's Roundtable Conference and the Institute of Directors of Zimbabwe (IODZ) corporate dinner.

### 7.9.8 Corporate Social Responsibility

The Authority took up its Corporate Social Responsibility to raise funds towards helping People Living With Albinism. After holding its inaugural Golf tournament in Harare and Bulawayo, with the support of its stakeholders in the energy industry, the Authority raised ZWL8million dollars which was channelled towards the Matabeleland North Chapter of the Zimbabwe Albino Association, with a total of 194 people with albinism.

The authority donated skin care products and sun protection materials which consisted of an

assortment of sunscreen sprays, lotions, bath soaps, lip balms, long sleeved t-shirts and sun hats amounting to approximately ZWS\$46 000 per person.

The Authority was keen to support even small initiatives such as the procurement of a first aid kit for the Girls High School basketball team who were competing in South Africa.

### 7.9.9 Awards and Recognitions in 2022

The Authority was on a definite triumph and received the following accolades during the year:

**I. ZITF 2022 Best Exhibition in the Regulatory Authorities Category:** 3rd place

#### II. 2022 Business Ethics Awards:

Best Ethical Company of the Year Award Runner Up – Overall Category

Best Code of Ethics Development and Implementation Award

#### III. 2022 IPMZ Awards:

HR Excellence Award- Male CEO of The Year Award (E.T Mazambani)

HR Excellence Award- Best HR Manager 2022 Public Sector (Mrs. K. Kowo)

HR Excellence Award- Leadership Coach Female Second Runner Up (Mrs. K. Kowo)

HR Excellence Award- Female HR Practitioner Public Sector 2022- Second Runner Up (Mrs. T. Ngwenya)

### 7.9.10 Regional integration

As a member of the Regional Energy Regulators Association, the Authority attended the Annual

RERA Committee and Portfolio Meetings, both virtually and physically as hosted by the Eswatini Energy Regulatory Authority (ESERA). The meetings continue to be learning platforms as well as benchmarking sessions amongst the energy regulators in the region.

## 7.10 QUALITY MANAGEMENT

### 7.10.1 Quality Management Systems: ZWS ISO 9001:2015

The Authority was proud to retain its ZWS ISO 9001:2015 Quality Management System (QMS) certification following a recertification audit by the Standards Association of Zimbabwe (SAZ) end of 2021. The recertification, valid for another 3 years, serves as independent verification and endorsement of the continuous effectiveness of the Authority's quality management system. It gives confidence to stakeholders and clients that the Authority's processes will continue to deliver services that meet their expectations in a responsive and consistent manner.

The Authority has been encouraging its licensees to also adopt quality management systems in their strategies and operations through the approval of their quality manuals and operating procedures in fulfilment of the requirements of Petroleum (Fuel Quality) Regulations, 2013. Consequently, QMS procedures for 7 major oil companies were approved by the Authority in 2022. It is hoped that by adopting QMS, licensees will build proactive approaches to dealing with their customers issues, especially product quality resulting in a reduction in quality incidents and complaints.



## 8.0 | SUB-SECTOR PERFORMANCE

### 8.1 ELECTRICITY SUB-SECTOR

#### 8.1.1 Overall Sources of Energy 2021

A total of 10,710 GWh of energy was supplied in 2022 against 10,193 GWh in 2021 (5% increase). Annual energy supply shows that Kariba power station was the dominant energy supply source in 2022. Kariba South power station decreased its output by 1%. Hwange power stations increased its output compared to 2021 by 11%.

The decrease in output from Kariba South and small thermal stations was compensated by new capacity at Zimbabwe Zhongxin Electrical Energy (ZZEE) and increase in Hwange output. Imports increased slightly by 140 GWhs from 1,740 GWhs in 2021 to 1,880 GWhs in 2022. EDM of Mozambique, ZESCO and DAM compensated for the decrease in imports from Eskom and HCB. The energy delivered to the transmission system in 2022 exceeded 10,000 GWh for the second year running.

Table 23: Sources of Energy

Sources	YTD 2022 Supply (GWh)	YTD 2021 Supply (GWh)	Difference (GWh)	Variance %
Kariba	5,757.09	5,813.74	-56.65	-1%
Hwange	2,559.71	2,307.85	251.86	11%
Bulawayo	24.60	31.47	-6.87	-22%
Munyati	66.12	87.74	-21.63	-25%
Harare	38.67	80.73	-42.06	-52%
NRE Hydro	121.30	110.84	10.46	9%
NRE Solar	4.20	5.26	-1.06	-20%
Dema	0	-0.22	0.22	-100%
Chisumbanje	3.28	0.22	3.06	1391%
Kupinga	11,155.65	9.54	1.62	17%
Claremont	1,820.58	1.8	0.02	1%
Centragrid	3,705.592	3.65	0.06	2%
ZZEE	232,124.3	0	232.12	100%
Solgas	761.398	0	7.61	100%
<b>Total Internal</b>	<b>8,831.38</b>	<b>8,452.62</b>	<b>378.76</b>	<b>4%</b>



ZESCO	354.189	0	354.19	100%
ESKOM	1,064.653	1,502.16	-437.51	-29%
HCB (Schedule)	458.254	493.38	-35.13	-7%
EDM	330.402	185.5	144.90	78%
DAM Import	66.8836	9.65	57.23	593%
DAM Export	-10.6592	-25.4	14.74	-58%
Nampower	-384.465	-424.84	40.38	-10%
<b>Total External</b>	<b>1,879.257</b>	<b>1,740.45</b>	<b>138.81</b>	<b>8%</b>
<b>Total Supply</b>	<b>10,710.64</b>	<b>10,193.07</b>	<b>517.57</b>	<b>5%</b>

### 8.1.2. Analysis of ZPC Performance

The total energy sent out in Hwange increased by 11% from 2,307.85 GWh in 2021 to 2,559.71 in 2022. At Kariba power station the energy sent out decreased by 1% from 5,813.74 GWh in 2021 to 5,757.09 in 2022 due to water conservation

caused by low lake levels, unavailability of units 4 and 6 due to runner breakdowns and Generator 8 transformer failure. The individual contribution from the generating stations is as depicted in Table 7 and Figure 3

Table 24: ZPC Energy Sent Out (GWh)

Year	Hwange	Kariba	Harare	Munyati	Bulawayo
2022	2,559.71	5,757.09	38.67	66.12	24.60
2021	2,307.85	5,813.74	80.73	87.74	31.47
% Change	11%	-1%	-52%	-25%	-22%

Figure 23

## ZPC Energy Sent Out (GWh)

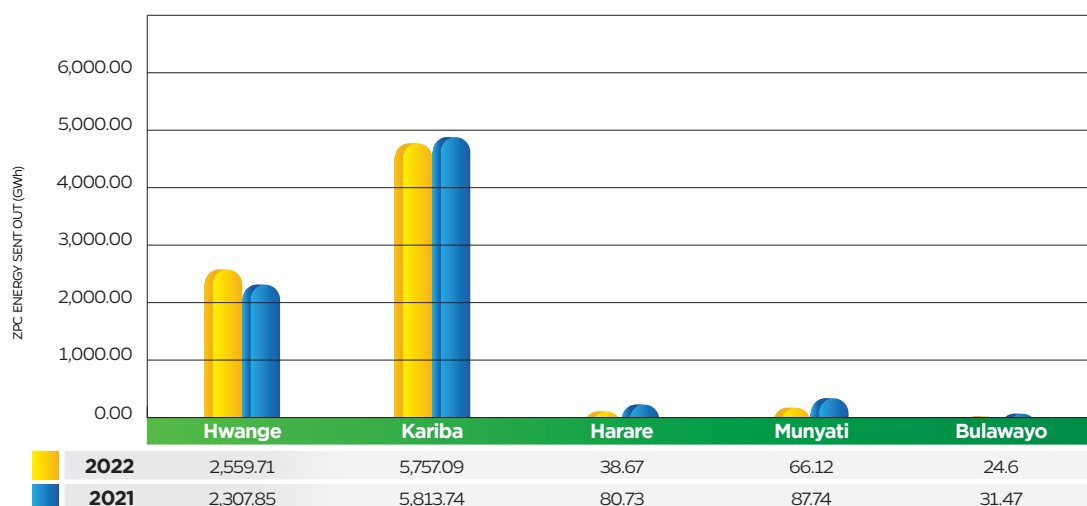


Table 25: ZPC Plant Availability Factor

Plant	Actual 2022	Actual 2021	ZERA Target	Variance	2021/2022 Variance %
Hwange Power Station	67.67	42.41	75	-10%	60%
Small Thermals	26.57	35	70	-62%	-24%
Kariba Power Station	83.41	94.8	90	-7%	-12%

Plant availability was constrained by prolonged unit 1 and 5 outages with unit 5 remaining out of operation for the whole year and unit 1 out from

Q1 to Q3, numerous forced outages including boiler tube leaks and other plant breakdowns.

Table 26: ZPC Plant Efficiency

Plant	Actual 2022	Actual 2021	ZERA Target	Variance	2021/2022 Variance %
Hwange Power Station	26.81	25.03	30	-11%	7%
Small Thermals	15.4	15.96	20	-23%	-4%
Kariba Power Station	92.79	90.21	95	-2%	3%

Inadequate plant maintenance remains a major driver towards plant efficiency challenges.

Table 27: ZPC Plant Trips

Plant	Actual 2022	Actual 2021	ZERA Target	Variance	2021/2022 Variance %
Hwange Power Station	38	93	6	533%	-59%
Small Thermals	30	37	9	233%	-19%
Kariba Power Station	6	12	3	100%	-50%

A significant decrease in the number of trips was recorded at ZPC power stations in the year 2022 compared to the same period in 2021. Unit trips remain a key area of concern due to their contribution to poor system performance and the associated cost of restarting the units in order to supply load to the grid.

### 8.1.3 Performance by Independent Power Producers

IPP contributed 4.5% of the total energy production in 2022. IPPs grid contribution increased by 193% from 131.31 GWh in 2021 to 385.38 GWh in 2022 mainly due to new capacity at ZZEE and Solgas and increased rain at mini hydro plants. The following table summarises the total annual production over the period 2018 through to 2022:

Table 28: IPP Performance

Producer	Technology	Production (GWh)					
		2022	2021	2020	2019	2018	
NRE	Mini-hydro & Solar	125.5	116.1	88.2	70.1	112	
Hippo Valley Estates	Biomass	0	0	40.6	56.2	63.2	
Triangle Limited	Biomass	0	0	30.4	115.2	83.9	
Border Timbers	Biomass	0	0	0	0	0	
Chisumbanje	Biomass	3.28	0.22	10.7	5	39.5	
Dema E/Peaking Power	Diesel	0	0	0	0	0.15	
Kupinga	Mini-hydro	11.5	9.54	6.6	3.3	13.1	
Claremont	Mini-hydro	1.8	1.8	1.7	1.6	1.68	
Centergrid	Solar	3.7	3.65	2.63	-	-	
ZZEE	Thermal	232	-	-	-	-	
Solgas	Solar	7.6	-	-	-	-	
<b>Total</b>		<b>385.38</b>	<b>131.31</b>	<b>181</b>	<b>251.4</b>	<b>311</b>	

### 8.1.4 Transmission and Distribution

Energy sales increased by 9% to 9,225 GWh 2022 from 8,439 GWh in 2021. Energy sales were above the Authority's target of 8,760 GWh and this translates to a positive variance of 5.3% and 9% above the 2021 sales.

The increase in consumption of electricity has been attributed to increased capacity utilisation mainly in the mining and industrial, agriculture and commercial sectors due to increased production and the sectors are less affected by load shedding.

Table 29: Energy consumption per sector in 2022

Consumption GWh	YTD 2022	YTD 2021	2021/2022 Variance
Domestic Metered	350.73	393.80	-11%
Domestic Prepayment	1,959.30	1,899.20	3%
Mining and Industrial	4,545.66	3,957.60	15%
Commercial	1,813.46	1,660.80	9%
Agriculture	491.00	446.70	10%
Public Lighting	54.75	71.80	-24%
ZETDC Properties	10.49	8.80	19%
<b>Total</b>	<b>9,225.00</b>	<b>8,438.70</b>	<b>9%</b>

### 8.1.5 Energy Delivered

The total energy delivered to the transmission system for 2022 was 10,713.58 GWh against

10,193.08 GWh delivered the same period last year. This represents a 5.1% increase in supply.

Table 30: Energy delivered to ZETDC

Total Energy Delivered Transmission (GWh)	2022	2021	Variance (%)
<b>Total</b>	<b>10,713.58</b>	<b>10,193.08</b>	<b>5.1%</b>

Kariba South remained the dominant supplier of energy in the country contributing 35%. However, the lake levels were below expected levels and affected generation targets. Hwange remained consistent from Q2 2022 contributing

23%, ESKOM 9%, ZESCO 7.6%, HCB 4% and EDM 2% respectively, whilst small thermal power plants contributed 1% combined and IPP projects contribution was slightly above 3%.

Table 31: Q4 2022 Energy delivery by source

Sources	YTD 2022 Supply (GWh)	YTD 2021 Supply (GWh)	Difference (GWh)	Variance %
Kariba	5,757.09	5,813.74	-56.65	-1%
Hwange	2,559.71	2,307.85	251.86	11%
Bulawayo	24.60	31.47	-6.87	-22%
Munyati	66.12	87.74	-21.63	-25%
Harare	38.67	80.73	-42.06	-52%
NRE Hydro	121.30	110.84	10.46	9%
NRE Solar	4.20	5.26	-1.06	-20
Dema	0	-0.22	0.22	-100%
Chisumbanje	3.28	0.22	3.06	1391%
Kupinga	11,155.65	9.54	1.62	17%
Claremont	1,820.58	1.8	0.02	1%
Centragrid	3,705.592	3.65	0.06	2%
ZZEE	232,124.3	0	232.12	100%
Solgas	7,613.98	0	7.61	100%
<b>Total Internal</b>	<b>8,831.38</b>	<b>8,452.62</b>	<b>378.76</b>	<b>4%</b>
ZESCO	354.189	0	354.19	100%
ESKOM	1,064.653	1,502.16	-437.51	-29%
HCB (Schedule)	458.254	493.38	-35.13	-7%
EDM	330.402	185.5	144.90	78%
DAM Import	66.8836	9.65	57.23	593%
DAM Export	-10.6592	-25.4	14.74	-58%
Nampower	-384.465	-424.84	40.38	-10%
<b>Total External</b>	<b>1,879.257</b>	<b>1,740.45</b>	<b>138.81</b>	<b>8%</b>
<b>Total Supply</b>	<b>10,710.64</b>	<b>10,193.07</b>	<b>517.57</b>	<b>5%</b>

### 8.1.6 Energy sales

Energy sales increased by 9.2% as given in the Table 31 above. Energy sales were above the

Authority's target of 2,190GWh and this translates to a positive variance of 0.32%.



Table 32: Total Energy Consumption

Distribution Sales (GWh)	2022	2021	Variance (%)
<b>Total</b>	<b>9,219</b>	<b>8,439</b>	<b>9.2%</b>

The increase in consumption has been attributed to increased capacity utilisation mainly in the agriculture and commercial sectors due to

increased production and the sector is less affected by load shedding. (Table 31 below).

Table 33: Energy consumption per sector in 2022

Consumption GWh	YTD 2022	YTD 2021	2021/2022 Variance
Domestic Metered	350.73	393.80	-11%
Domestic Prepayment	1,959.30	1,899.20	3%
Mining and Industrial	4,545.66	3,957.60	15%
Commercial	1,813.46	1,660.80	9%
Agriculture	491.00	446.70	10%
Public Lighting	54.75	71.80	-24%
ZETDC Properties	10.49	8.80	19%
<b>Total</b>	<b>9,225.00</b>	<b>8,438.70</b>	<b>9%</b>

### 8.1.7 Distribution of Quality parameters

#### a) System Losses

Distribution system losses for 2022 were 14% against ZERA's target of 8%. These losses are 6% higher than the ZERA approved target of 8%. Lack of statistical metering is hampering accurate measurement of losses in the distribution system.

The utility has established a Revenue Assurance Department to administer reduction of non-technical losses which could be very high owing to the harsh economic conditions and the propensity for customers to engage in revenue reduction shenanigans such as by passing of metering current transformers.

Table 34: Losses in Transmission and Distribution

Losses	2022	ZERA Target	Difference	2021	2022/2021 Difference
Distribution	14%	8%	6%	12%	2%

#### b) New Connections

The total number of new connections in 2022 increased by 18% over 2021 (see Table 33 below) and this is attributed to customers procuring own accessory materials used for connections.

The active customer base by end of 2022 increased by 8% to 852,003 in 2022 from 789,394 in 2021. The increase in active customers is attributed to the rebound of the economy.

Table 35: Losses in Transmission and Distribution

Description	2022	2021	Variance
New connections	25,916	22,021	18%
Active customer base	852,003	789,394	8%
Customers paid but not connected	13,706	11,704	17%

### 8.1.8 Industry Related Accidents

The Electricity Supply Industry recorded 88 accidents; an 18.92% increase as compared to 2021. The number of human fatalities increased

by 17.24%, whilst livestock fatalities decreased by 9% from a total of 11 in 2021.

Table 36: Industry-related accidents

Reported Accidents	YTD 2022	YTD 2021	% Change
Total	88	74	18.92
Fatal (Humans)	34	29	17.24

The majority of the accidents occurred in Southern, Northern and Harare Regions.

Table 37: Industry-related accidents by province

		Harare	Northern	Eastern	Southern	Western	Total	%
2022	Total	19	21	11	28	9	88	
	Fatal (Humans)	6	11	7	6	4	34	38.6%
	Fatal (Livestock)	0	1	0	9	0	10	11.4%
2021	Total	6	28	14	16	10	74	84.1%
	Fatal (Humans)	2	14	5	4	4	29	33.0%
	Fatal (Livestock)	0	3	0	7	1	11	12.5%
	% Change	216.67	-25	-21.43	75	-10	18.92	

Northern and Southern Regions remains with higher number of accidents recorded and a sharp increase noted in Harare Region whilst a

downward trend was recorded in Eastern and Western Regions.

Table 38: Causes of Accidents

	Incidents	Total	% Distribution
1.	Theft and Vandalism on electricity infrastructure	5	5.68
2.	Infrastructure collapse	31	35.23
3.	Unsafe operations by employees	16	18.18
4.	Unsafe practices/operations by the public	36	40.91
	<b>Total</b>	<b>88</b>	<b>100.00</b>

88 were the electrical accidents were recorded in 2022. Unsafe use of electricity or practice by members of the public and infrastructure collapse were the leading causes of the electrical accidents. 31 accidents were due to infrastructure collapse contributing 35% whilst 36 were due to unsafe operations by the members of the public attributing to 41%.

Fatal accidents were 34 and 31 of the fatal accidents were investigated in 2022.

### 8.2.1 Liquid fuel importation

A total of 1.734 billion litres of fuel was imported into the country in 2022. This figure is 18.6% greater than the volumes imported in the year

2021. This represents the highest quantity ever to be imported into the country.

The table below shows the annual volumes imported in the period 2018 to 2022 for each of the petroleum products.

## 8.2 PETROLEUM INDUSTRY PERFORMANCE

Table 39: Petroleum Products imports 2018 - 2022

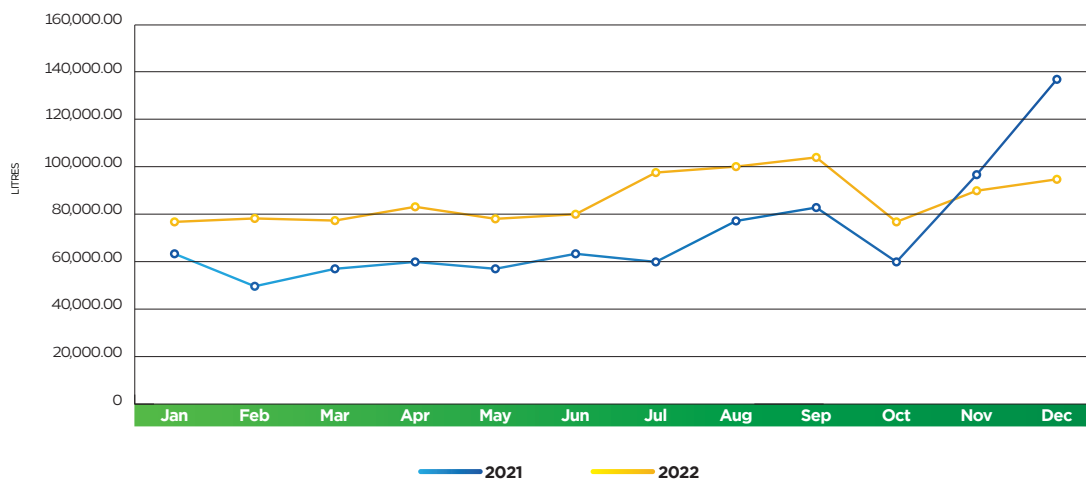
Year and Period	Diesel (ltrs)	Petrol (ltrs)	Paraffin (ltrs)	Jet A1 (ltrs)	Total (ltrs)
2022	1,041,426,112	613,728,889	1,062,000	78,552,133	1,732,769,134
2021	849,605,993	513,712,727	739,494	48,687,310	1,412,745,524
2020	736,447,091	403,897,735	1,791,590	21,880,815	1,164,017,231
2019	937,171,992	456,080,132	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
<b>Percent Difference (%)</b>	<b>18.4</b>	<b>16.3</b>	<b>30.4</b>	<b>38.0</b>	<b>18.6</b>

\*Comparison of 2022 and 2021

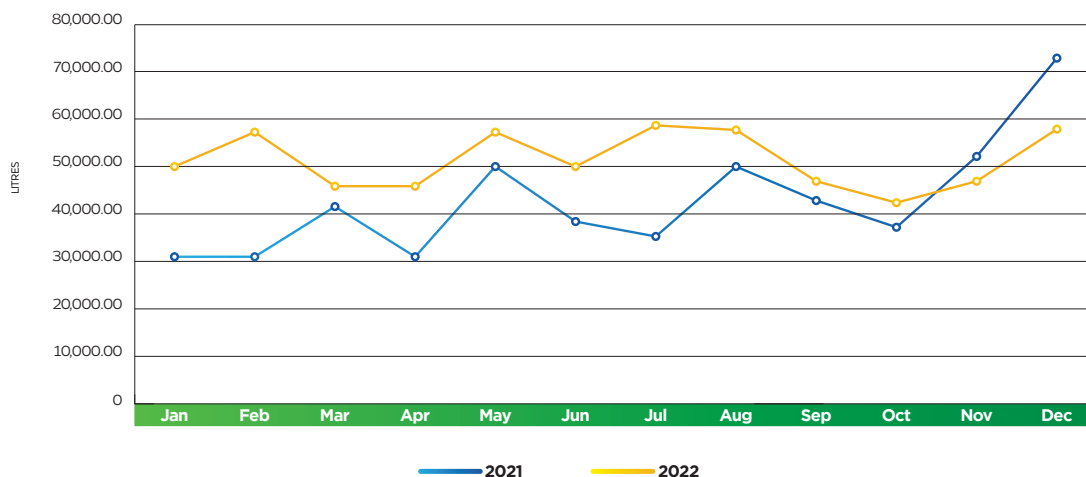
## 8.2.2 Monthly importation trends

The figure 24 below shows the monthly fuel imports trend for diesel and petrol for the years 2021 and 2022. There were no shortages in the reporting period which shows stability in the supply of main fuels.

**Figure 24**  
**Diesel Imports, 2021/22**



**Figure 25**  
**Petrol Imports, 2021/22**



### 8.2.3 Illuminating paraffin and Jet A1 imports

The growth in the importation of Jet A1 has been significant between 2021 and 2022 due to the increased economic activities especially tourism and hospitality industry following the lifting of

COVID-19 restrictions.

Illuminating paraffin imports have however remained subdued. However, the 2022 figures still show significant growth over 2021. The table 4 below shows the importation of both illuminating paraffin and Jet A1.

Table 40: Monthly Illuminating Paraffin and Jet A1 Fuel Imports, 2021/22

Month	2021	2022	2021	2022
January	61,189	260,000	2,951,881	1,340,309
February	-	180,000	1,990,637	3,721,446
March	-	-	2,107,379	6,416,791
April	68,000	80,000	4,360,664	3,786,919
May	130,000	-	4,073,154	8,376,997
June	119,000	55,000	5,436,282	6,881,121
July	80,000	85,000	4,536,282	8,698,232
August	-	172,000	4,168,253	10,297,031
September	-	40,000	5,777,028	7,824,470
October	120,000	156,000	5,817,379	6,719,355
November	40,000	-	4,767,453	7,885,811
December	121,305	34,000	2,669,046	6,603,651
<b>Total</b>	<b>739,494</b>	<b>1,062,000</b>	<b>48,687,310</b>	<b>48,687,310</b>

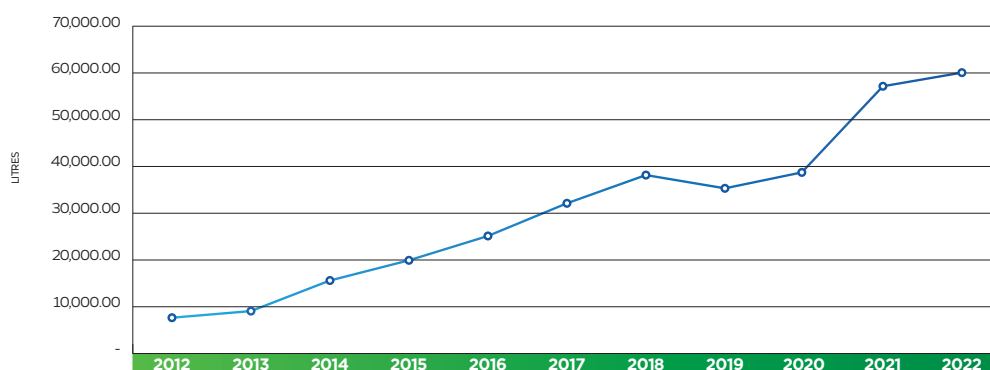
### 8.2.4 LPG imports

The market has attained a 5% increase in the volumes between 2021 and 2022. The growth is however at a decreasing rate as compared

to previous trends. The graph below shows the annual importation trends of the product since 2012.



**Figure 26**  
**Annual LPG Imports, 2012 – 2022**



The table below of LPG imports shows the monthly trend for the years 2021 and 2022.

**Table 41: LPG Imports, 2021/22**

Month	LPG Imports (kgs)	
	2021	2022
January	4,131,000	4,721,237
February	3,872,756	5,097,549
March	4,995,281	4,938,355
April	4,081,959	5,304,169
May	3,899,309	4,586,638
June	4,652,925	5,889,312
July	5,711,645	5,224,734
August	5,319,353	5,528,228
September	3,727,171	4,781,947
October	4,858,276	4,394,932
November	6,319,399	4,311,164
December	5,220,474	5,120,280
<b>Total</b>	<b>56,789,548</b>	<b>59,898,544</b>

### 8.2.5 Ethanol Production

The production of ethanol from the two producers is shown in the table below. For Green Fuel, the production in 2022 is a significant jump from the

64.6 million litres produced in 2021 whereas for Triangle, the 2022 production is 6.38 million litres less than the 26.4 million litres produced in 2021.

Table 42: Ethanol Production and Dispatches, 2022

Month	Green Fuel		Triangle	
	Production (ltrs)	Dispatch (ltrs) to blending	Production (ltrs)	Dispatch (ltrs) to blending
January	0	0	2,808,456	2,795,999
February	0	0	2,732,716	1,830,426
March	0	0	1,171,216	0
April	0	0	0	0
May	4,826,851	4,820,686	0	590,596
June	9,677,332	9,664,971	779,490	995,120
July	10,875,338	10,647,892	2,873,703	2,584,253
August	13,334,062	10,730,973	1,782,993	1,782,993
September	13,690,521	8,788,267	2,199,501	3,373,408
October	13,486,358	10,598,469	2,815,971	2,130,912
November	9,473,751	11,306,253	2,479,757	2,788,444
December	0	5,362,507	663,261	1,153,514
<b>Total</b>	<b>75,364,21</b>	<b>71,920,018</b>	<b>20,307,064</b>	<b>20,025,665</b>

### 7.2.6 Petroleum sales

The comparison of sales of the main fuels supplied in the market is displayed in table below. The fuel imports are not too different from the

consumption figures showing that most of the fuel immediately gets absorbed into the market.

Table 43: Main Fuel Sales, 2021/2022

Month	Diesel		Petrol	
	2021	2022	2021	2022
January	42,669,655	73,752,761	29,030,527	46,770,682
February	45,786,093	79,401,258	34,101,371	53,483,471
March	51,915,140	84,416,711	43,574,666	50,693,257
April	67,709,856	80,490,911	38,089,044	45,807,293
May	70,537,333	80,860,344	55,642,887	50,050,107
June	68,132,496	83,278,379	43,072,290	47,753,659
July	67,737,122	93,063,489	43,540,818	50,947,727
August	85,338,020	98,239,823	56,839,358	64,827,360
September	90,090,639	94,013,956	53,138,534	53,110,904
October	75,470,227	86,267,678	46,270,849	63,155,008
November	94,453,296	94,902,783	52,109,823	51,076,602
December	105,020,914	88,628,425	82,256,044	69,567,463
<b>Total</b>	<b>864,860,791</b>	<b>1,037,316,518</b>	<b>577,666,212</b>	<b>647,243,533</b>

### 8.2.6 Daily consumption of liquid fuels and LPG

There were significant increases in the daily consumption figures between 2021 and 2022 as

shown in the table below. Table below shows the changes to the daily fuel consumption figures. The consumption trends are commensurate with the corresponding increases in importation of each product.

Table 44: Daily Consumption of Fuels, 2021/22

Product	Daily Consumption Estimates	
	2021	2022
Disel (ltrs)	2,369,482	2,841,963
Blend (ltrs)	1,585,647	1,773,270
Paraffin (ltrs)	2,324	3,424
Jet A1 (ltrs)	118,357	165,676
LPG (Kgs)	155,587	158,442

### 8.2.7 Petroleum Products Sales by Economic Sector

The Table 20 shows the percentage sales of the petroleum products by economic sectors. The bulk of petroleum products are consumed in

the domestic (retail) sector, commercial and transport.

Table 45: Petroleum Products Sales by Economic Sector

Sector	Diesel	Petrol
	Percentage (%)	Percentage (%)
Retail	39.05	66.75
Commercial	23.88	10.66
Agriculture	5.51	1.88
Mining	9.94	1.62
Construction	2.95	0.81
Manufacturing	3.77	1.07
Transport	5.42	1.33
OMC	9.39	15.27
Own Use	0.09	0.61
Total	100	100

### 8.2.8 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

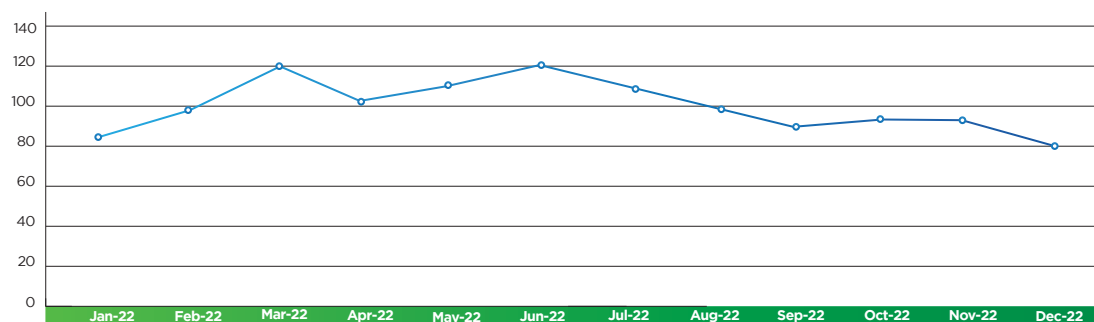
of higher numbers of fuel sites as highlighted in Diagram 1 above.

Table 46: Petroleum Products Sales by Geographic Region

Sector	Diesel	Petrol
	Percentage (%)	Percentage (%)
Harare	55.39	56.20
Bulawayo	8.48	10.58
Manicaland	9.76	8.18
Mash Central	3.32	3.11
Mash East	2.38	2.82
Mash West	5.40	4.43
Mat North	3.46	2.20
Mat South	1.04	0.60
Midlands	8.18	8.28
Masvingo	2.60	3.59
Total	100	100

Figure 27

## Europe Brent Spot Price FOB (Dollars per Barrel)

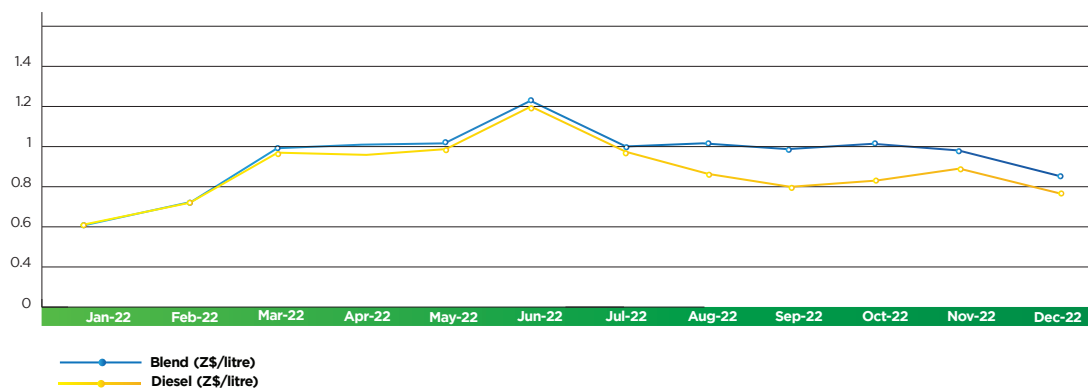


## FOB Price movement

The Department conducted forty-six petroleum price reviews as at December 2022 and the prices followed the same trend as indicated with the

international crude oil prices. The graph below shows the FOB prices for the period January 2022 to December 2022.

Figure 28  
Average FOBs



## Maximum pump prices

The ZERA calculated maximum average retail prices of petrol and diesel are indicated in the graphs below. The pump price could have been higher had the Ministry of Finance and Economic Development not forgone part of revenue accruing from the strategic levy. Depending on

the circumstances, instead of applying the full strategic levy at US\$12.7/litre, the MOFED has agreed to collect less as a way of cushioning the economy.

The graphs below show the US\$ and the ZWL petroleum prices up to December 2022.

Figure 29  
ZWL Maximum Pump Price

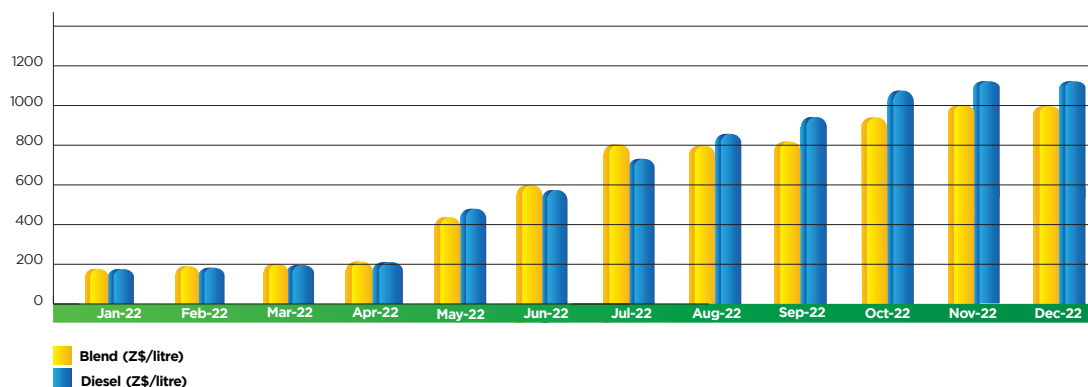




Figure 30  
Maximum Pump Price

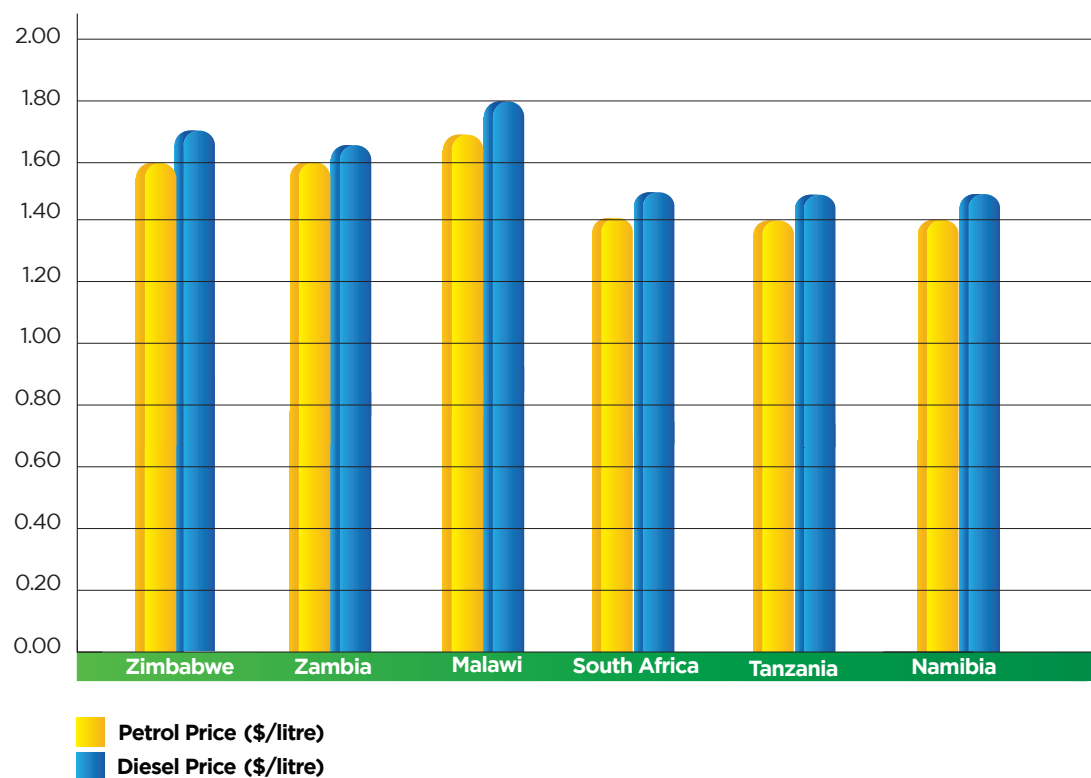


### Regional prices comparisons

The Department undertook a comparison of fuel prices in the SADC region. The prices below represent the averages for December 2022. Fuel

prices in Zimbabwe is now comparable with other countries in the region.

Figure 31  
Regional Petroleum Prices



**LPG Price**

The department conducted twelve LPG Price reviews in 2022. The major determinant of the final price has been the changes in the prices at source and the exchange rate between ZWL and the US\$.

The following table shows the LPG prices during the period January to December 2022:

Table 47: LPG Imports for 2022

Month	LPG prices (US\$/kg)
January 2022	2.05
February 2022	2.03
March 2022	2.07
April 2022	2.32
May 2022	2.24
June 2022	2.25
July 2022	1.99
August 2022	2.02
September 2022	1.88
October 2022	1.85
November 2022	1.78
December 2022	1.83

# 2022

## Financial Statements



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# General Information

<b>Country of Incorporation and domicile</b>	Zimbabwe
<b>Nature of business and principal activities</b>	Regulation of the Energy Sector in Zimbabwe
<b>Board Members- Non-Executive</b>	Dr. D. Madzikanda (Chairperson) Eng.F. Mavhiya-Bhiza (Vice Chairperson) Mrs.T. Madzivire Mr.T. K. Ncube Mr. M. Kambarami Dr. S. Ziuku Ms.S. Rufu Mrs.G. Chikwava
<b>Board Members - Executive</b>	Mr. E.T. Mazambani - Chief Executive Officer
<b>Management</b>	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
<b>Business office</b>	14th Floor Century Towers 45 Samora Machel Avenue HARARE ZIMBABWE
<b>Main Bankers</b>	ZB Bank Limited 4th& 5th Floors ZB House Cnr Speke Avenue/First Street HARARE  Stanbic Bank 59 Samora Machel Avenue HARARE
<b>Auditors</b>	Baker Tilly Chartered Accountants (Zimbabwe) Celestial Office Park, Unit D & H Block, Borrowdale Road, Borrowdale HARARE
<b>Corporate Secretary</b>	Ms. J. Mupamhanga

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# Index

The reports and statements set out below comprise the financial statements approved by the Board of Directors.

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## Directors' Responsibilities & Approval

The directors of Zimbabwe Energy Regulatory Authority (ZERA) 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 are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of ZERA as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by ZERA and place considerable importance on maintaining a strong control environment. To enable ZERA to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout ZERA and all employees are required to maintain the highest ethical standards in ensuring ZERA's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in ZERA is on identifying, assessing, managing and monitoring all known forms of risk across ZERA. While operating risk cannot be fully eliminated, ZERA endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal controls provides reasonable assurance that the financial

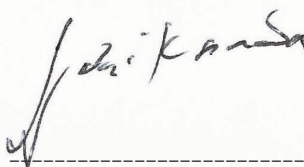
records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatements or loss.

The directors have reviewed ZERA's cash flow forecast for the year to 31 December 2023 and in the light of this review and the current financial position, they are satisfied that ZERA has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on ZERA's financial statements. The financial statements have been examined by ZERA's external auditors and their report is presented on pages 83 to 86.

The financial statements set out on pages 87 to 111 which have been prepared on the going concern basis, were approved by the board of directors on 9 June 2023 and were signed on its behalf by:

Approval of financial statements



Dr. D. Madzikanda  
Board Chairperson



Mr. E. T. Mazambani  
Chief Executive Officer

Preparer of the financial statements

The financial statements were prepared under the supervision of Mr. N. Ranga, a registered Public Accountant Zimbabwe (Reg number 0549).



Mr. N. Ranga  
Finance and Administration Director



## Independent Auditor's Report

To the Members of Zimbabwe Energy Regulatory Authority ("ZERA")

Report on the Audit of the Inflation Adjusted financial statements

### Opinion

We have audited the inflation adjusted financial statements of the Zimbabwe Energy Regulatory Authority (ZERA) which comprise the inflation adjusted statement of financial position as at 31 December 2022, the inflation adjusted statement of profit or loss and other comprehensive income, inflation adjusted statement of changes in equity, inflation adjusted statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the inflation adjusted financial statements present fairly, in all material respects the statement of financial position as at 31 December 2022, and its financial performance and cash flows for the year ended in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Zimbabwe Energy Regulatory Authority (ZERA) accounting policies.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 organization in accordance with the International Ethics Standards Board for Accountants Code of Ethics Professional for Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment were of the most significance in our audit of the financial statements of the current period and which are not materially impacted by the matter described in the Basis of Opinion section. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determined the matters below to be key audit matters to communicate in our report.

## Key audit matter

## How our audit addressed the key audit matter

### Valuation of Property, Plant and Equipment (High Risk)

ZERA revalued its property, plant and equipment at the end of the year to correctly show the value of various items of property, plant and equipment as well as investment properties.

- There is inherent complexity in accounting, measurement, valuation and disclosure requirements of IAS 16 and IFRS 13.
- The significance of these assets on the ZERA's statement of financial position is high.
- The valuation of PPE is subjective due to the absence of an active market for some items of property, plant and equipment in the Zimbabwean market. Because of the significance of these issues, valuation of property, plant and equipment was considered a key audit matter for the audit of ZERA.

#### Our procedures encompassed the following;

- Review the work of an expert as required by International Standards on Auditing (ISA 620) by assessing qualifications and experience in valuation of property, plant and equipment.
- Review of inputs used by the expert in determining fair value and assessing the inputs for reasonableness
- Assess whether the valuation technique used by the expert is consistent with fair value measurement methods in terms of IFRS 13.
- Assess whether the entity complied with the accounting for the revaluation as required by IAS 16.
- Recompute revaluation reserve and review revaluation journals for accuracy and compliance with IAS 16.
- Review financial statements for adequate disclosures as required by IAS 16.
- Based on our procedures, we noted no exceptions and consider management's application of IAS 16 and IFRS 13 to be appropriate.

### Hyperinflation Accounting (High risk area and significant judgement)

Following Public Accountants and Auditors Board ("PAAB") designation of Zimbabwe as hyperinflationary economy, the Authority applied the IAS 29 - Financial Reporting in Hyperinflationary Economies.

Hyperinflationary accounting was determined to be a matter of most significance to the audit due to the complexity and subjectivity relating to the application of the Standard.

IAS 29 requires significant judgments to be made by management considering the guidelines provided in the standard.

We obtained an understanding of the Authority's process for identifying hyperinflationary economies and evaluated the policy in relation to hyperinflation accounting. Our audit procedures included, among others:

- We assessed and tested the indicators of hyperinflation on the Zimbabwean economy by corroborating these with industry reports and our own understanding of the economy.
- We recomputed and tested the hyperinflation workings prepared by management by evaluating the rationale for the economic indicators included (such as the inflation rate, cumulative inflation rate, consumer price indices from various sources).
- We tested the source data used by agreeing it to supporting schedules.
- We assessed the reasonability of the assumptions used by comparing these to externally available industry, financial and economic data; and;
- We tested restatement of the statement of financial position and income statement items for correct restatement in terms of IAS 29.
- We assessed whether disclosures in the financial statements appropriately reflected the effects of the adoption of IAS 29.
- We found that the inflation adjusted financial statements have been properly restated in terms of IAS 29.

## Other Information

The Directors are responsible for the other information. Other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and, for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the organization'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 directors either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are 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 International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). We are independent of the Organisation 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 the IESBA Code.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 organization'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 organization to cease to continue as a

going concern.

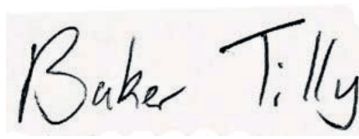
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year 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 circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

Energy Regulatory Authority Act [Chapter 13:23]  
In our opinion, the accompanying inflation adjusted financial statements have in all material respects, been properly prepared in compliance with the requirements of and in the manner required by the Energy Regulatory Authority Act [Chapter 13:23] (paragraph 21(1), to comply with International Accounting Standards when keeping its accounting records.



**Partner:** Richard Mandeya

**PAAB Practising number:** 0965

Baker Tilly Chartered Accountants (Zimbabwe)  
Celestial Office Park, Unit D & H Block Borrowdale  
Road, Borrowdale, Harare

**Date:** 23 /06/ 2023

### Statement of Financial Position

	Notes	Inflation Adjusted 2022 ZWL\$	Inflation Adjusted 2021 ZWL\$	Historical Cost 2022 ZWL\$	Historical Cost 2021 ZWL\$
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	3	1,496,139,950	1,136,710,620	1,496,139,950	547,420,469
Right of use asset	4	244,663,895	141,064,936	244,663,895	11,394,969
Intangible assets	5	6,940,759	3,828,110	6,940,759	1,113,600
Investment property	6	-	192,505,531	-	56,000,000
		<b>1,747,744,604</b>	<b>1,474,109,197</b>	<b>1,747,744,604</b>	<b>615,929,038</b>
<b>Current assets</b>					
Inventory	7	6,380,104	4,651,752	6,380,104	1,353,198
Trade and other receivables	8	1,615,873,887	717,094,413	1,615,873,887	208,603,290
Cash and cash equivalents	9	1,702,465,181	881,640,053	1,702,465,181	256,469,737
Deferred Tax Asset	10	59,994,900	-	32,964,231	-
		<b>3,384,714,072</b>	<b>1,603,386,218</b>	<b>3,357,683,403</b>	<b>466,426,225</b>
<b>Total assets</b>		<b>5,132,458,676</b>	<b>3,077,495,415</b>	<b>5,105,428,007</b>	<b>1,082,355,263</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Reserves		450,877,560	557,291,259	1,196,437,722	524,822,058
Retained income		3,081,386,409	1,971,355,269	2,308,795,577	397,872,662
<b>Total equity</b>		<b>3,532,263,968</b>	<b>2,528,646,528</b>	<b>3,505,233,299</b>	<b>922,694,720</b>
<b>Non Current Liabilities</b>					
<b>Long term liability</b>					
Deferred VAT liability	12	-	123,477,826	-	35,919,790
<b>Current liabilities</b>					
Trade and other payables	11	1,260,276,765	353,912,729	1,260,276,765	102,953,472
Current portion of deferred VAT liability	12	132,097,742	32,029,333	132,097,742	9,317,356
Lease liability	13	207,820,201	39,428,998	207,820,201	11,469,925
<b>Total current liabilities</b>		<b>1,600,194,708</b>	<b>425,371,061</b>	<b>1,600,194,708</b>	<b>123,740,753</b>
<b>Total liabilities</b>		<b>1,600,194,708</b>	<b>548,848,887</b>	<b>1,600,194,708</b>	<b>159,660,543</b>
<b>Total equity and liabilities</b>		<b>5,132,458,676</b>	<b>3,077,495,415</b>	<b>5,105,428,007</b>	<b>1,082,355,263</b>

# Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	Inflation Adjusted 2022 ZWL\$	Inflation Adjusted 2021 ZWL\$	Historical Cost 2022 ZWL\$	Historical Cost 2021 ZWL\$
Revenue	14	5,160,850,468	3,759,087,997	3,658,132,754	845,199,015
Other income	15	1,730,528,795	198,207,304	1,705,358,580	72,027,003
Operating expenses	16	(4,383,526,108)	(2,428,676,267)	(3,338,956,003)	(567,163,723)
Monetary gain/(loss)		(1,517,879,549)	(671,866,868)	-	-
<b>Operating (loss)/surplus for the year</b>		<b>989,973,606</b>	<b>856,752,166</b>	<b>2,024,535,331</b>	<b>350,062,295</b>
<b>(Deficit)/Surplus for the year</b>		<b>989,973,606</b>	<b>856,752,166</b>	<b>2,024,535,331</b>	<b>350,062,295</b>
<b>Other Comprehensive Income</b>					
Revaluation surplus/(loss)		(106,413,699)	321,047,075	671,615,664	311,754,028
<b>Total comprehensive income/(loss)</b>		<b>883,559,907</b>	<b>1,177,799,241</b>	<b>2,696,150,995</b>	<b>661,816,323</b>
<b>Total Comprehensive Income/(loss) attributable to:</b>					
ZERA		1,003,617,441	1,063,941,524	2,582,538,579	633,067,252
Rural Electrification Fund		(120,057,534)	113,857,717	113,612,416	28,749,071
		<b>883,559,907</b>	<b>1,177,799,241</b>	<b>2,696,150,995</b>	<b>661,816,323</b>



### Statement of Changes in Equity

	Notes	Non Distributable Reserve ZWL\$	Revaluation Reserve ZWL\$	Total reserves ZWL\$	Retained Income ZWL\$	Total equity ZWL\$
<b>Inflation Adjusted</b>						
<b>Balance at 01 January 2021</b>		<b>236,244,184</b>	<b>-</b>	<b>236,244,184</b>	<b>1,228,460,820</b>	<b>1,464,705,004</b>
Surplus/ (Deficit) for the year		-	-	-	856,752,166	856,752,166
Revaluation surplus		-	321,047,075	321,047,075	-	321,047,075
Transfer to Rural Electrification Fund Account	17	-	-	-	(113,857,717)	(113,857,717)
<b>Total changes</b>		<b>-</b>	<b>321,047,075</b>	<b>321,047,075</b>	<b>742,894,449</b>	<b>1,063,941,524</b>
<b>Balance at 31 December 2021</b>		<b>236,244,184</b>	<b>321,047,075</b>	<b>557,291,259</b>	<b>1,971,355,269</b>	<b>2,528,646,528</b>
Surplus for the year		-	-	-	989,973,606	989,973,606
Revaluation Surplus/ (Deficit)		-	(106,413,699)	(106,413,699)	-	(106,413,699)
Transfer to Rural Electrification Fund Account	17	-	-	-	120,057,534	120,057,534
<b>Total Change</b>		<b>-</b>	<b>(106,413,699)</b>	<b>(106,413,699)</b>	<b>1,110,031,140</b>	<b>1,003,617,440</b>
<b>Balance at 31 December 2022</b>		<b>236,244,184</b>	<b>214,633,376</b>	<b>450,877,560</b>	<b>3,081,386,409</b>	<b>3,532,263,968</b>

### Statement of Changes in Equity

	Notes	Non Distributable Reserve ZWL\$	Revaluation Reserve ZWL\$	Total reserves ZWL\$	Retained Income ZWL\$	Total equity ZWL\$
<b>Historical Cost</b>						
<b>Balance at 01 January 2021</b>		<b>794,854</b>	<b>212,273,175</b>	<b>213,068,029</b>	<b>76,559,438</b>	<b>289,627,468</b>
Surplus for the year		-	-	-	350,062,295	350,062,295
Revaluation surplus		-	311,754,028	311,754,028	-	311,754,028
Transfer to Rural Electrification Fund Account	17	-	-	-	(28,749,071)	(28,749,071)
<b>Total Changes</b>		<b>-</b>	<b>311,754,028</b>	<b>311,754,028</b>	<b>350,062,295</b>	<b>661,816,324</b>
<b>Balance at 31 December 2021</b>		<b>794,854</b>	<b>524,027,203</b>	<b>524,822,057</b>	<b>397,872,662</b>	<b>922,694,720</b>
<b>Balance at 01 January 2022</b>		<b>794,854</b>	<b>524,027,203</b>	<b>524,822,057</b>	<b>397,872,662</b>	<b>922,694,720</b>
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	17	-	-	-	(113,612,416)	(113,612,416)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>671,615,664</b>	<b>671,615,664</b>	<b>1,910,922,915</b>	<b>2,582,538,579</b>
<b>Balance at 31 December 2022</b>		<b>794,854</b>	<b>1,195,642,867</b>	<b>1,196,437,722</b>	<b>2,308,795,577</b>	<b>3,505,233,299</b>

## Statement of Cash Flows

	Notes	Inflation Adjusted 2022 ZWL\$	Inflation Adjusted 2021 ZWL\$	Historical Cost 2022 ZWL\$	Historical Cost 2021 ZWL\$
<b>Cashflow from operating activities</b>					
<b>Surplus/(Deficit) for the year</b>		<b>989,973,606</b>	<b>856,752,166</b>	<b>2,024,535,331</b>	<b>350,062,295</b>
<b>Adjustment for:</b>					
Depreciation		192,977,615	172,209,725	120,156,996	38,122,900
Loss on Asset disposal or assets scrapped		801,175	16,146,027	396,946	3,839,299
Interest received		(39,639,089)	(2,291,548)	(21,779,719)	(549,835)
Fair value adjustment		-	(56,578,242)	-	(31,399,999)
Non cash adjustments		-	-	-	-
Rural Electrification Fund Transfer		120,057,534	(98,827,770)	(113,612,416)	(28,749,071)
<b>Operating Income before working capital changes</b>		<b>1,264,170,841</b>	<b>887,410,358</b>	<b>2,009,697,138</b>	<b>331,325,589</b>
<b>Working Capital Movements</b>					
Increase/(decrease) in payables		906,364,036	17,324,062	1,157,323,293	32,797,668
(Increase)/decrease in receivables		(898,779,474)	(107,603,249)	(1,407,270,597)	(98,298,117)
(Increase)/decrease in inventory		(1,728,352)	(2,137,719)	(5,026,906)	(898,210)
VAT and withholding tax liability		(23,409,417)	(70,463,312)	86,860,596	4,341,211
VAT Receivable		(59,994,900)	-	(32,964,231)	-
<b>Sub total</b>		<b>(77,548,107)</b>	<b>(162,880,218)</b>	<b>(201,077,845)</b>	<b>(62,057,448)</b>
<b>Cash generated from operating activities</b>		<b>1,186,622,734</b>	<b>724,530,140</b>	<b>1,808,619,293</b>	<b>269,268,141</b>
<b>Finance Costs</b>					
Interest received		39,639,089	695,024	21,779,719	549,835
<b>Net financing costs</b>		<b>39,639,089</b>	<b>695,024</b>	<b>21,779,719</b>	<b>549,835</b>
<b>Cash flow from operations</b>		<b>1,226,261,823</b>	<b>725,225,165</b>	<b>1,830,399,012</b>	<b>269,817,976</b>
<b>Investing Activities</b>					
Purchase of tangible non current assets		(430,871,305)	(67,919,403)	(320,939,298)	(18,132,344)
Change in right of Use Asset		(141,698,938)	(24,372,956)	(258,783,154)	(22,479,841)
Proceeds from sale of assets		502,665	51,605,061	343,857	613,395
Purchase of intangible assets		(1,760,320)	-	(1,375,250)	-
<b>Net cashflow from investing</b>		<b>(573,827,898)</b>	<b>(40,687,298)</b>	<b>(580,753,845)</b>	<b>(39,998,790)</b>
<b>Net cash inflow/(outflow) before financing</b>		<b>652,433,924</b>	<b>684,537,868</b>	<b>1,249,645,168</b>	<b>229,819,186</b>
<b>Financing activities</b>					
Lease liability		168,391,203	13,243,428	196,350,276	10,442,009
<b>Net cash inflow/(outflow) from financing</b>		<b>168,391,203</b>	<b>13,243,428</b>	<b>196,350,276</b>	<b>10,442,009</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>820,825,128</b>	<b>697,781,296</b>	<b>1,445,995,444</b>	<b>240,261,196</b>
Cash and cash equivalents at beginning of year		881,640,053	183,858,757	256,469,737	16,208,541
<b>Cash and cash equivalents at end of year</b>	<b>9</b>	<b>1,702,465,181</b>	<b>881,640,053</b>	<b>1,702,465,181</b>	<b>256,469,737</b>
Represented by:					
Cash and bank balances		1,702,465,181	881,640,053	1,702,465,181	256,469,737
<b>Cash and cash equivalents at end of year</b>	<b>9</b>	<b>1,702,465,181</b>	<b>881,640,053</b>	<b>1,702,465,181</b>	<b>256,469,737</b>

## Accounting policies

### 1. REPORTING ENTITY NATURE OF BUSINESS

ZERA is a parastatal established by an Act of Parliament, the Energy Regulatory Authority Act (Chapter 13:23) and is wholly owned by the Government of Zimbabwe. The mandate of ZERA is to regulate the energy industry.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

These financial statements for the year ended 31 December 2022, have been prepared on the going concern basis in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ('IFRIC') interpretations and in the manner required by the Energy Regulatory Authority Act (Chapter 13:23).

#### 2.2 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 hyperinflationary 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 2022 are as follows:

Dates	Indices	Conversion Factor
31 December 2022	13,672.9069	1
31 December 2021	3,977.4586	3.4376
31 December 2020	2,474.5106	5.5255

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

Financial statements prepared in the currency of a hyperinflationary 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 29.9).

## 2.3 Presentation and functional currency

The financial statements are expressed in Zimbabwean dollars ("ZWL\$") which was both the functional and presentation currency of the organisation for the year ended 31 December 2022.

## 2.4 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 recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

### 2.4.2 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. The residual values for the year were assessed and have been noted as adequate. The value for this year has been assessed as \$Nil

(2021 \$ Nil). ZERA changed the useful life of the following assets effective 1 July 2021;

Laptops and iPads from 2 years to 3 years.

## 2.5 New and amended IFRS that are effective for the current year

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

## 2.6 Revenue recognition

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

### 2.6.1 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.

### 2.6.2 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.

### 2.6.3 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

#### 2.6.4 Interest received

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

### 2.7 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
<b>Furniture and fixtures</b>	20%
<b>IT equipment</b>	33.3%- 50%
<b>Buildings</b>	2.5%
<b>Land</b>	
<b>Motor vehicles</b>	20%
<b>Office equipment</b>	20%
<b>Office partitions</b>	4%
<b>Other property &amp; equipment</b>	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 derecognition of an item of property and equipment is included in profit or loss when the item is derecognized. The gain or loss arising from derecognition 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.

## 2.8 Investment property

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

## 2.9 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 2022.

Item	Amortization rates
Computer software	33.33%
ZERA website	20.00%

## 2.10 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.

## 2.11 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.

## 2.12 Corporate tax

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

## 2.13 Inventory

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

## 2.14 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.

## 2.15 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 / incurred 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 reorganization, 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 payables**

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.

### **2.16 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.

### **2.17 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.

### Property and Equipment

	Inflation Adjusted			Inflation Adjusted		
	2022			2021		
	Cost or Revaluation	Accumulated Depreciation	Carrying Value	Cost or Revaluation	Accumulated Depreciation	Carrying Value
Furniture and fixtures	51,311,780	-	51,311,780	66,786,384	-	66,786,384
IT Equipment	79,264,531	-	79,264,531	95,714,762	-	95,714,762
Land	150,000,000	-	150,000,000	65,290,510	-	65,290,510
Motor vehicles	423,559,022	-	423,559,022	108,673,759	-	108,673,759
Office equipment	4,623,934	-	4,623,934	26,158,597	-	26,158,597
Office partitions	106,476,174	-	106,476,174	38,364,668	-	38,364,668
Other assets	110,628,817	-	110,628,817	134,502,061	-	134,502,061
W.I.P building	570,275,692	-	570,275,692	601,219,879	-	601,219,879
<b>Total</b>	<b>1,496,139,950</b>	<b>-</b>	<b>1,496,139,950</b>	<b>1,136,710,620</b>	<b>-</b>	<b>1,136,710,620</b>

### Property and Equipment

#### Reconciliation of Property and equipment -2022

	Opening Balance	Additions	Revaluation	Disposals	Transfers In	Depreciation	Total
Furniture and fixtures	66,786,384	8,343,107	(9,343,036)	-	-	(14,474,675)	51,311,780
IT Equipment	95,714,762	51,782,840	(36,065,905)	(119,347)	-	(30,975,819)	79,264,531
Land	65,290,510	-	84,709,490	-	-	-	150,000,000
Motor vehicles	108,673,759	237,608,524	139,446,073	-	-	(62,169,334)	423,559,022
Office equipment	26,158,597	2,371,190	(22,512,680)	-	-	(1,393,173)	4,623,934
Office partitions	38,364,668	21,689,364	(141,420,290)	-	192,505,531	(4,663,099)	106,476,174
Other assets	134,502,061	65,926,405	(49,519,848)	(112,494)	-	(40,167,307)	110,628,817
W.I.P building	601,219,879	43,149,875	(74,094,062)	-	-	-	570,275,692
<b>Total</b>	<b>1,136,710,620</b>	<b>430,871,305</b>	<b>(108,800,258)</b>	<b>(1,303,841)</b>	<b>192,505,531</b>	<b>(153,843,407)</b>	<b>1,496,139,950</b>

## Property and Equipment

### Reconciliation of Property and equipment -2021

	Opening Balance	Additions	Revaluation	Disposals		Depreciation	Total
Furniture and fixtures	42,918,228	733,408	35,919,092	-	-	(12,784,344)	66,786,384
IT Equipment	36,423,167	36,496,863	43,282,889	(340,016)	-	(20,148,141)	95,714,762
Land	42,155,762	-	23,134,748	-	-	-	65,290,510
Motor vehicles	105,978,991	1,601,522	81,453,144	(22,041,502)	-	(58,318,396)	108,673,759
Office equipment	3,023,849	-	24,348,534	-	-	(1,213,786)	26,158,597
Office partitions	15,229,920	-	23,529,204	-	-	(394,456)	38,364,668
Other assets	82,831,273	29,087,610	66,045,310	(551,570)	-	(42,910,562)	134,502,061
W.I.P building	578,085,131	-	23,134,748	-	-	-	601,219,879
<b>Total</b>	<b>906,646,321</b>	<b>67,919,403</b>	<b>320,847,669</b>	<b>(22,933,088)</b>	<b>-</b>	<b>(135,769,685)</b>	<b>1,136,710,620</b>

## Property and Equipment

### Historical Cost Property and Equipment2022

	2022			2021		
	Cost or Revaluation	Accumulated Depreciation	Carrying Value	Cost or Revaluation	Accumulated Depreciation	Carrying Value
Furniture and fixtures	51,311,780	-	51,311,780	25,428,208	-	25,428,208
IT Equipment	79,264,531	-	79,264,531	27,721,433	-	27,721,433
Land	150,000,000	-	150,000,000	126,000,000	-	126,000,000
Motor vehicles	423,559,022	-	423,559,022	112,858,685	-	112,858,685
Office equipment	4,623,934	-	4,623,934	1,201,291	-	1,201,291
Office partitions	106,476,174	-	106,476,174	4,684,748	-	4,684,748
Other assets	110,628,817	-	110,628,817	39,526,104	-	39,526,104
W.I.P building	570,275,692	-	570,275,692	210,000,000	-	210,000,000
<b>Total</b>	<b>1,496,139,950</b>	<b>-</b>	<b>1,496,139,950</b>	<b>547,420,469</b>	<b>-</b>	<b>547,420,469</b>

### Property and Equipment

#### Reconciliation of Property and equipment -2022

Historical Cost 2022	Opening Balance	Additions	Revaluation	Disposals	Transfers In	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
Office partitions	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
<b>Total</b>	<b>547,420,469</b>	<b>320,939,298</b>	<b>666,616,621</b>	<b>(740,805)</b>	<b>56,000,000</b>	<b>(94,095,633)</b>	<b>1,496,139,950</b>

### Property and Equipment

#### Reconciliation of Property and equipment -2021

Historical Cost 2021	Opening Balance	Additions	Revaluation	Disposals	Derecognition	Depreciation	Total
Furniture and fixtures	11,500,104	184,077	16,608,781	-	-	(2,864,754)	25,428,208
IT Equipment	7,836,100	10,677,029	10,870,600	(71,427)	-	(1,590,869)	27,721,433
Land	57,400,000	-	68,600,000	-	-	-	126,000,000
Motor vehicles	56,508,000	336,734	72,613,661	(5,248,000)	-	(11,351,710)	112,858,685
Office equipment	547,254	-	922,943	-	-	(268,906)	1,201,291
Office partitions	2,134,164	-	2,633,635	-	-	(83,051)	4,684,748
Other assets	14,990,731	6,934,503	26,812,654	(143,446)	-	(7,705,690)	39,526,104
W.I.P building	98,400,001	-	111,599,999	-	-	-	210,000,000
<b>Total</b>	<b>249,316,354</b>	<b>18,132,343</b>	<b>310,662,273</b>	<b>(5,462,873)</b>	<b>-</b>	<b>(23,864,980)</b>	<b>547,420,469</b>

Right Of Use Asset						
	Inflation adjusted			Inflation adjusted		
	2022			2021		
	Cost or Revaluation	Accumulated Depreciation	Carrying Value	Cost or Revaluation	Accumulated Depreciation	Carrying Value
Right of use asset	282,763,874	(38,099,979)	244,663,895	177,432,965	(36,368,029)	141,064,936
<b>Total</b>	<b>282,763,874</b>	<b>(38,099,979)</b>	<b>244,663,895</b>	<b>177,432,965</b>	<b>(36,368,029)</b>	<b>141,064,936</b>

Right Of Use Asset						
Inflation Adjusted 2022	Reconciliation of Right of use asset -2022					
	Opening Balance	Additions	Revaluation	Disposals	Depreciation	Total
Right of use asset	141,064,936	141,698,938	-	-	(38,099,979)	244,663,895
<b>Total</b>	<b>141,064,936</b>	<b>141,698,938</b>	<b>-</b>	<b>-</b>	<b>(38,099,979)</b>	<b>244,663,895</b>

Right Of Use Asset						
Inflation Adjusted 2021	Reconciliation of Right of use asset -2021					
	Opening Balance	Additions	Revaluation	Disposals	Depreciation	Total
Right of use asset	19,168,773	158,264,192	-	-	(36,368,029)	141,064,936
<b>Total</b>	<b>19,168,773</b>	<b>158,264,192</b>	<b>-</b>	<b>-</b>	<b>(36,368,029)</b>	<b>141,064,936</b>

Right Of Use Asset						
Right of use asset 2022	Historical Cost					
	Cost or Revaluation	Accumulated Depreciation	Carrying Value	Cost or Revaluation	Accumulated Depreciation	Carrying Value
Right of use asset	270,178,124	(25,514,229)	244,663,895	23,267,659	(11,872,690)	11,394,969
<b>Total</b>	<b>270,178,124</b>	<b>(25,514,229)</b>	<b>244,663,895</b>	<b>23,267,659</b>	<b>(11,872,690)</b>	<b>11,394,969</b>

Right Of Use Asset						
Historical Cost 2022	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
<b>Total</b>	<b>11,394,969</b>	<b>258,783,155</b>	<b>-</b>	<b>-</b>	<b>(25,514,229)</b>	<b>244,663,895</b>

Right Of Use Asset						
Historical Cost 2021	Reconciliation of Right of use asset -2021					
	Opening Balance	Additions	Revaluation	Disposals	Depreciation	Total
Right of use asset	787,818	24,852,669	-	-	(14,245,518)	11,394,969
<b>Total</b>	<b>787,818</b>	<b>24,852,669</b>	<b>-</b>	<b>-</b>	<b>(14,245,518)</b>	<b>11,394,969</b>

Intangible Assets						
Historical Cost 2022	Inflation Adjusted					
	2022			2021		
	Cost or Revaluation	Amortization	Carrying Value	Cost or Revaluation	Amortization	Carrying Value
Computer software	6,119,959	-	6,119,959	2,281,190	-	2,281,190
ZERA website	820,800	-	820,800	1,546,920	-	1,546,920
<b>Total</b>	<b>6,940,759</b>	<b>-</b>	<b>6,940,759</b>	<b>3,828,110</b>	<b>-</b>	<b>3,828,110</b>

Intangible Assets						
Inflation Adjusted 2022	Reconciliation of Intangible assets -2022					
	Opening Balance	Additions	Revaluation	Disposals	Amortization	Total
Computer software	2,281,190	1,760,320	3,039,230	-	(960,780)	6,119,959
ZERA website	1,546,920	-	(652,671)	-	(73,449)	820,800
<b>Total</b>	<b>3,828,110</b>	<b>1,760,320</b>	<b>2,386,558</b>	<b>-</b>	<b>(1,034,229)</b>	<b>6,940,759</b>

Intangible Assets						
	Reconciliation of Intangible assets -2021					
	Opening Balance	Additions	Revaluation	Disposals	Amortization	Total
Computer software	3,372,133	-	(1,034,157)	-	(56,786)	2,281,190
ZERA website	328,582	-	1,233,563	-	(15,225)	1,546,920
<b>Total</b>	<b>3,700,714</b>	<b>-</b>	<b>199,406</b>	<b>-</b>	<b>(72,011)</b>	<b>3,828,110</b>



Intangible Assets						
Historical Cost Intangible assets	2022			2021		
	Cost or Revaluation	Amortization	Carrying Value	Cost or Revaluation	Amortization	Carrying Value
Computer software	6,119,959	-	6,119,959	663,600	-	663,600
ZERA website	820,800	-	820,800	450,000	-	450,000
<b>Total</b>	<b>6,940,759</b>	<b>-</b>	<b>6,940,759</b>	<b>1,113,600</b>	<b>-</b>	<b>1,113,600</b>

Intangible Assets						
Historical Cost 2022	Reconciliation of Intangible assets -2022					
	Opening Balance	Additions	Revaluation	Disposals	Amortization	Total
Computer software	663,600	1,375,250	4,407,149	-	(326,040)	6,119,959
ZERA website	450,000	-	591,894	-	(221,094)	820,800
<b>Total</b>	<b>1,113,600</b>	<b>1,375,250</b>	<b>4,999,043</b>	<b>-</b>	<b>(547,134)</b>	<b>6,940,759</b>

Intangible Assets						
Historical Cost 2021	Reconciliation of Intangible assets -2021					
	Opening Balance	Additions	Revaluation	Disposals	Amortization	Total
Computer software	20,804	-	650,239	-	(7,443)	663,600
ZERA website	13,443	-	441,516	-	(4,959)	450,000
<b>Total</b>	<b>34,247</b>	<b>-</b>	<b>1,091,755</b>	<b>-</b>	<b>(12,402)</b>	<b>1,113,600</b>

## Notes of the Financial Statements

	Inflation Adjusted 2022 ZWL\$	Inflation Adjusted 2021 ZWL\$	Historical Cost 2022 ZWL\$	Historical Cost 2021 ZWL\$
<b>6 Investment Property</b>				
Opening balance	192,505,531	135,927,289	56,000,000	24,600,001
Fair value adjustment	-	56,578,242	-	31,399,999
Derecognition of Investment Property	(192,505,531)		(56,000,000)	
<b>Closing balance</b>	<b>-</b>	<b>192,505,531</b>	<b>-</b>	<b>56,000,000</b>
<b>7 Inventory</b>				
Cartridges	4,126,460	2,795,775	4,126,460	813,293
Cleaning materials	21,417	15,658	21,417	4,555
Consumables	559,824	585,695	559,824	170,379
Promotional material	396,587	135,854	396,587	39,520
Seals	770,000	-	770,000	-
Stationery	505,816	974,202	505,816	283,396
Teas and beverages	-	144,568	-	42,055
<b>Total</b>	<b>6,380,104</b>	<b>4,651,752</b>	<b>6,380,104</b>	<b>1,353,198</b>
<b>8 Trade and Other Receivables</b>				
Trade receivables	1,285,387,622	1,538,416,660	1,285,387,622	447,526,533
Prepayments	422,639,735	12,253,685	422,639,735	3,564,606
Other receivables	-	74,678,822	-	21,724,124
<b>Total</b>	<b>1,708,027,357</b>	<b>1,625,349,167</b>	<b>1,708,027,357</b>	<b>472,815,263</b>
<b>Trade Receivables Reconciliation</b>				
Gross trade receivables	1,708,027,357	1,625,349,167	1,708,027,357	472,815,263
Allowance for credit losses	(92,153,470)	(908,254,754)	(92,153,470)	(264,211,973)
<b>Total</b>	<b>1,615,873,887</b>	<b>717,094,413</b>	<b>1,615,873,887</b>	<b>208,603,290</b>
<b>9 Cash and Cash Equivalents</b>				
Cash and cash equivalents consist of:				
Bank balances	1,702,465,181	881,640,053	1,702,465,181	256,469,737
Cash on hand	-	-	-	-
<b>Total</b>	<b>1,702,465,181</b>	<b>881,640,053</b>	<b>1,702,465,181</b>	<b>256,469,737</b>
<b>10 VAT Receivable</b>				
VAT based on accruals concept	59,994,900	-	32,964,231	-
VAT Receivable	<b>59,994,900</b>	<b>-</b>	<b>32,964,231</b>	
<b>11 Trade and Other Payables</b>				
Trade and other payables	259,304,713	188,530,739	259,304,713	54,843,730
Other accruals and provisions	230,368,778	51,229,768	230,368,778	14,902,777
Deferred income	770,603,274	114,152,222	770,603,274	33,206,965
<b>Total</b>	<b>1,260,276,765</b>	<b>353,912,729</b>	<b>1,260,276,765</b>	<b>102,953,472</b>
<b>12 VAT Payable</b>				
VAT based on accruals concept	-	123,477,826	-	35,919,790
Outstanding Cash VAT due and payable to ZIMRA	132,097,742	32,029,333	132,097,742	9,317,356
<b>VAT Payable</b>	<b>132,097,742</b>	<b>155,507,159</b>	<b>132,097,742</b>	<b>45,237,146</b>
Non-Current portion	-	123,477,826	-	35,919,790
Current portion	132,097,742	32,029,333	132,097,742	9,317,356
<b>Total</b>	<b>132,097,742</b>	<b>155,507,159</b>	<b>132,097,742</b>	<b>45,237,146</b>

## Notes of the Financial Statements

	Inflation Adjusted 2022 ZWL\$	Inflation Adjusted 2021 ZWL\$	Historical Cost 2022 ZWL\$	Historical Cost 2021 ZWL\$
<b>13 Lease Liability</b>				
Current liability	207,820,201	39,428,998	207,820,201	11,469,925
Non-current liability	-	-	-	-
<b>Total</b>	<b>207,820,201</b>	<b>39,428,998</b>	<b>207,820,201</b>	<b>11,469,925</b>
<b>14 Revenue</b>				
Electricity annual levies	4,105,854,438	2,648,029,027	3,195,978,270	608,980,979
Electricity licenses application fees	12,891,279	18,968,209	9,427,818	4,613,217
Electricity licenses fees	36,842,134	58,139,427	31,120,952	12,817,415
Liquid petroleum gas license fees	112,228,265	72,784,946	61,958,588	15,243,022
Petroleum licenses fees	893,034,352	961,166,388	359,647,126	203,544,382
<b>Total</b>	<b>5,160,850,468</b>	<b>3,759,087,997</b>	<b>3,658,132,754</b>	<b>845,199,015</b>
<b>15 Other income</b>				
Fair value adjustment on investment property	-	56,578,242	-	31,399,999
Insurance proceeds	37,222	413,027	35,700	91,915
Interest received	39,639,089	2,291,548	21,779,719	549,835
Loan administration commission	20,479	16,617	11,252	4,065
Miscellaneous	20,501,897	5,076,178	19,815,040	1,223,644
Unrealized gain on Foreign Currency Account	1,229,952,064	130,627,884	1,229,952,064	37,999,747
Rental income	-	995,865	-	220,000
Tender income	-	2,207,942	-	537,798
Training registration fees	9,038,161	-	8,726,345	-
Foreign currency exchange gain	235,325,956	-	252,979,957	-
Decrease in allowance for credit losses	196,013,928	-	172,058,503	-
<b>Total</b>	<b>1,730,528,795</b>	<b>198,207,304</b>	<b>1,705,358,580</b>	<b>72,027,003</b>
<b>16 Operating expenses</b>				
Audit fees	3,056,311	3,489,225	1,174,062	709,826
Bank charges	101,546,962	33,285,581	84,092,267	7,806,288
Board fees	13,868,921	12,413,118	9,511,633	2,827,897
Computer expenses	27,094,715	11,182,388	21,924,013	2,497,691
Consulting and professional fees	210,359,559	90,778,414	136,981,601	19,860,451
Consumables	13,684,602	5,647,349	10,884,632	1,322,362
Corporate social responsibility and donations	13,898,383	20,781,306	11,964,325	5,315,906
Depreciation and amortisation	192,977,615	172,209,725	120,156,996	38,122,900
Employee costs	1,649,169,104	1,222,016,199	1,254,090,891	284,571,326
Entertainment	5,553,857	2,227,939	4,771,645	563,554
Foreign currency exchange loss	-	40,678,595	-	10,327,031
Impairment and loss on de-recognition of assets	801,175	16,146,027	396,946	3,839,299
Insurance	41,162,898	27,530,721	28,047,232	6,260,676
Interest on lease	4,903,914	5,568,470	3,752,855	1,129,409
Lease rentals on operating lease	80,892,220	46,036,168	67,498,044	9,913,691
Loss on revaluation	-	-	-	-
Motor vehicle expenses	181,020,975	88,129,936	137,057,498	20,511,860
Postage	869,261	77,260	302,165	16,602
Printing and stationery	27,046,932	13,519,096	20,581,482	3,074,026
Promotions, advertising and publicity	178,844,573	91,544,524	122,265,103	22,256,859
Repairs and maintenance and office administration	448,988,724	243,530,879	351,610,548	57,889,753
Research and development	127,741,244	5,852,020	109,312,867	1,300,153
Subscriptions	73,354,495	55,290,095	56,285,034	12,238,395
Telephone and fax	95,882,737	68,145,782	69,215,933	16,014,485
Travel external	209,021,083	9,432,183	162,994,680	2,535,225
Travel local	300,857,603	75,513,275	231,313,608	18,474,366
Workshops and seminars	380,928,245	67,649,991	322,769,943	17,783,692
<b>Total</b>	<b>4,383,526,108</b>	<b>2,428,676,267</b>	<b>3,338,956,003</b>	<b>567,163,723</b>

## Notes to the financial statements

### Notes to the financial statements

#### 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 realized in the electricity account to the Rural Electrification Fund. As at 31 December 2022, an audited cash electricity receipts and expenditure statement

was prepared and audited, and the account has a deficit of ZWL\$ 353,574,405 hence no remittance will be made to the Rural Electrification Fund. In 2021 a surplus of ZWL\$28,749,071 was recognized. Below is the electricity cash receipts and expenditure statement for 2022:

Notes of the Financial Statements				
	Inflation Adjusted 2022 ZWL\$	Inflation Adjusted 2021 ZWL\$	Historical Cost 2022 ZWL\$	Historical Cost 2021 ZWL\$
Receipts- Electricity Portion				
<b>Cash receipts</b>	<b>3,539,978,259</b>	<b>1,888,170,531</b>	<b>2,706,116,694</b>	<b>441,614,858</b>
Audit Fees	(1,812,378)	(2,965,843)	(997,953)	(603,352)
Cleaning Consumables	(15,855,703)	(4,800,246)	(8,730,657)	(1,067,029)
Computer Expenses	(35,312,253)	(9,505,029)	(19,444,055)	(1,754,999)
Consulting & Professional Fees	(176,774,799)	(67,303,698)	(97,337,855)	(14,102,365)
Insurance	(43,295,974)	(23,401,113)	(23,840,147)	(5,321,574)
Printing & Stationery	(6,868,559)	(3,540,936)	(3,782,048)	(861,406)
Admin Overheads	(579,041,913)	(107,102,570)	(318,838,986)	(24,675,799)
Research & Development	(141,385,681)	(4,974,219)	(77,851,475)	(800,936)
Subscriptions - News	(12,502,064)	(10,047,733)	(6,884,036)	(3,055,252)
Corporate Social Responsibility	(20,341,507)	(17,664,112)	(11,200,684)	(3,500,357)
Lease Rentals	(105,393,934)	(38,415,823)	(58,033,269)	(8,508,416)
Motor Vehicle-Expenses	(53,570,217)	(51,726,828)	(29,497,474)	(10,485,579)
Employment Costs	(2,156,037,852)	(1,043,731,302)	(1,187,183,357)	(238,061,009)
Board fees and Sitting Allowances	(14,682,925)	(10,551,149)	(8,084,888)	(2,403,713)
AA Private Mileage	(148,539,063)	-	(81,790,356)	-
Entertainment	(7,365,896)	(1,893,749)	(4,055,898)	(479,021)
Travel and Acc-Local	(324,783,506)	(64,186,896)	(178,836,180)	(12,537,779)
Travel and Acc External	(221,176,670)	(8,017,353)	(121,786,944)	(2,156,588)
Communication Costs	(103,213,843)	(57,947,537)	(56,832,841)	(13,028,612)
Courier & Postage	(467,074)	(65,672)	(257,186)	(13,765)
Workshop & Seminars	(498,387,564)	(48,001,540)	(274,428,123)	(12,496,209)
Advertising and Promotional Costs	(177,200,252)	(87,313,795)	(97,572,123)	(19,467,002)
Bank Charges	(128,576,675)	(28,292,744)	(70,798,427)	(6,635,402)
Exchange Rate Loss	(66,263,336)	(33,718,334)	(36,486,711)	(16,874,234)
Capital Expenditure	(517,840,308)	(49,144,593)	(285,139,426)	(13,975,389)
<b>Total Expenses</b>	<b>(5,556,689,946)</b>	<b>(1,774,312,814)</b>	<b>(3,059,691,099)</b>	<b>(412,865,787)</b>
<b>Cash Surplus/(Deficit) for the year</b>	<b>(2,016,711,687)</b>	<b>113,857,717</b>	<b>(353,574,405)</b>	<b>28,749,071</b>

#### 17.1. Basis of preparation for electricity account

The electricity account is prepared on cash basis to reflect the actual performance of the electricity subsector in real terms as compared to the accrual basis of reporting.

## 18. Related Party Disclosures

Short-Term Employment Benefits	Historical 2022 ZWL\$	Historical 2021 ZWL\$
Executive management remuneration and benefits	119,251,896	36,093,100
Non- Executive Board members fees	5,216,033	924,252
<b>Subtotals</b>	<b>124,467,929</b>	<b>37,017,352</b>
Other transactions		
Skills Retention- Ministry of Energy and Power Development	136,046,779,434	
<b>Total related party transactions</b>	<b>124,601,975</b>	<b>37,796,786</b>

The amount disclosed above is the amount recognized as an expense during the reporting period related to non-Executive board members' fees (2022 \$ 5,216,033 and 2021 \$ 924,252) and key management personnel (2022 \$ 119,251,896 and 2021 \$ 36,093,100). 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 ZERA Harare Head Office space, 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 remaining term of two years and there is a renewal clause.

Future minimum rental payable are as follows as:

Future minimum rental payable are as follows as at 31 December 2022	Historical ZWL\$
<b>Within one year</b>	<b>73,900,000</b>
<b>After one year</b>	<b>56,400,000</b>
<b>Total</b>	<b>130,300,000</b>

## 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 organization. While risks cannot be fully eliminated, ZERA endeavors 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 the financial risks pertaining to 2022 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 interestbearing 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 2022:

- (a) ZB
- (b) Stanbic
- (c) EcoCash

### Notes to the financial statements

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:

Short-Term Employment Benefits	Historic 2022 ZWL\$	Historic 2021 ZWL\$
Cash and cash equivalents	1,702,465,181	256,469,737
Trade and other receivables	1,615,873,887	208,603,290

### 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.

## 21. 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 Project Managers (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;

- 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.
- An order compelling ZERA to issue a procurement licence to its assignee.
- Interest thereon on the prescribed rate from the date of summons to date of payment in full;
- 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;

- 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.
- An order compelling ZERA to issue a procurement licence to its assignee.
- Interest thereon on the prescribed rate from the date of summons to date of payment in full;
- Costs of suit on a legal practitioner and client scale.

## 22. 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 4.5% and 4.5% 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.

Details	Historic 2022 ZWL\$	Historic 2021 ZWL\$
<b>National Social Security Authority</b>	21,133,015	1,903,401
<b>Old Mutual Pension Fund</b>	35,390,610	9,293,058
<b>Total</b>	56,523,625	11,195,459

## 23. Subsequent events

After the end of the reporting period, the Authority received a correspondence from the Office of the President and Cabinet indicating a review of board fees and sitting allowances with effect from the 1st of July 2022. The total amount of fees and sitting allowances which were due

at the end of the reporting period was ZWL\$ 6,088,600 and this is an arrear which will be cleared after approval is granted by the Ministry of Energy and Power Development.

## 24. 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.

### 25.1 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 2022;



**Zimbabwe Energy Regulatory Authority**  
**Financial Statements for the year ended 31 December 2022**

	<b>2022 US\$</b>
<b>Revenue</b>	<b>1,907,280</b>
Electricity annual levies	-
Electricity licenses application fees	7,500
Electricity licenses fees	26,000
Liquid petroleum gas license fees	29,800
Petroleum licenses fees	1,843,980
<b>Other Income</b>	<b>43,395</b>
Tender and Trainings Income	4,646
Investment Interest	20,734
Interest on Current Account	15,880
Miscellaneous Income - Proceeds from Asset Disposal	2,135
<b>Operational Expenses</b>	<b>909,500</b>
Consulting and professional fees	177,139
Insurance	15,897
Printing and Stationery	509
Office Administration and Repairs & Maintenance	34,971
Research and Development	11,935
Corporate membership affiliation fees	85,156
Motor vehicle repairs and maintenance	8,401
Employee Costs	289,924
Entertainment Allowances	32
Workshops, Seminars and Training	61,282
Travel and Accommodation Costs	159,639
Food and refreshments	316
Advertising	9,036
Bank Charges	55,263

## 25.2 Statement of Financial Position

The following table depicts additions to non-current assets and the closing cash balance as at 31 December 2022;

	<b>2022 US\$</b>
<b>Revenue</b>	<b>1,060,773</b>
Motor Vehicles	875,248
Assets Under Construction	90,660
Building	94,865

## 25.3 Statement of Cashflows

The following table is an excerpt of foreign currency transactions included the Statement of Cashflows for the year ended 31 December 2022;

Zimbabwe Energy Regulatory Authority Financial Statements for the year ended 31 December 2022	
	2022 US\$
<b>Current Assets</b>	
<b>Cash and Cash Equivalents</b>	<b>2,383,983</b>
Cash at Bank	1,363,251
Fixed Term Deposit (Money Market Placement)	1,020,732

## 26. Going concern

Management have reviewed the Authority budget and cash flow forecasts to 31 December 2023 and in light of this review and the current financial position, 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 still appropriate.



# Contact Us

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