



2021
-2030

LONG TERM *strategy*



“transforming & retooling towards a DFI of scale”

Contact details

For more information this document, please contact:



Phillip Chitsika

Pchitsika@idbz.co.zw

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ABBREVIATIONS

AfDB	African Development Bank	LTS	Long-Term Strategy: 2021-2030
AFC Land Bank	AFC Land and Development Bank	LTST	Long-Term Strategy Team
AI	Artificial Intelligence	MARO	Masvingo Regional Office
AML	Anti Money Laundering	MFI	Multi-lateral Finance Institution
BURO	Bulawayo Regional Office	MNHS	Ministry of National Housing and Social Amenities
CEO	Chief Executive Officer	MoPSE	Ministry of Primary and Secondary Education
CFF	Climate Finance Facility	MTS	Medium-Term Strategy: 2016-2020
CFT	Countering the Financing of Terrorism	MW	Mega Watts
CMMU	Compliance Review and Mediation Unit	NDS1	National Development Strategy 1: 2021-2025
CPF	Countering Proliferation Financing	NDS2	National Development Strategy 2: 2026-2030
COVID-19	Coronavirus Disease of 2019	NLEDS	National Low Emissions Development Strategy
DBSA	Development Bank of Southern Africa	POGM	Policies, Operation Guidelines and Manuals
DFI	Development Finance Institution	PPDF	Project Preparation and Development Fund
e.g.	exempli gratia in Latin, which means “for example.”	PPDPA A	Public Procurement and Disposal of Public Assets Act [Chapter 22:23]
EMR	Enterprise Risk Management	PPPs	Public-Private Partnerships
ESMU	Economics, Strategy, & Performance Monitoring Unit	PSGRS	Prudential Standards, Guidelines and Rating System
GCF	Green Climate Fund	PSIP	Public Sector Investment Programme
GDP	Gross Domestic Product	RMCF	Resource Mobilisation and Climate Finance Department
GoAML	Anti-Money-Laundering System	RMF	Results Measurement Framework
GoZ	Government of Zimbabwe	RMR	Resource Mobilisation Roadmap
GRM	Grievance Redress Mechanism	RMS	Resource Mobilisation Strategy
IADU	Internal Audit Unit	SATCC	Southern Africa Transport and Communications Commission
i.e.	abbreviation - Latin phrase id est, meaning “that is.”	SDG	Sustainable Development Goals
ICAAP	Internal Capital Adequacy Assessment Process	SMEDCO	Small & Medium Enterprises Development Corporation
ICT	Information Communication Technology	SOEs	State-Owned Enterprises
ICTU	ICT Unit	SSCI	Sustainability Standards and Certification Initiative
IDBZ	Infrastructure Development Bank of Zimbabwe	STP	Straight Through Processing
IDCZ	Industrial Development Corporation of Zimbabwe	TSP	Transitional Stabilisation Programme
IFC	International Finance Corporation	USD	United States Dollar
IFRS 9	International Financial Reporting Standards 9	USSAP	University Student and Staff Accommodation Program
ILAAP	Internal Liquidity Adequacy Assessment Process		
IPD1.1	Housing & USSAP, Energy, Irrigation Infrastructure Division		
IPD2.1	Transport, Water & Sanitation, ICT Division		
IPD2.2	PSIP, Project Implementation Monitoring Division		
IPP	Independent Power Producer		
I-PRSP	Interim Poverty Reduction Strategy Paper		
IT	Information Technology		
IVCF	Infrastructure Value Chain Finance facility		
LASU	Legal Advisory Services Unit		

WHITE	Water and Sanitation, Housing, Irrigation Infrastructure, Transport, and Energy and Power Supply sectors	ZimASSET	Zimbabwe Agenda for Sustainable Socio-Economic Transformation
WP&B	Work Programme and Budget	ZTA	Zimbabwe Tourism Authority
ZDB	Zimbabwe Development Bank		

FOREWORD

Zimbabwe's ability to achieve its socio-economic development targets under the country's Vision 2030 will be anchored on a robust infrastructural base. The IDBZ will play a catalytic role in developing robust, elaborate and resilient infrastructure towards providing a solid foundation for the stimulation of national economic growth and development. The Bank's inspiration over the years has been driven by the need to foster rapid and sustainable infrastructure development to help reduce the cost of doing business, attract investment, enhance competitiveness, and uplift the livelihoods of all Zimbabweans.

Over the years, the IDBZ has remained steadfast in supporting the country's development agenda as espoused in successive national policies and Budget Statements. In the IDBZ Medium-Term Strategy (MTS 2016-2020) there was a sharp focus on the following sectors: energy, transport, water and sanitation, information communication technology (ICT), and housing (site servicing and student & staff accommodation). The IDBZ working with the Government and other stakeholders witnessed development impact spurred by successfully implemented projects in water and sanitation, energy, and housing sectors such as Tugwi-Mukosi Dam, Kariba South Power Station Expansion, Waneka and Willowvale Flats, and Clipsham Views Housing.

Drawing inspiration and clear direction from the National Vision 2030 that envisages an Upper Middle-Income Status for the country, the National Development Strategy 1 (2021-2025), UN Sustainable Development Goals (SDGs) and African Agenda 2063, the Bank has identified different interventions into the future that will support a new national transformative and inclusive Development Agenda. As a national development finance institution (DFI), the IDBZ will play a transformative role in the development of infrastructure in Zimbabwe in tandem with national priorities, through supporting project preparation for investment and mobilising funds for infrastructure projects. This will help in the acceleration of infrastructure investments in the country.

The Bank's Long-Term Strategy (2021-2030) builds on the foundation laid over the past 5 years and responds to the country's socio-economic growth aspirations through supporting infrastructure development primarily in the Water and Sanitation, Housing, Irrigation, Transport, and Energy sectors. Secondary sectors of focus will include Health, Education, Tourism, and Information Communication Technology (ICT). The Bank will scale up funding support for private sector enterprises, targeting the infrastructure value chain, agri-businesses and exporters. Furthermore, the Bank is going to support the development of sustainable, inclusive, climate smart and resilient infrastructure at scale towards transformational development impact.

For the IDBZ to play the envisaged role, it will need to grow and transform into a vibrant, efficient and agile institution with the requisite balance sheet and technical base to make impactful interventions. Therefore, over the 10-year period to 2030 priority will be on strengthening the IDBZ's balance sheet; deepening human capacity in the key areas of project preparation and structuring, project management and climate finance; enhancing the Bank's systems and ICT platforms.

Continued support from the Government of Zimbabwe towards the IDBZ's recapitalisation will be critical in building a strong balance sheet that the Bank can leverage to mobilise resources at scale and effectively carry out its mandate. The IDBZ will also focus on building strong partnerships with cooperating partners and private sector investors in order to benefit from technical support and access to co-financing opportunities and credit facilities.

The Bank will continue to execute its mandate in a financially, environmentally and socially sustainable manner and in line with best practice in development finance.

I would like to thank the Bank's Board, Management and Staff and other key stakeholders who have contributed to the development of this Strategy, which will be our compass for the next decade.

Joseph Mutizwa

Chairman of the Board

Date: 18 October 2022

SECTION 1: Overview



1 Vision, Mission, and Mandate

1.1 Mandate of the IDBZ

The Infrastructure Development Bank of Zimbabwe (“the IDBZ” or “the Bank”) is a development finance institution setup by the Government of Zimbabwe on the 31st of August 2005, taking over the assets and liabilities of the former Zimbabwe Development Bank (“ZDB”). It is established under section 3 of the Infrastructure Development Bank of Zimbabwe Act [*Chapter 24:14*] (“the IDBZ Act”).

The Bank is a vehicle for the promotion of economic growth and development, and improvement of the living standards of Zimbabweans through the development of economic and social infrastructure in sectors that include but not limited to; water and sanitation, housing, irrigation, transport, and energy. The IDBZ is also mandated to develop institutional capacity in undertakings and enterprises of all kinds in Zimbabwe, and to support development projects and programmes in all sectors of the economy.

The Bank catalyses infrastructure development through providing capital for development, expansion and modernisation of infrastructure, and mobilising internal and external resources from the public and private sector. It also facilitates private sector and community participation in infrastructure development. The Bank provides technical assistance in planning, identification, preparation, appraising, financing, implementation, and evaluation of development projects and programmes.

The Bank will be transformational, fostering sustainable development through promoting environmental sustainability, gender equality, and social and national equity. The Bank will also provide countercyclical funding and serve the credit rationed sectors by crowding-in private sector players through employing innovative financial instruments.

During the period (2021-2030), the Bank will play a transformative and catalytic role, leveraging the country’s abundant natural resources to mobilise investment towards priority developmental projects.

The execution of the strategy is premised on a resilient, robust, and financially sustainable institution that has a strong balance sheet, adequate human capital base, and strong shareholder support.

1.2 Vision

The IDBZ Vision Statement is:

“A Zimbabwe with a robust and inclusive infrastructure for sustainable growth and development”

1.3 Mission Statement

The Bank Mission Statement is:

“To champion the delivery of resilient and sustainable infrastructure that improves the quality of life for all Zimbabweans through technical support in project development, provision of innovative financing solutions, and knowledge generation and sharing”.

1.4 Purpose Statement:

The Bank’s Purpose Statement is:

“Uplifting livelihoods of all Zimbabweans through sustainable infrastructure development”



1.5 Corporate Culture

The Bank has adopted a results-oriented culture with focus on improved execution, capability building and goal achievement. Given the dynamic nature of our environment this culture will be supported by prioritizing capacity building to promote initiative, innovation and agility as the Bank responds to increasingly less predictable and more complex environments. In all Bank operations, teamwork and collaboration will be paramount with clear accountabilities defined through a Bank wide Delegation of Authority Matrix (DAM).

All Bank activities will be undertaken in line with the Bank's policy and internal control framework as provided in its Policies, Operations Guidelines and Manuals (POGM). The POGM promotes standardisation across the Bank and compliance with best practice for development finance institutions.

1.6 Values

The Bank intends to provide inclusive and sustainable infrastructure guided by the triple P concept on sustainability¹. To this end, it strives to adhere to the following values:

- *Integrity* - The Bank will undertake its work in a transparent and honest manner.
- *Professionalism* – The IDBZ work will be characterized by high quality, expert knowledge, and proficiency.
- *Service Orientation* - The Bank's clients will come first in all what it does, and it will undertake its work with passion and time-consciousness.
- *Transformational Innovation* – The IDBZ will thrive to create business models that are profitable, competitive, and long-lasting.
- *Sustainability* – The Bank supports initiatives that are technically feasible, financially & economically viable, environmentally friendly, and gender & socially equitable.
- *Knowledge Generation & Sharing* – The IDBZ will provide outstanding leadership and service through knowledge generation, sharing and advocacy.

¹ The Ps refer to People, Planet, and Profit, also often referred to as the triple bottom line. Sustainability has the role of protecting and maximising the benefit of the 3Ps.



SECTION 2: Strategic Review



2 Strategic Review

2.1 Macro-economic Environment

Over the past four years, the Government of Zimbabwe has implemented a raft of fiscal and monetary policy measures to address entrenched structural imbalances and foster macro-economic stability. This notwithstanding, Zimbabwe continues to experience significant macro-economic headwinds as it moves into the new decade. Economic challenges were compounded by significant real-world events at the start of the decade (ranging from Cyclone Idai, a protracted drought, and the global pandemic brought on by COVID-19). These challenges have only further hindered economic progress.

Despite these challenges, Zimbabwe's institutions responded with meritorious effort to mitigate impact. Significant expenditures were made to help the country during the pandemic on both the economic and social fronts. Moreover, the Reserve Bank of Zimbabwe introduced a Medium-Term Bank Accommodation Lending Facility and Private Sector Lending Facility. The year 2021 saw significant improvements as real GDP rose by 6.3 percent well ahead of Zimbabwe's regional peers. This growth was anchored on strong agricultural and external sector performance, an upturn in industry capacity utilisation, strong mining, agriculture, and construction sectors. Additionally, on the issue of major debt concerns, the Government of Zimbabwe has adopted a specific debt resolution strategy and recorded some payments to creditors.²

Notwithstanding, these positives, the economy of Zimbabwe is still largely in a state of flux and the Banking sector is under significant constraints. The Bank will continue to be affected by the expected reduction in capital flows from the international market and very limited official development assistance (ODA). The Bank cannot only rely on traditional instruments to attract infrastructure funding. There is an opportunity for the Bank to leverage its unique relationship with the Government and pursue creative and innovative funding solutions that include blending, tapping concessional and bilateral funding, and private sector capital for infrastructure development.

With support from Government, the Bank will also strive to leverage the country's abundant stock of land assets to mobilize investment into irrigation development, renewable energy, as well as modern and adequately serviced housing developments. Such leveraging of assets is all the more important when considering the likely strategic impact of the "demographic dividend." This dividend is premised on the on-going rural to urban migration which will likely continue to translate to demand for housing, quality of life infrastructure (such as ICT) and the need for employment creation.

Zimbabwe's foreign currency earnings might also go down as commodity prices fail to recover due to the COVID-19 pandemic in the short term. This will likely put pressure on the exchange rate leading to increased cost of imported materials that include fuel, equipment, and machinery. The Bank will offer funding support to private sector enterprises, targeting the infrastructure value chain, agri-businesses, and exporters.

Zimbabwe's growth prospects are dependent on weather outcomes and developments on the world economy. In the next decade, the downside risks to the country's socio-economic development include:

- i. global pandemics and extreme weather events;
- ii. low international commodity prices;
- iii. tightening of global liquidity;
- iv. corruption and rent seeking;

² IMF Executive Board Concludes 2022 Article IV Consultation with Zimbabwe. March 24, 2022



- v. macroeconomic instability;
- vi. low levels of formal employment;
- vii. non clearance of external arrears; and
- viii. gridlocks in the re-engagement process.

Guided by Government's Infrastructure Investment Plans, the Bank will play a pivotal role in coordinating project preparation and packaging, and mobilisation of resources for priority infrastructure projects.

Zimbabwe's resolution of external debt arrears remains critical for accessing developmental funding and for positioning the country as an investment hub. In addition, the need to demonstrate policy credibility to endear investor confidence cannot be over-emphasised.

The Government has committed to fighting corruption and rent seeking to improve the operating environment.

The Devolution Agenda will lead to higher demand for the Bank's products and services and thus requires the Bank to take a national outlook in its operations. In pursuit of the Devolution Agenda, the Bank established regional offices to expand its geographical footprint and promote equitable development across the country. This is expected to enhance the Bank's capacity and responsiveness in closing infrastructure gaps in all regions of the country. It also fosters stakeholder participation in carrying out lending programs and building of robust project pipelines. The Bank's regional offices will also act as knowledge hubs and provide guidance in project preparation and development.



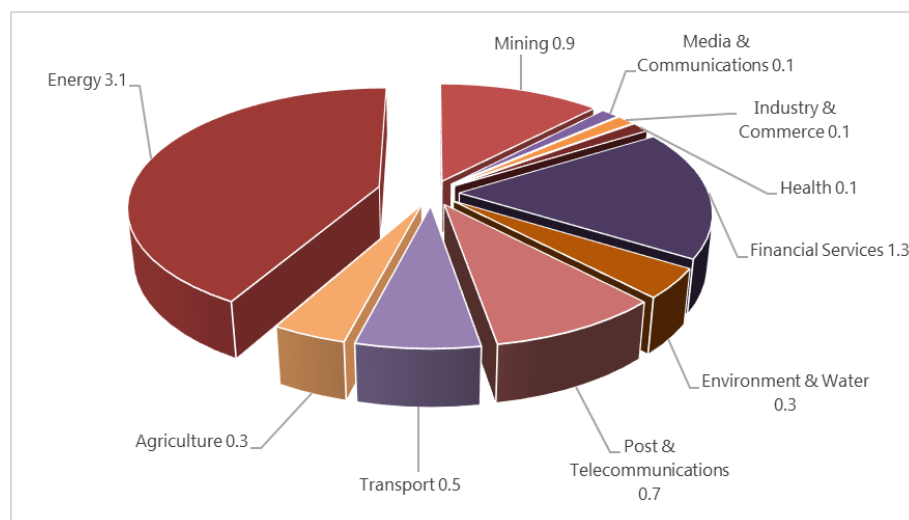
2.2 Zimbabwe Institutional Landscape Review

State Enterprises and Parastatals (SEPs) play an important role in Zimbabwe’s economy. SEPs are active in major infrastructure areas, including energy, transport, communications, mining and agriculture³. The number of SEPs grew from 20 (in 1980) to 103 (by 2018). SEPs can be divided generally into two overarching categories: (i) Parastatals and (ii) State Enterprises:

- A Parastatal is a body established by a special Act of Parliament to carry out a socioeconomic mandate for the benefit of the public; while a,
- State Enterprise is a government-owned entity which is registered in terms of the Companies Act and operates on a commercial basis⁴.

These SEPs are significant contributors to Zimbabwe’s economy. With regards to Zimbabwe’s SEPs average contribution to GDP by sector between 2012 and 2014, SEPs in the energy sector were the largest contributor to GDP at just over 3 percent, followed by SEPs in the services and financial sectors, which represent just over 1 percent.

Figure 1: SEPs contribution to GDP by sector, 2012-2014 average (%)



Source: World Bank (2017), Zimbabwe Economic Update - The State of the Economy June 2017

Within the SEPs, particularly the DFI⁵ sub-sector, the Government of Zimbabwe has significant shareholding in a number of institutions. The most relevant within the landscape are the Small & Medium Enterprises Development Corporation (SMEDCO), AFC Land and Development Bank (formerly AgribBank), Industrial Development Corporation of Zimbabwe (IDC, a DFI but not a bank) and the Infrastructure Development Bank of Zimbabwe (IDBZ). The SMEDCO’s mandate is to promote the development of Micro, Small & Medium

³ Report of the Auditor General for Financial Year Ended 31 December 2018 on State Enterprises and Parastatals, 2019

⁴ Hadebe, S., et.al (2015) Annual State of Corruption Report: Focus on State-Owned Enterprises. Transparency

International Zimbabwe. Retrieved from http://tizim.org/wp-content/uploads/2016/05/Report_1.pdf. Accessed 12-01-2017. 1854 hours

⁵ Development Finance Institution (DFI) is a financial institution that provides risk capital for economic development projects on a non-commercial basis.



Enterprises (MSMEs) and cooperatives by providing financial and capacity building programs. The AFC Land and Development Bank's mandate is to develop agriculture and agricultural industries through loans and by offering managerial technical assistance to the recipients of the loan.⁶

The IDCZ economic role is to create value, wealth, employment and industrial development in Zimbabwe through industrial processes and capital formation. The institution is limited to supporting companies in the manufacturing sector and those into value addition and beneficiation of local raw materials.⁷

Given the overall scope and mandate of SEPs within the Zimbabwe landscape the following highlights are notable:

- there are a number of SEPs whose success is predicated on the successful delivery and operation of infrastructure for the entirety of Zimbabwe; and
- of those SEPs that focus explicitly on financial services, the IDBZ is the only player targeting infrastructure lending and support to project finance as other financially oriented SEPs are focusing on enterprise lending.

Thus, the IDBZ has the space to articulate a clear value proposition in financing of infrastructure for the country.

2.3 Infrastructure Sectoral Analysis

The state and quality of a country's infrastructure has a direct impact on economic health and vitality. The nation's envisioned socio-economic transformation will be enabled by a viable and robust infrastructure base. Fundamental transformation and economic growth will require well-developed infrastructure to harness production, encourage competition, support both domestic and foreign investment, and generate continuous economic growth. Therefore, scaling up infrastructure investment is a key pillar in the country's development strategies.

Lack of liquidity and forex within the economy has hampered public investments in infrastructure. Between 2010 and 2018, a nominal amount of US\$2.02 billion had been appropriated towards infrastructure investments. Currently, the Government of Zimbabwe provides approximately 20% of this financing requirement leaving an 80% gap⁸. In order to rebuild and improve its infrastructure the country will have to invest US\$2 billion annually until 2032⁹.

The Government, under the NDS1 has made commitments to increase budget provisions towards infrastructure development. This is to bridge the infrastructure gap and reverse the prolonged under-investment. Additionally, in 2020, the Government set up the Zimbabwe Investment and Development Agency to unlock private sector investments in the public domain, including infrastructure⁸.

The AfDB estimated that US\$33.78 billion will be needed between 2019-2030 to build and maintain its current infrastructure as shown in Table 1. Of the US\$33.78 billion required, the Government allocation through the Budget amounts to US\$10.94 billion leaving a financing gap of US\$22.84 billion as shown in Table 1. However, from TSP experience, the Government contribution might be hampered by tight fiscal space and the need to respond to natural disasters and other emerging challenges. Contribution from state-owned enterprises and local authorities will require innovative funding arrangements given that most of these institutions are in loss making

⁶ <http://www.agriBank.co.zw/>

⁷ <https://idc.co.zw/>

⁸ https://www.businessperspectives.org/images/pdf/applications/publishing/templates/article/assets/15473/PMF_2021_01_Kapesa.pdf

⁹ https://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Zimbabwe_Infrastructure_Report_2019_-_AfDB.pdf

positions. The IDBZ will play a catalytic role blending funds from Government, Development Partners (DPs), and the private sector to support infrastructure development in the next ten years.

Table 1: Adopted from Zimbabwe infrastructure report 2019

Sector	National Budget	State Enterprises	Local Authorities	Donors	Private	Total	Share (%)
Water and Sanitation	1,146.00	806.00	51.00	1,073.00	593	3,669.00	10.86
Power		396.00		264.00	478	1,138.00	3.37
Transport	9,586.00	261.00	9,730.00	2,348.00	6634	28,559.00	84.55
Roads	9,586.00		9,730.00	2,268.00	6337	27,921.00	82.66
Rail		180.00		80.00	140	400.00	1.18
Civil Aviation		81.00			157	238.00	0.70
Communication	208.00				204	412.00	1.22
Total	10,940	1,463.00	9,781.00	3,685	7,909	33,778.00	100.
Share %	32	4	29	11	23	100	

There is a clear need for deep capital investment in infrastructure to enable the nation to meet the Government's objective of attaining Upper-Middle Income status by 2030. The IDBZ can play a strategic role in coordinating the preparation and packaging of projects for investment promotion, and collating funds from various sources which are channelled towards the country's infrastructure investments.

In advancing such a role, the IDBZ has identified a set of priority sectors it will specifically champion in the medium to long-term.

Table 2: Highlights IDBZs Priority sectors ^{10 11 12}

Prioritisation	Sector	Contextual concerns and gaps in the sector
Primary	Water and Sanitation	<ul style="list-style-type: none"> The majority of the country's cities and towns experience severe water shortage as Local Authorities fail to deliver minimum services. Need for sewage systems, water treatment plants, water distribution infrastructure require rehabilitation/expansion. Absence of water resource development. Limited collection of levies by ZINWA through the water fund.
Primary	Housing	<ul style="list-style-type: none"> The national housing backlog is stated to be 2 million houses (2021)¹³.

¹⁰ Ministry of Finance and Economic Development Zimbabwe, 2021. Zimbabwe Infrastructure Investment Programme.

¹¹ AfDB, 2019. Zimbabwe Infrastructure Report.

¹² AfDB, 2021. COMBINED COUNTRY BRIEF 2021-2023 AND COUNTRY PORTFOLIO PERFORMANCE REVIEW

¹³ <https://housingfinanceafrica.org/documents/2021-housing-finance-yearbook-zimbabwe-profile/>

Prioritisation	Sector	Contextual concerns and gaps in the sector
		<ul style="list-style-type: none"> There is clear need for institutional accommodation, commercial buildings, student accommodation, housing stands, and housing units.
Primary	Irrigation and Infrastructure	<ul style="list-style-type: none"> Limited potential of groundwater resources Need for construction of medium- and large-size dams for irrigation, water storage and other purposes. The country has over 10,000 water bodies which can be harnessed for increased agricultural productivity and to climate-proof the country's agriculture sector. Lack of dam maintenance poses serious public safety risks and loss of significant quantities of water.
Primary	Transport	<ul style="list-style-type: none"> Road: over reliance on road transportation of commercial cargo has led to depreciation of road networks. Railway: fiscal constrains – Out of the total budget, 0.20% was spend on rail infrastructure in 2022. Rail system require rehabilitation and refurbishment. New rail system also needs to be constructed. Aviation: safety and security concerns due to poor air traffic control equipment. Need to increase capacity of Airports and build new ones in support of new Tourism frontiers.
Primary	Energy	<ul style="list-style-type: none"> Electricity shortage due to aged infrastructure Importation of electricity – Unsustainable due to limited availability of foreign currency. Need for renewable energy alternatives and Independent Power Producers (IPPs) for a secure energy mix.
Secondary / Cross-cutting	Health	<ul style="list-style-type: none"> Health budget as a share of the total budget stood at 10% (2020), still short of the 15% Abuja declaration. Actual expenditure typically below approved budget.¹⁴
Secondary / Cross-cutting	Education	<ul style="list-style-type: none"> Government spending has significantly shrunk from an average of US\$832 million over the period 2013 - 2016 to US\$397 million in 2020. Infrastructure deficit in the education sector is severe with many satellite schools that do not meet the minimum standards as prescribed by the MOPSE.¹⁵
Secondary / Cross-cutting	Tourism	<ul style="list-style-type: none"> The National Development Strategy 1 (NDS1) targets that the tourism sector will contribute 5% to the country's GDP by 2025.
Secondary / Cross-cutting	ICT	<ul style="list-style-type: none"> E-readiness is ranked low (124 out of 139 developing countries) Dependency on access to undersea cables through third parties.

In terms of project identification, the IDBZ Act limits the Bank to projects in Zimbabwe and the organisation will remain aligned to the definition of its mandate.

¹⁴ <https://www.unicef.org/esa/media/6501/file/UNICEF-Zimbabwe-2020-Health-Budget-Brief.pdf>

¹⁵ <https://www.unicef.org/esa/media/6496/file/UNICEF-Zimbabwe-2020-Education-Budget-Brief.pdf>

2.4 Review of Medium-Term Strategy

Tables 3 and 4 highlight the successes and challenges of the MTS.

Table 3: Highlights of Medium-Term Strategy implementation





Notable Progress in Implementing the MTS	
	The establishment of a dedicated Resource Mobilisation and Climate Finance Department (“RMCF”) allowed the Bank to formulate a well-articulated forward-looking Resource Mobilisation Strategy (“RMS”) which is focused on long-term Bank-wide resource mobilisation, Bank capitalisation, and building strategic partnerships;
	The establishment of the Project Preparation and Development Fund (“PPDF”) which is supporting the development of projects to Bankability;
	The Bank managed to refocus on its core mandate and streamline corporate structures and business processes; building a sound skills base; and enhancing human resource policies and procedures; and
	Important steps were taken towards skills development and aligning operational systems, controls, institutional culture, and processes to DFI standard, POGM and DAM as examples

Table 4: Reflections on MTS challenges

Challenges	Response to challenges
<p>Immediate considerations included:</p> <ul style="list-style-type: none"> BankOnerous procurement framework and macro-economic environment (price volatility in construction materials) and limited finance to support project preparation. Continued financial sustainability challenges Low level of Bank capitalisation was a major obstacle to resource mobilisation efforts and effective delivery of the mandate. Continued low level of automation negatively impacted operational efficiency. 	<p>Short-term responses included:</p> <ul style="list-style-type: none"> Seek exemption from the Public Procurement and Disposal of Public Assets Act (Chapter 22:23) to align with international standards (of time) for DFIs. Enhance the Bank’s project screening and project preparation processes to accelerate quality and quantity of Bankable projects in pipeline. Advance the capitalisation agenda through support from existing shareholders as a short-term measure to build a sound foundation for other capitalisation initiatives that will bring in new strategic investors.
<p>Exogenous factors that gave rise to challenges included:</p> <ul style="list-style-type: none"> continued challenges in the resolution of the country’s external debt arrears which inhibit the Bank’s access to external funding; macro-economic instability (foreign currency shortages, exchange rate volatility, high inflation and changes to reporting currency); further deterioration in the domestic business and investment climate, limiting both long-term domestic investment and foreign investment flows into the country; dearth of high-quality and shovel-ready Bankable projects in the market; significant and increasing competition for international resources from regional and continental DFIs and other national development Banks with similar mandates and development focus; and perceived high sovereign risk affecting access to, and cost of foreign funding. Policy inconsistencies 	<p>Medium to long-term responses include:</p> <ul style="list-style-type: none"> implementation of the Bank’s recapitalization programme; building balance sheet capacity, broadening funding sources and building effective partnerships; and transformation of the Bank ensuring that it is fit for purpose (effectiveness) and improved efficiency, and financial sustainability.



3 Strategic Objectives and Performance Indicators

3.1 Goals and Objectives

During the 10-year period to 2030 the Bank aims at achieving the following three goals:

1. To promote inclusive and equitable development;
2. To develop resilient and sustainable infrastructure; and
3. To build and promote institutional capacity, and knowledge generation and sharing.

To support the delivery of the strategic goals, the following will be the strategic priority areas over the upcoming period to 2030:

1. growing a robust pipeline of Bankable and shovel-ready projects in order to accelerate infrastructure investments;
2. deepening partnerships and strengthening the Bank's balance sheet through implementation of various capitalization initiatives and also broadening funding sources;
3. scaling up funding support to the private sector, focusing on the infrastructure value chain, agri-businesses and exporters;
4. deepening human capacity in the areas of climate finance; project preparation & structuring; and project management; and
5. enhancing the Bank's systems and ICT platforms to foster agility, efficiency, and innovation.

3.2 Performance Indicators

To measure progress towards implementation of the strategy and the impact of the Bank's efforts during the ten-year period, the goals are broken down into key performance indicators in the Bank's Results Measurement Framework: 2021 – 2030 (RMF):

- a. Improved access to water and sanitation services. (*Healthy Life*)
 - Improved quality of water and sanitation.
 - Greater equity in access to water and sanitation.
 - Increased affordability of water and sanitation.
- b. Improved access to adequate, safe and affordable housing and social amenities. (*Shelter Humanity*)
 - Increased access to housing (new housing units).
 - Increased access to safe and affordable accommodation by students.
 - Increased access to medical facilities.
- c. Enhanced agricultural productivity (*Higher Incomes and food self-sufficiency*)
 - Increased irrigated area.
 - Improved irrigation services.
 - Increased crop yields.
- d. Enhanced transport connectivity (*Driving Development*)
 - Improved transport infrastructure.
 - Improved network of rural & feeder roads.
- e. Improved access to energy for all (*Energising Development*).
 - Renewable and other sources of energy.
 - Improved access to energy.



f. Improved operational efficiency and effectiveness of the Bank and its partners) (*Enhancing Development Effectiveness and Innovation*)

- Increased capacity utilisation.
- Increase in foreign currency generation or saving.
- New products developed by the Bank.
- Projects Completion Reports Produced.
- Infrastructure focus papers produced and shared (or training done).
- Number of references to the Bank's knowledge output.

The Bank's detailed Results Measurement Framework: 2021 – 2030 (RMF) is in **Appendix B: Results Management Framework**.



SECTION 4: Business Model



4 Business Model of the IDBZ

4.1 Operational Mandate and Strategic Positioning

By 2030, the IDBZ will be a key advisor, funder, and packager of infrastructure projects in the following sectors of primary focus - Water and Sanitation, Housing, Irrigation Infrastructure, Transport, and Energy (WHITE) and sectors of secondary focus - Health, Education, Tourism, and Information Communication Technology (ICT). The above aligns directly to the mandate of the organisation outlined in Section 1.1.

In addition, the Bank’s product offering will enhance contribution to the development of Zimbabwe by supporting activities throughout the project cycle. The Bank’s infrastructure business model involves providing both technical and funding support towards the preparation and packaging of projects to bankability, as well as mobilising implementation financing and monitoring project implementation to ensure successful delivery.

The Bank’s Development Mandate will be executed in a financially, environmentally, and socially sustainable manner through:

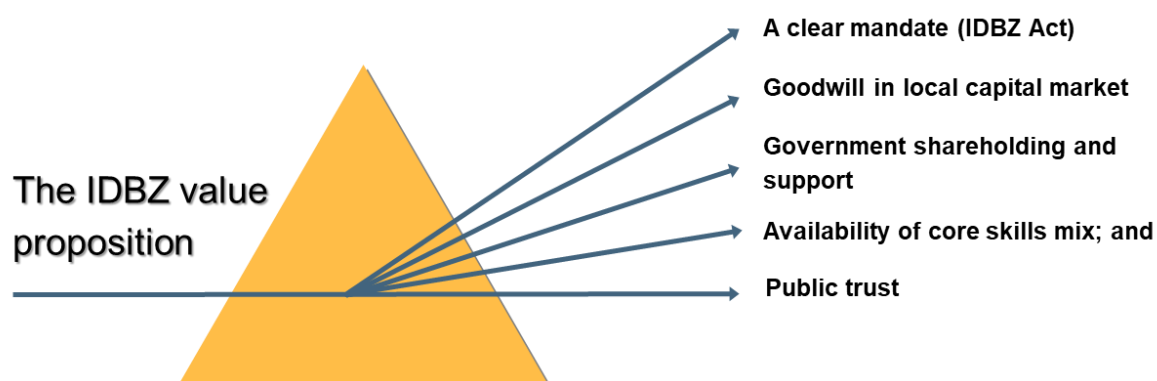
- i. mobilisation of resources for project development and implementation;
- ii. provision of innovative funding solutions to private sector enterprises
- iii. provision of technical capacity towards project preparation and packaging; and
- iv. knowledge generation and sharing for capacity building.

In response to the changing operating environment, the Bank will continue to transform itself to ensure fit for purpose. To improve efficiencies, effectiveness and financial sustainability, the following initiatives will be pursued:

- v. transforming from an infrastructure development Bank to an “infrastructure and development Bank” by scaling up the private sector financing arm; and
- vi. further re-configuration of the Bank’s governance and organisational structures

To realise its objectives, the Bank will capitalise on its identified strengths shown in figure 2.

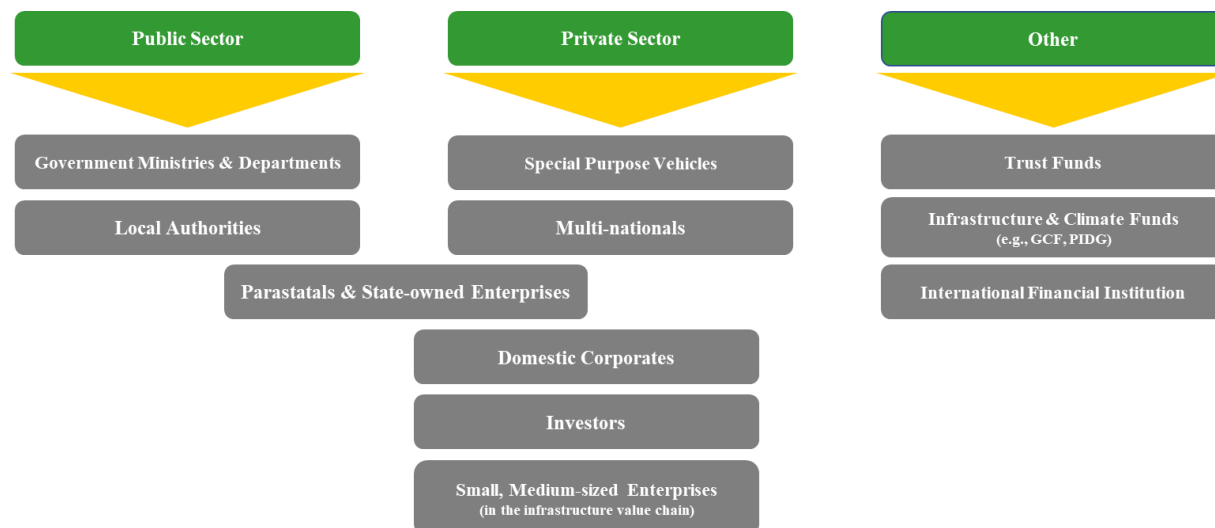
Figure 2: IDBZ Value Proposition



4.2 Clients

Offering value to clients in the dynamic macro-economic context of Zimbabwe is a core component of the IDBZ's Long-Term Strategy. Focusing on broadening and deepening its track record with the full spectrum of clients will be a strategic imperative in the build-up to 2030. The organisation shall segment its client base under three categories (as illustrated in the Figure 2).

Figure 3: Client Segmentation



The public sector offers a number of clients that align specifically to the organisation's developmental mandate and remain a priority area of focus for the IDBZ. Government line ministries are critical clients for the IDBZ to advance the nation's infrastructure agenda. Moreover, Local Authorities (such as city councils, municipalities, and rural district councils) present significant future opportunities.

For private sector clients, the Bank shall target a range of stakeholders in the built environment industry. Special Purpose Vehicles and investors in the infrastructure space will be priority clients but there is also potential alignment for targeting large domestic corporates, multi-nationals, and small and medium enterprises.

Under the category of "other" the range of potential clients include partnering with international financial institutions or offering products to other funding vehicles. These potentially could include Infrastructure Funds and Trust Funds.

As a Bank that provides client-driven solutions, establishing a client relations system that is highly responsive and cost-effective will be a defining feature of IDBZ's business model.

4.3 Products

As a DFI the IDBZ offers products throughout the project cycle. The current suite of products on offer within the IDBZ for its clients include the following:

- i. **Financing;** including Term Loans, Equity participation, Mezzanine finance, Loan guarantees, Infrastructure bonds, Infrastructure Value Chain Financing (financial services and products to the energy, water and sanitation, transport, ICT and housing sectors).
- ii. **Infrastructure Project Preparation and Development Support;** Provide Technical Support towards project preparation, (Coordinate feasibility studies, ESIA, regulatory permits/approvals, legal

- structuring, etc), Project preparation finance (PPDF facility), Support in Tender processes (e.g. Preparation of Tender Documents).
- iii. **Infrastructure Projects Implementation Support;** Monitoring construction of project, Validating payment claims from Contractors, Suppliers and Consultants, Processing disbursements, Tracking progress against cost/time budgets.
- iv. **Corporate Banking & Trade Finance;** Pre and Post Shipment finance, Asset finance, Order financing, Bank guarantees, Bridging loans, Working capital facilities, Medium to term loans, Structured finance packages.
- v. **International Banking and Exchange Control;** Offshore financing, both short and long term, Drafts and telegraphic transfers, Inward and outward Letters of Credit; and Exchange control applications and related advice.
- vi. **Treasury Products;** IDBZ Treasury provides clients with investment opportunities through various financial securities including Treasury Bills, Bankers Acceptances and Bonds. The securities could be traded on outright basis or can be used as collateral on funds invested. Investment periods generally range from 30-365 days and beyond and on maturity, clients have a choice to be paid or to reinvest at prevailing market conditions.
- vii. **Advisory services** – Will be provided to the private sector including; raising capital through the Banks financial intermediary role, ensuring fulfilment of joint ventures.

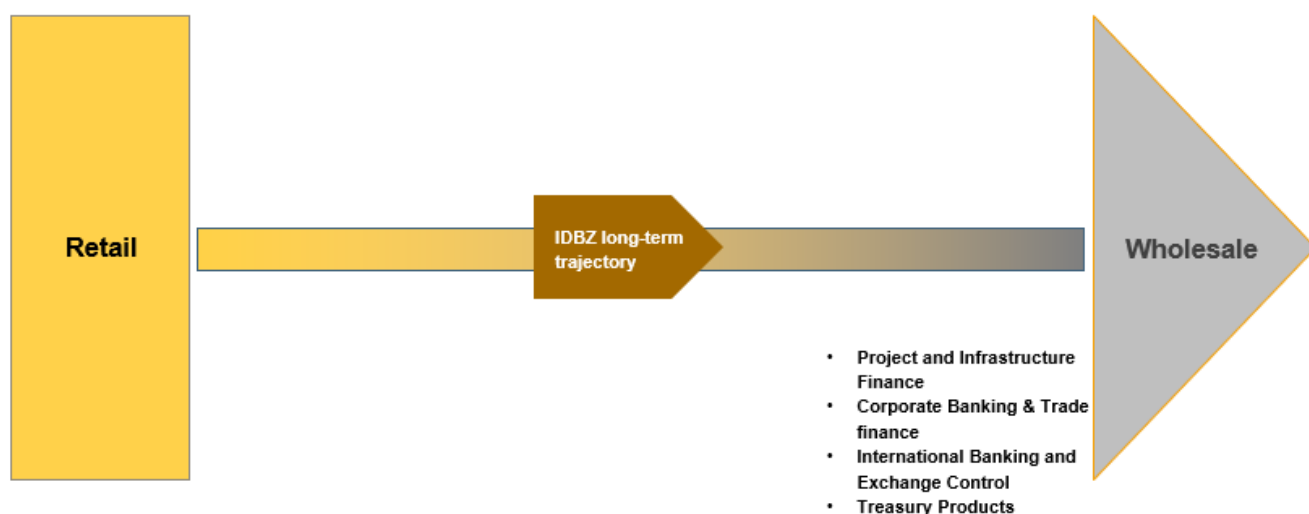
Product Highlight:

Infrastructure Value Chain Financing (IVCF)

The IVCF is an example of a lending product currently offered by the Bank. The IVCF was established in 2018 to support the Banks infrastructure value chain in their focus sectors. The IVCF provides OD (short terms), loan (short-term), guarantees, debt factoring instruments, bonds, bringing focus to private sector operations.

The IDBZs current product offering is aligned to the international benchmarked institutions. As new markets are identified, the Bank shall further adapt its model to accommodate different needs of its client base. The Bank will continue to monitor the performance of the current products pipeline to ensure financial sustainability while delivering on its infrastructure mandate. Products and services may be revised, striking a balance between need and long run capital sustainability.

Figure 4: IDBZ product proposition



The IDBZ offers support throughout the project cycle. The support offered shall focus explicitly on the targeted sectors of the Bank. This shall include the targeted primary sectors; Water & Sanitation, Housing, Irrigation Infrastructure, Transport and Energy (WHITE) as well as the secondary focus sectors of Health, Education, Tourism, and Information Communication Technology (ICT).



4.4 Leading Business Development through Project Preparation

One of the intentions underlying the formation of project preparation facilities is that it nurtures large projects and better prepared pipelines. The process is a multifaceted activity, demanding diverse technical knowledge and competencies, as well as patient capital.

In 2016, the IDBZ created a Project Preparation and Development Fund (PPDF) to support in the identification and packaging of Bankable projects. The Bank has a framework for screening projects in the early stage of the project lifecycle which show high prospects of becoming bankable. Only the projects that fit in the IDBZ's mandate for supporting infrastructure development within the Primary (WHITE) and secondary sectors will be selected. As a result, the Bank aims to expand its PPDF to facilitate more projects to reach bankability and accelerate successful investments. The Bank's Strategy, when identifying projects will also be aligned to two key strategic developments, IDBZ's role in national climate initiatives through the GCF accreditation and the Bank's Recapitalisation Programme.

The profiling of project opportunities and framework for onboarding projects in the project development pipeline is influenced by the need to have a multi-sectoral, geographically spread and commercially attractive pipeline that can deliver desired developmental impacts. Such a pipeline will anchor both the Bank's Recapitalisation Programme and other resource mobilisation initiatives. The Bank will also strive to improve iterations with government officials at executive level, participate in provincial development co-ordination committee and other infrastructure related events (including water and sanitation symposiums and World UNESCO day). Finally, the Bank recognises the limited scope of available PPDF funding, and (as a driving point of strategy) will set rigorous onboarding requirements for projects to ensure efficient allocation of available funding.

The project investment framework is aligned to both development impact and commercial case of the projects. Key considerations include the project's social and economic viability and sustainability, technical and financially sustainability consideration, and the project sponsor commitment through contribution to the financing of the project.

The ongoing efforts to develop a robust project pipeline will be underpinned by two pillars, namely adequate resourcing of the PPDF facility and strengthening the technical capacity to package projects. The Bank will also collaborate with partners to bridge any identified gaps i.e. in skills, market knowledge and technical capacity. Finally, the pipeline development shall be underpinned by robust market intelligence initiatives that include (but not limited to) the following (1) tactical engagements with SOEs/Implementing Agencies to understand their planned projects and (2) aligning own project criteria to relevant international fund project parameters.

4.5 Strategic Partnerships

The Bank will unlock technical and funding support from Development Partners and increase private sector involvement in the development, financing, design, construction, and operation of infrastructure projects.

Building strategic partnerships with Cooperating Partners (i.e., other DFIs and bilateral/multilateral finance institutions) and private sector investors remains a strategic priority. Such partnerships will facilitate access to technical assistance, collaboration in the preparation and co-financing of infrastructure projects, as well as access to lines of credit. The Bank will syndicate and co-finance with other DFIs in high impact areas of mutual interest in a complementary role. This entails sharing risk, expertise, and monitoring costs. The Bank will work with other local finance institutions. The IDBZ will provide leadership in infrastructure development under this partnership.

The Bank will accelerate its engagements with regional, and international DFIs and MFIs to establish strategic partnerships which will facilitate collaboration in the preparation and financing of infrastructure projects. The



Bank will urge Development Partners to look beyond current challenges and support transformative projects which will underpin sustainable socio-economic development of Zimbabwe.

In the past, efforts to mobilise resources from Development Partners have been hampered by macro-economic volatility and the country's unresolved external debt position. The Bank stands ready to leverage on the success of the Government's international re-engagement drive and tap into the international capital markets.

The detailed approach to strategic partnerships will be guided through the pillars of the Resource Mobilisation and Capitalisation efforts provided in Section 5.1.

5 Strategic Focus Areas

As a compliment to the overarching business model, key strategic thrusts have been identified to advance the strategic interests of the Bank. These areas of focus are targeted at ensuring that the Bank hones in on its value creation potential, long-term sustainability and resilience for the future.

5.1 Resource Mobilisation and Capitalisation

The current monetary environment of Zimbabwe has seen interest rates trail behind inflation and generate negative real interest rates. Infrastructure investment, with its lower yields and longer maturities, has been particularly susceptible to the dynamic conditions of the local market. Moreover, hard currency considerations continue to adversely impact the balance sheet of the organisation given that most infrastructure projects generate revenues in local currency.

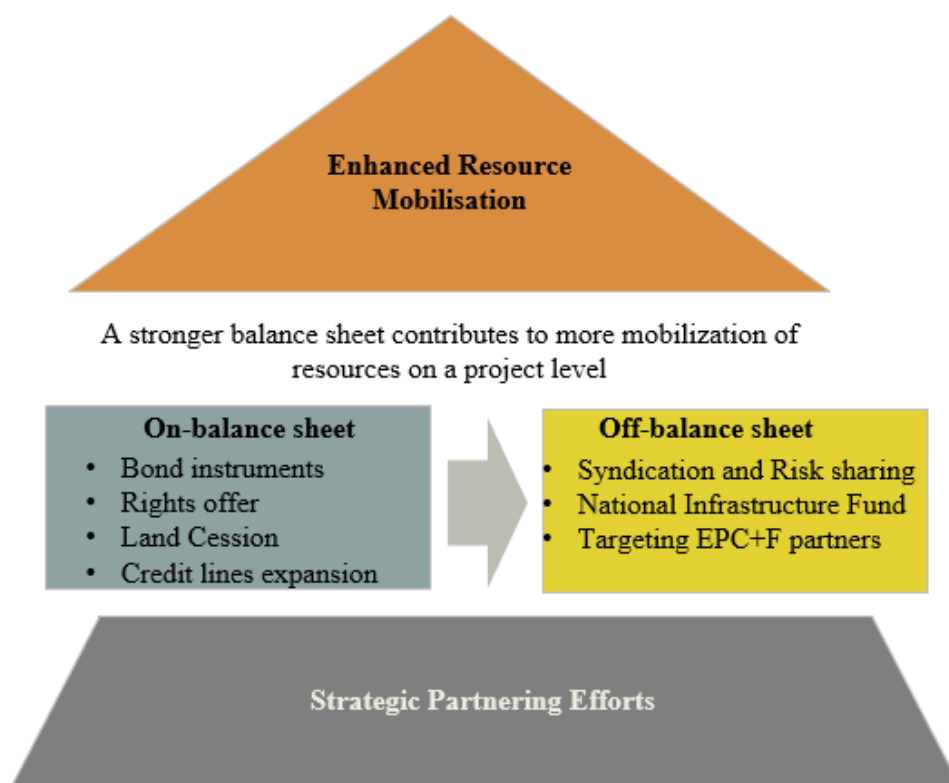
The Bank has developed a Resource Mobilisation Strategy that aims at achieving the twin objectives of increasing the Bank's project financing outcomes and scaling its balance sheet size. A strong balance sheet is critical for the Bank to leverage as it pursues project financing, strategic partnerships, public private partnerships, and climate finance initiatives.

During the strategy period, focus will be on implementation of the Bank's recapitalisation programme, building balance sheet capacity, broadening funding sources and building effective partnerships with Cooperating Partners. A capitalisation level of US\$500 million is targeted in the medium term and this figure is expected to increase to US\$1 billion by 2030. Such capitalisation level will allow the Bank to effectively carry out its mandate as the leading institution for infrastructure development in Zimbabwe.

To realise these targets, the Bank needs to establish a strategic framework for resource mobilisation and capitalisation. This framework shall be organised through a model for action. The proposed model comprises two strategic pillars, two key outcomes and a foundational element. The model is provided for in Figure 4.



Figure 5: Resource Mobilisation Model



NOTE: Resource mobilisation will be strategically limited only to areas aligned with *Table 2: Highlights of IDBZs Priority sectors*.

Each of the above areas of concern are supported by a set of structured interventions to give effect to each pillar. These interventions are highlighted in Table 5.

Table 5: On and Off-balance sheet initiatives

Pillar	Off-balance sheet
Intervention #	1- Syndication and Risk Sharing – strategic engagement of potential partners to syndicate projects and share risk as well as provide opportunities for capital pooling.
Pre-condition analysis	<ul style="list-style-type: none"> • Need available partners in the market. • Need liquidity in the domestic market. • Requires that the Bank accelerates the packaging of a larger pipeline of multi-sectoral and commercially attractive projects in order to attract such partners.
Risk identification	<ul style="list-style-type: none"> • National multi-lateral debt and arrears limits potential partner market. • Consideration must be given to project partners track record or credibility. • Syndication mechanisms can become onerous and time-consuming and will require greater skills and time.



Pillar	Off-balance sheet	
Prioritisation Assessment	<i>Appropriate time-scales for deployment given market conditions</i>	<i>Broad Feasibility Assessment</i>
	Appropriate for short, medium-term, and long-term outlook.	Pragmatic and feasible for the current context.
Potential Partnerships	<ul style="list-style-type: none"> • IFIs. • Domestic corporates/ institutional investors. • Funding facilities. 	

Pillar	On-balance sheet	
Intervention #	2- Bond Instruments – issuances of USD denominated bonds to raise capital.	
Pre-condition analysis	<ul style="list-style-type: none"> • Denomination of project currency / project cash flows. • Market appetite. 	
Risk identification	<ul style="list-style-type: none"> • Projects cashflows should be denominated in a currency that is market attractive. • Currency payment risks/ suitable credit enhancements. 	
Prioritisation Assessment	<i>Appropriate time-scales for deployment given market conditions</i>	<i>Broad Feasibility Assessment</i>
	Appropriate for short, medium-term, and long-term outlook.	Some potential but consideration must be given to currency risks.
Potential Partnerships	<ul style="list-style-type: none"> • Reserve Bank of Zimbabwe. • Regional, continental and international DFIs/MFIs. 	

Pillar	Off-balance sheet	
Intervention #	3- National Infrastructure Fund – supporting the creation of a national infrastructure fund that can help scale up private sector participation in infrastructure investments.	
Pre-condition analysis	<ul style="list-style-type: none"> • Specialists skills and systems for fund management. • Bankability of pipeline of projects to drive the fund. • Viability of projects in the pipeline. 	
Risk identification	<ul style="list-style-type: none"> • Stakeholder buy-in and participation to establish pipeline. • Projects must be in a denominated currency that is market attractive. • Alternatively there must be adequate mechanisms to hedge currency risks. 	



Pillar	Off-balance sheet	
Prioritisation Assessment	<i>Appropriate time-scales for deployment given market conditions</i>	<i>Broad Feasibility Assessment</i>
	Appropriate for short, medium-term, and long-term outlook.	<ul style="list-style-type: none"> • Significant potential but requires sustained stakeholder involvement and specialist skills and systems in place. • This can be implemented in partnership with private sector players who already have fund management expertise and necessary systems.
Potential Partnerships	<ul style="list-style-type: none"> • International Financial Institutions. • Local Authorities. • State-owned Enterprises and Parastatals. • Government Departments. • Green Climate Fund, UN SDG Fund, etc . • Pension Funds. 	

Pillar	Off-balance sheet	
Intervention #	4- Targeting EPC+F partners	
Pre-condition analysis	<ul style="list-style-type: none"> • IDBZ must provide value addition to ensure attractiveness (Assets, expertise, etc) for example by leveraging land (see land cession). • Need for bankable and commercially attractive projects to attract such partners. 	
Risk identification	<ul style="list-style-type: none"> • Scalability dependant on availability of projects in the market. • Potentially limited interest from EPC contractors. 	
Prioritisation Assessment	<i>Appropriate time-scales for deployment given market conditions</i>	<i>Broad Feasibility Assessment</i>
	Requires clarity on IDBZ value addition – more likely in medium-term than short-term.	Significant potential but requires specific interest from the market and is often project specific.
Potential Partnerships	<ul style="list-style-type: none"> • EPC+F partners. • Treasury support – in terms of (i) preparation funding and (ii) other investment enhancements (National Project Status, guarantees, etc). 	

Pillar	On-balance sheet	
Intervention #	5- Rights Offer/ Placements of Equity/ Mezzanine/ Debt instruments - where the Bank either (A) continues to seek take up of rights offer from existing shareholders or (B) identifies new shareholders/investors to engage in private placements of equity/quasi-equity/debt instruments.	



Pillar	On-balance sheet	
Pre-condition analysis	<ul style="list-style-type: none"> • Appetite from shareholders/investors. • Shareholder freedom to operate including changing the Bank’s focus. • Attractive funding/ investment opportunities where capital will be deployed. 	
Risk identification	<ul style="list-style-type: none"> • Further dilution if new shareholders are targeted. 	
Prioritisation Assessment	<i>Appropriate time-scales for deployment given market conditions</i>	<i>Broad Feasibility Assessment</i>
	Appropriate for short, medium-term, and long-term outlook.	<ul style="list-style-type: none"> • Limited capacity on the part of existing shareholders to inject the level of capital the Bank requires for meaningful impact. • Unstable macro-economic environment and unresolved external debt position present an obstacle to attracting new shareholders/investors.
Potential Partnerships	<ul style="list-style-type: none"> • MFIs/ DFIs/ Investment Funds. 	

Pillar	On-balance sheet	
Intervention #	6- Land Cession – identification of selected land assets from the Government of Zimbabwe, parastatals and local authorities (land should be suitable for the development of commercially viable projects in housing, students & staff accommodation, hotel facilities, irrigated export agriculture, solar farms, etc).	
Pre-condition analysis	<ul style="list-style-type: none"> • Ensure no encumbrances on land transfer. 	
Risk identification	<ul style="list-style-type: none"> • Independent verification of asset value will be paramount. • Land rights and tenure could prove an encumbrance and risky. • Further dilution if new shareholders are targeted. 	
Prioritisation Assessment	<i>Appropriate time-scales for deployment given market conditions</i>	<i>Broad Feasibility Assessment</i>
	Appropriate for short and medium-term outlook.	Zimbabwe boasts abundant land resources and this could be a quick win.
Potential Partnerships	<ul style="list-style-type: none"> • Government of Zimbabwe. • Local Authorities. • Parastatals and State-owned Enterprises. 	

Pillar	On-balance sheet	
Intervention #	7- Credit lines expansion- utilise wholesale finance from International Financial Institutions and international funds to expand lending to private sector	



Pillar	On-balance sheet	
	projects/clients with assured hard currency revenues and capacity to service foreign debt.	
Pre-condition analysis	<ul style="list-style-type: none"> • Alignment of IFI facility objectives and Bank mandate. • Profiling and packaging of attractive project opportunities. 	
Risk identification	<ul style="list-style-type: none"> • Macro-economic stability and national debt and arrears. 	
Prioritisation Assessment	<i>Appropriate time-scales for deployment given market conditions</i>	<i>Broad Feasibility Assessment</i>
	Appropriate for short and medium-term outlook	Pragmatic and feasible for the current context
Potential Partnerships	<ul style="list-style-type: none"> • Regional and International DFIs 	

Climate Finance

As a National Development Bank with a core mandate on infrastructure development and financing, the IDBZ is seeking to pivot its capabilities in order to play a leading role in mobilising climate finance in support of infrastructure related adaptation and mitigation projects, thereby assisting the country to meet its objectives on low carbon development and climate resilience.

The Bank’s accreditation as a Direct Access Entity (DAE) of the Green Climate Fund (GCF) was approved by the GCF Board in July 2021. Accreditation allows the Bank to directly tap into GCF resources in support of climate-related infrastructure projects.

The climate finance sector responds to many of the above resource mobilisation initiatives under both the project financing and core Bank re-capitalisation pillars. To widen the Bank’s financing sources, the Bank is working towards establishing a Climate Finance Facility (CFF) which is intended to help mobilise resources from various climate finance sources and crowd in private sector financing and channel funding towards green and sustainable development projects. The CFF will be structured as a stand-alone Trust Fund with an independent governance and operating structure, and will support climate investments in the areas of renewable energy, energy efficiency, irrigation schemes, and waste management, among others.

Accreditation to the GCF will be critical to the Bank’s shift in attracting climate finance and supporting the implementation of the country’s Nationally Determined Contributions. The CFF is also envisioned to play a critical role in mobilising climate finance for the implementation of the national Low Emissions Development Strategy (LEDS). The Bank will start by providing development capital for small and medium-size clean energy projects as well as climate smart agriculture projects. The Bank will explore the issuance of Green Bonds once the country has established a Green Bond Framework.

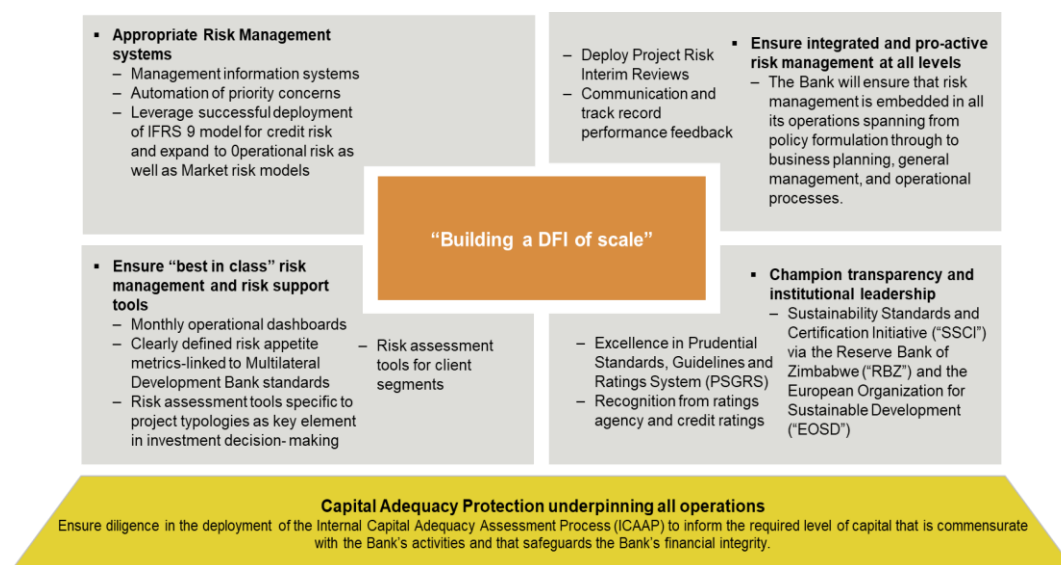


5.2 Risk Oversight and Management

Given the Zimbabwean macro-economic context, the volatile operating environment presents higher inherent risks in all Bank activities. Within this current landscape, *transparency, accountability and effective risk control become paramount in service of the strategic aim to be the preferred institutional destination of clients, funders and financiers.*

DFIs, due to the nature of projects undertaken and the implicit development objective of these projects, tend to pursue opportunities with relatively higher risks than those targeted by commercial institutions. Ensuring that the IDBZ continues on its path of becoming a “DFI of scale” means championing specific workstreams and sub-actions per workstream. These areas of concern are presented in the figure below.

Figure 6: Risk Oversight and Management Framework workstreams



As noted in Figure 5, the entire framework is built on a foundation of capital adequacy and effective risk control to ensure the Bank has a strong capital base.

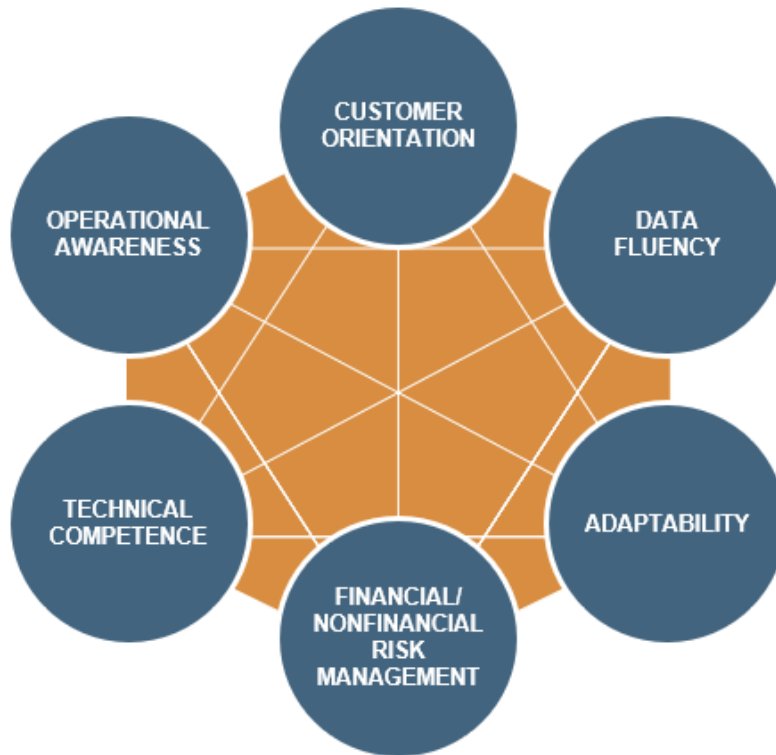
5.3 Human Capital, Corporate Culture and Gender Mainstreaming

People are at the heart of the Bank operations, as such, the execution of the strategy is premised on a robust human capital base. Above all, gender mainstreaming will be overarching in all human capital development initiatives.

The Bank’s workforce should have the necessary skills to undertake the functions of a DFI as outlined in the strategy. There are six key capabilities that the Bank will bolster the Bank’s delivery capabilities to enable sustainability. These six workforce capabilities are identified in Figure 6.



Figure 7: Critical Delivery Capabilities for the Bank

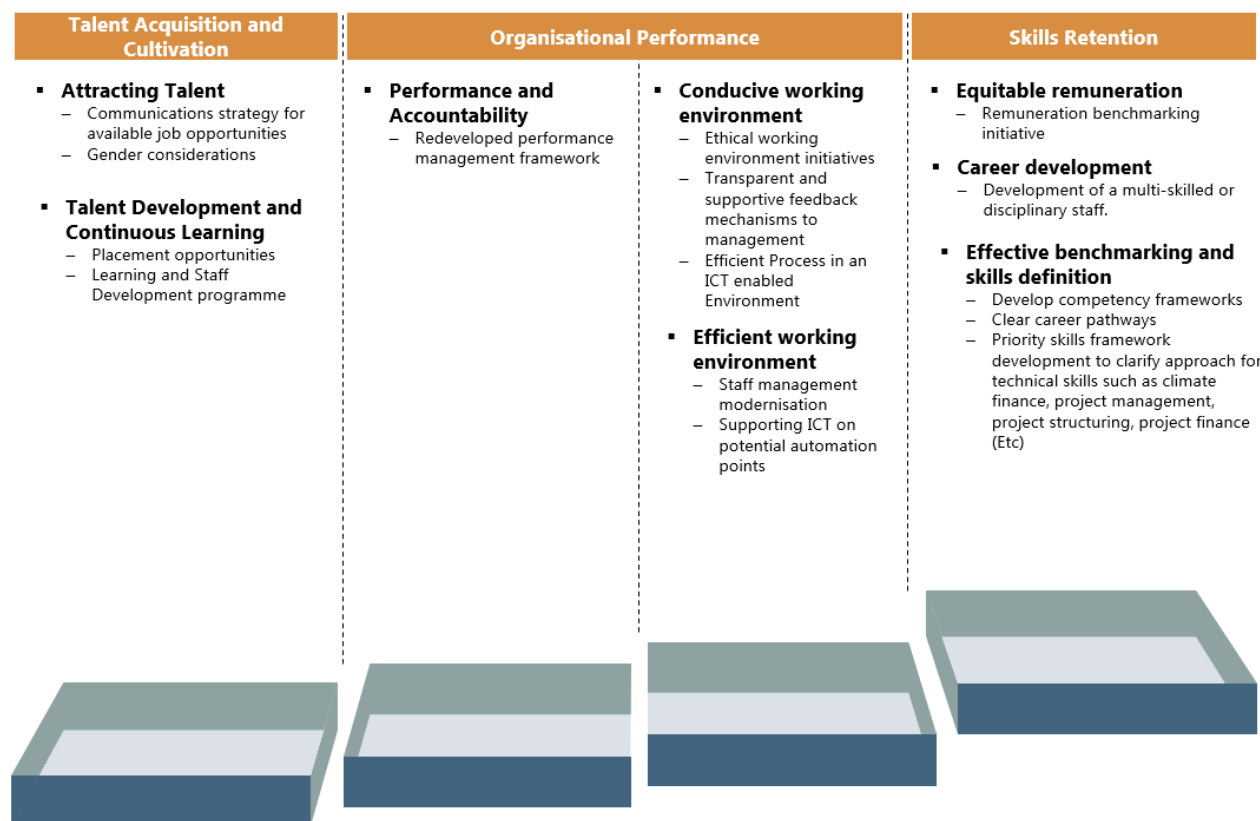


During the LTS period, the Bank has the ambition to further enhance its current human resource capital base as well as ensure key skills and expertise are part of the future workforce. To advance these aims, the Bank has identified a set of key priorities that service both the human capital need as well as encourages a culture of performance throughout the organisation.

A model has been developed to frame these priorities with a set of supporting actions that ultimately will lead to long-term organisational transformation. These priorities and support actions then provide parameters for monitoring and evaluation to assess progress against objectives into the future.



Figure 8: Human Resource Strategic Action Model



Gender Mainstreaming Strategy

The Gender Mainstreaming Strategy is one of the key dimensions of the Human Capital Focus. Developed in 2020, specifically outlines strategic and priority actions that it will take to address identified gender gaps. The Strategy has three goals, namely: Strengthened institutional capacity of IDBZ to mainstream gender for achievement of gender equality; Strengthened capacity of the Bank’s employees to mainstream gender; and strengthened gender mainstreaming at the Bank’s operations level.



5.4 ICT Systems

The Banking sector has experienced significant change in recent years as it adapts to coexist with fintechs, the needs of a technology-savvy population, and the new normal ushered in by the COVID-19 pandemic. In the current era, data is a critical input to the operations of Banking institutions. Thus, institutions must have systems that allow for realtime analysis and data utilisation. Moreover, the onus has shifted even further onto Banks to provide digital mechanisms that help identify, engage, and support customers in relatively crowded Banking landscapes. Hence, data coupled with the right technological tools are increasingly central to providing valuable insights to the business and developing memorable customer experiences, promoting organisational agility, and enhancing institutional resilience. Therefore, to remain competitive, system replacements and upgrades are quickly becoming a necessity among emerging markets.

The IDBZ intends to upgrade its systems in line with global trends. Over the long-term, the strategic drive to support the system changes will be anchored to four “capabilities”, namely:

- a) **People driven technology-** Which addresses how employees work through the lens of increasing their productivity and engagement. Borderless working and seamlessly integrated systems aid collaboration globally and enables the workforce to become increasingly flexible and agile. A focus on this capability will lead to the empowerment of internal and external stakeholders and ensure that people are trained and less resistant to future technological innovations.
- b) **Cyber security and resilience.** The new era of digital connection brings as many threats as benefits. Cyber security risks are on the rise, an issue that is likely to only be further exacerbated as the Bank goes through its own digital transition process. The Bank will pursue next-generation security tools that utilise Artificial Intelligence (AI) and Virtual Sandboxing to combat cyber-attacks. These efforts will be underpinned by the desire to ensure 24/7 cyber threat monitoring and response. Finally, the Bank's business continuity or recovery strategy shall include Incident Management, Business Resumption, and Disaster Recovery. This recovery strategy shall examine options for best available solutions (for example, the potential benefit of cloud architecture approaches to reduce reliance on traditional recovery site models.
- c) **Information technology management and governance.** To enhance effectiveness of governance activities and processes and to ensure that ICT conforms to the same rigour and standard of management as other areas of the Bank's business, priority will be placed on IT planning and decision making exercises. Furthermore, an accountability framework shall underpin the IT strategy implementation.
- d) **Automation of business process.** The transformation of the Bank will be supported by the right digital technology to respond to customers and users. The Bank will need to implement fit-for-purpose solutions to guarantee its relevance in an environment driven by digital technologies to provide new revenue and value-producing opportunities. Such advances in the Bank's processes will enable the implementation of an ERP system that can be integrated with a core banking system to enable automation of manual business processes.

Each of these pillars will be serviced by a work programme and careful prioritisation which will be reflected in the current bank planning exercises.



5.5 Knowledge Generation and Sharing

For the country to achieve the envisaged growth in the NDS1 towards Vision 2030, there is need for continuous learning and creation of a knowledge economy to increase productivity. The Bank will contribute towards promoting research and development in infrastructure in line with the NDS1.

The Bank's knowledge will be continuously enriched through (i) internal learning from operational experience and communities of practice; and (ii) external learning from long-term strategic partnerships with other national research and policy institutions, local universities, international finance institutions, and world-class research institutions.

Moreover, the Bank will participate in policy design at national level. Project evaluation results will be used to replicate and/or improve project activities throughout the project cycle, in the Bank and nationally.

The Bank will fund studies and research for guiding public policy as well as identification, and development of infrastructure projects. These studies will be aimed at expanding sector knowledge, reviewing- and enhancing regulatory framework, and identifying new and transformational projects.

The Bank will continue with its Capacity Building Programmes targeting its staff as well as the Implementing Agents and State-Owned Enterprises (SOEs) in the infrastructure value chain. The Programme seeks to ensure that infrastructure projects are effectively prioritised, planned and implemented. Taking advantage of interactions with Government through workshops, seminars, summits and other key national events, the Bank will share its experience and best practice in infrastructure development.



SECTION 6: Strategic Initiatives & Implementation Plan



6 Strategic Initiatives

6.1 Priority Identification

The IDBZ has highlighted key areas of broad and high-level strategic priority. These areas have been aligned to specific sections of this Long-Term Strategy as delineated in Table 6.

Table 6: IDBZ's key areas of broad and high-level strategic priority

Item #	Description	Cross-Reference
1	Growing the pipeline of Bankable and shovel-ready projects in order to accelerate infrastructure investments.	• Section 4.4
2	Deepening partnerships and strengthening the Bank's balance sheet through implementation of various capitalization initiatives and also broadening funding sources.	• Section 5.1
3	Scaling up funding support to the private sector, focusing on the infrastructure value chain, agri-businesses and exporters.	• Section 4.2 • Section 4.3
4	Deepening human capacity in the areas of climate finance; project preparation & structuring; and project management.	• Section 5.3
5	Enhancing the Bank's systems and ICT platforms to foster agility, efficiency and innovation.	• Section 5.4

6.2 Sector-wide Advocacy and Leadership

To give effect to the IDBZ's role as a leading institution in the Zimbabwean infrastructure sector, the organisation shall endeavour, in conjunction with other stakeholders, to drive the following efforts:

1. influence the policy environment and creation of an enabling infrastructure investment environment through policy advocacy;
2. contribute towards ensuring the capacitation of players in the infrastructure value chain;
3. build a robust pipeline of Bankable projects, through supporting project preparation and packaging; and
4. mobilise domestic and international capital for financing of the country's infrastructure and support private sector initiatives.

7 Implementation Programme

To monitor the implementation of the LTS, the Bank has developed a 2021-2030 Results Measurement Framework (RMF) as alluded to in Section 3: Strategic Objectives and Performance Indicators. Progress in implementing this strategy will be tracked through constant reporting to relevant Committee of the Board and all stakeholders. Board Committee Performance Review Reports and Annual Reports shall report on the results and outcomes.

The RMF is an important tool to track the Bank's progress towards meeting the developmental goals. It tracks results throughout the project life cycle, strengthens a results-oriented culture, and enables continuous improvement of operations. The RMF is premised on a logic framework model that acts to provide systematic thinking around the inputs for implementation, linking activities to the production of outputs, outputs to the



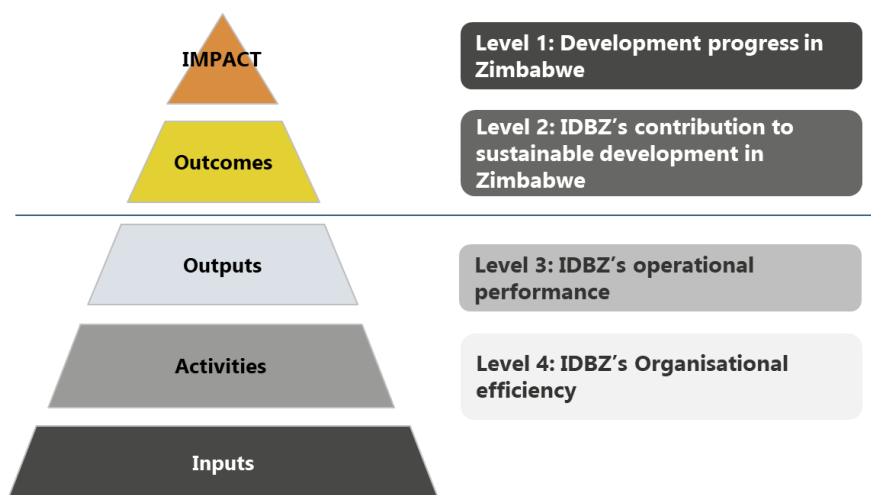
achievement of a defined purpose, and purpose to both intermediate outcomes and impacts. As such, a logical framework can encourage direct linkage of a diverse and diffuse set of issues to singular purpose and objectives.

Additionally, the Results Measurement Framework acts as a tool for identifying and assessing risks by listing critical assumptions inherent in the overall design and proposed implementation. This provides another useful input and insight to complement the proposed Long-term Strategy.

For the IDBZ’s proposed RMF, a number of policy informants were identified. Most particularly, this RMF follows the Sustainability Reporting Standards in line with the SSCI. Additionally, the RMF aligns itself to the National Development Agendas (NDS1 and NDS2), Government Sector Specific Policies, Regional and International development agendas (Africa 2063 and SDGs) policies and emerging development issues.

It is expected that iterations will be made to the framework over time to account for necessary political, economic, social, technological, environmental, and legal factors affecting the realisation of the mandate. Thus, the RMF will be periodically reviewed for strategic realignment.

Figure 9: Results Measurement Framework



Moreover, it is the ambition of the RMF to address multiple levels of concern to ensure the organisation provides impact for the citizen’s of Zimbabwe. Figure 8 illustrates the RMF and how it is linked to achievement of the national development goals.



8 Appendix A: Development Finance Institution Benchmarking

Benchmarking Activity

Bank	Mandate	Bank structure/divisions	Sectors	Products & Services	Money	Performance Data	Sources of funding
AFC Land Bank	Assisting in the development of agriculture and agricultural industries by making loans and providing managerial and technical assistance to the loan beneficiaries.	<i>*Website under construction</i>	-Agriculture	-agricultural loans -retail advisory -treasury and investment services	<i>*Website under construction</i>	<i>*Website under construction</i>	<i>*Website under construction</i>
SMED. CO ¹⁶	Encourages and assists the: -Establish Micro, Small and Medium Enterprises (MSMEs) -provide financial assistance, management counselling, training, information -facilitate the establishment or sets aside premises or areas for the establishment and development of particular classes of MSMEs.	-CEO -Risk Manager, Operations Director -Loss Control Officer -Human Resources and Administration Manager -Finance and Administration Director -6 branch managers	-Agriculture -Manufacturing -Micro -Cross border -Retailing -service -Mining -other	-Working Capital Loan -Order Financing -Capital Expenditure -Infrastructure provision -Salary based Loans -Capacity Building	<i>*unclear</i>	<i>*unclear</i>	-operating Revenue(application fees, interest, debt recovery fees, establishment fees, service fees, rent, bad debts recovered, asset disposal) -Treasury loans, borrowings from financial institutions and Government grants

¹⁶ <https://www.smedco.co.zw/>



Bank	Mandate	Bank structure/divisions	Sectors	Products & Services	Money	Performance Data	Sources of funding
African Development Bank (AfDB) ¹⁷¹⁸	Focused on the sustainable economic development and social progress of the African member countries of the Bank Group	The Bank has a complex organization structure with 6 vice presidential complexes. https://www.afdb.org/en/about-us/organisational-structure	-Power Energy, -Climate -Agriculture, -Human and Social Development -Infrastructure - water and sanitation	-Loans (Flexible, AFD, Fixed Spread Loan) -Guarantees -Risk management Products -Equity and Quasi-equity -Trade Finance -Grants	income increased from UA 124.68-126.17 million (2018-2019)- before allocation and distributions approved by the Board of Governors	- Total Debt to Usable Capital : 0.83(2018)-0.84(2019) - Impairment Loss Ratio for Non sovereign portfolio only: 2.20% (2018)-3.47%(2019)	-Subscriptions by member countries, especially non-regional member countries -borrowings on international markets and loan repayments -ADF and Nigeria Trust Fund (NTF) capital increases.
Development Bank of Southern Africa (DBSA) ¹⁹²⁰	Promote economic growth as well as regional integration for sustainable development projects and programs in South Africa, SADC and the wider Sub-Saharan Africa	-CEO -CFO -CIO Group Executives: -Treasury and Balance Sheet Management -Financing Operations -Project Preparation -Chief Risk Officer -Transacting -Human Capital - Infrastructure Fund -Infrastructure Delivery -Client Coverage	Priority sectors: education, health and housing Other: water and sanitation, electricity, roads and ICT	-infrastructure planning and project preparation, across a range of investment financing and non-financing investments -infrastructure implementation and delivery	Net profit increased from R504million (2020) -R1.4billion (financial year ended March 31 2021) – 182% increase	- Debt to Equity: 1.65 (31 March 2020)- 1.52 (31 March 2021) - ROE 2.54% (Target) 6.04%(results)	-Wholly owned by the Government of South Africa. - DBSA raises debt funding from multiple sources, including local and international financial institutions, and fund managers.
Development Bank of	-Foster monetary, credit and financial conditions conducive to the orderly, balanced and sustained	-Finance & ICT, Chief Financial Officer Heads: -SME Finance -Investments	-Energy and electricity -Land and housing -Manufacturing	Private sector products -Bridging Finance	Profit: N\$229.1 million (for both 2020 and 2021)	- NPL ratio increased from 13.0% in 2019/20 to	-The Government no longer injects capital into the Bank as part of budget allocations.

¹⁷ <https://www.afdb.org/en>

¹⁸ AfDB Financial Report 2018 - https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/AfDB_Financial_Report_2018_-_English.pdf

¹⁹ <https://www.dbsa.org/>

²⁰ <https://www.dbsa.org/sites/default/files/media/documents/2021-03/SENS%20Announcement%20-%20Annual%20Financial%20Statements%20for%2031%20March%202020.pdf>



Bank	Mandate	Bank structure/divisions	Sectors	Products & Services	Money	Performance Data	Sources of funding
Namibia (DBN) ²¹²²	economic development of Namibia - To serve as the Governments' Banker, financial advisor and fiscal agent. - Assist in the attainment of national economic goals	-Credit Risk -Portfolio Management -Risk & Compliance -Business Strategy -Marketing and Corporate Communications -Human Capital & Operations Support -Company Secretary & Legal Services	-Mining -Tourism -Transport -Environment	-Contract (Tender) Based Finance -Guarantees, etc Public sector and PPP products -Local Authority Finance -Private Public Partnership (PPP) Finance -Public Infrastructure Finance On-ending products -Micro Lenders' Finance		17.9% in 2020/21. -ROE: Decreased 6.8% (2020)-3.0% (2021) -Debt to Equity: decreased 1.76 (2021) – 1.87(2020)	Albeit, DBN remains well capitalized
Uganda Development Bank ²³²⁴	To operate as Uganda's development finance institution, particularly through interventions in priority sectors and in line with the Government of Uganda's development priorities	-Managing Director -Director Finance & Business Operations -Director Strategy & Corporate Affairs, Director Investment -Director Credit and Bank -Secretary/Head of Legal	Priority sectors: -Agriculture - Industry -Human Capital Development (health and education) -Infrastructure - Tourism	-Business Advisory services -Asset finance -Term Loans -project preparations -Trade finance -Farmers group -Equity Investment	Net profit improved by 7%, from Ushs 9.49 bn(2018) to Ushs 10.14 bn(2019)	-ROE: Decreased 3.7% (2019)-4%(2018) -Debt to equity: 0.33 (2019) 0.38 (2018)	Backed by guarantees of the Government of Uganda, UDB has obtained large credits from external financiers; -African Development Bank -International Development Association

²¹ <https://www.dbn.com.na/>

²² <https://www.parliament.na/wp-content/uploads/2021/08/Annual-Report-of-DBN-min.pdf>

²³ <https://www.udbl.co.ug/>

²⁴ <https://udbl.co.ug/EDITED%20UDB%20Annual%20Report%20Website.pdf>



Bank	Mandate	Bank structure/divisions	Sectors	Products & Services	Money	Performance Data	Sources of funding
				Project finance		-Gross loan portfolio increased 354.8(2019)-309(2018)	-European Investment Bank -European Economic Community - Kuwait Fund, Organization of Petroleum Exporting Countries -Arab Bank of Economic Development in Africa (BADEA).
The Brazilian Development Bank (BNDES) ²⁵	Implement and carry out the federal government's investment policy, and its foremost purpose is to support programs, projects, construction and services related to the country's economic and social development	<i>*unclear</i>	-Sanitation -energy -ICT -Education -Health -Environment -real estate -Transport -Industry -Supply	-Financing and credit -guarantees -Non-reimbursable support	Net profit reached R\$ 20.681 billion(2020), an increase of 16.7% compared to R\$ 17.721 billion (2019).	-ROE decreased 28.64% (2019)-26.55% (2020)	-Government of Brasil -Relationship with external sources of fund remains robust. The Bank initiated a dialogue with other external funders apart from the traditional sub-regional DFIs for resource mobilization and improvement of the credit enhancement mechanism.
TIB Development Bank ²⁶²⁷	The mandate of the Bank is to finance development with emphasis on	-Director General -Legal and Secretariat Unit -HR and administration -ICT Department	-Energy production, transmission, and distribution	-Term Loans Product -Guarantees Product	Net profit Increased form TZS 0.57 billion (2018)	-ROE 2.7% (2019)compared	Government of Tanzania and others.

²⁵ https://www.bndes.gov.br/SiteBNDES/bndes/bndes_en

²⁶ <https://www.tib.co.tz/tibdfi/index.php/en>

²⁷ <https://www.tib.co.tz/tibdfi/public/frontend/publications/ANNUAL%20REPORT%202019.pdf>

Bank	Mandate	Bank structure/divisions	Sectors	Products & Services	Money	Performance Data	Sources of funding
	industrialization of the country.	-Procurement management unit -Internal audit unit -Finance and admin -Trading -Advisory	-Water supply and sewage services	-Advisory services -Equity Investment Solutions -Fund management services	to 9.3 billion (2019)	to a negative return of 0.2% (2018)	
Trade and Development Bank (TDB) ²⁸	Finance and foster trade, socio-economic development and regional economic integration through trade finance, project and infrastructure finance, funds management and business advisory services.	The groups management structure is divided into: -TDB Group Executive Management (11) -TDB Executive Management (9) -Senior Advisors (5)	- All sectors of the economy	-Trade Finance -Project & Infrastructure finance -Asset Management	Net profit increased from USD 129.33million(2018) to SD 151.30million(2019)	-ROE 11.03% (2019) -ROA 2.55%.(2019)	-The Bank grew its network of global and regional funding partners, as part of its strategy to diversify its funding sources. The Bank raised funds from Eurobond and other markets amounting to USD 1.3 billion. -Some of their funding partners include, USAID, World Bank Group, AFD, CDC etc.

²⁸ <https://www.tdbgroup.org/>

8.1 Findings

Mandate; We observed that most of the benchmarked development Bank's focus on infrastructure with the aim of advancing national economic development. The exceptions have a more specialized focus, providing holistic services towards Micro, Small and Medium Enterprises (MSMEs) or the agriculture sector.

Bank structure/divisions; Data on the Banks structure was readily available except for AFC Land Bank as its website was being restored. It is evident that the size of the development finance institute and their complexities go hand in hand. The more complex the Bank is, the greater the number of divisions with intricate Bank structures. It can also be deduced that most of national development Banks have a comparable Bank structure to that of the IDBZ.

Sectors; Most of the Banks appear to have a similar 'WHITE' sector scope as the IDBZ. However, there is a need for focus in order to garner experience within sectors and avoid overlap. Magnifying on local Banks in Zimbabwe, AFC Land Bank has a distinct sectoral focus on agriculture while SMEDCO specializes on MSMEs.

When it comes to International DFIs, in the onset of TDB's operations, it is pertinent to note that the Bank focused on few sectors and gradually widened their sectoral focus once they were capitalized.

Products & Services; All the DFIs have a wide range of products and services and their information was readily available. It is interesting to note that a large number of DBSA's products are heavily focused on infrastructure. Some DFI's have additional instruments that the IDBZ does not offer ie. Agricultural instruments but this is already covered in Zimbabwe by the AFC Land Bank.

Money; The data on profits made by the DFIs was reasonably obtainable except for SMEDCO and AFC Land Bank.

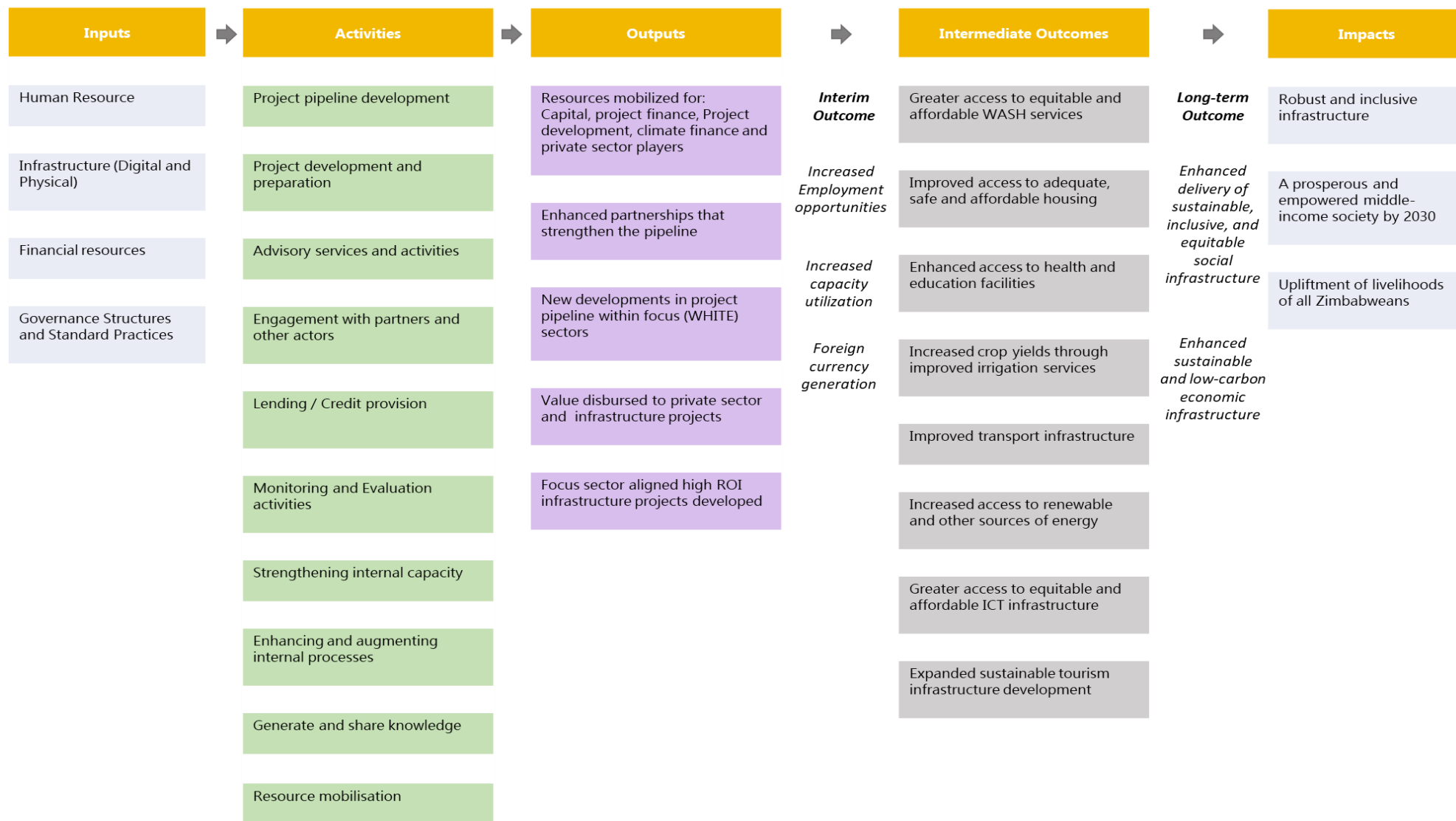
Performance data; This was also reasonably obtainable except for SMEDCO and AFC Land Bank

Sources of funding; Information for all the DFIs was accessible except for AFC Bank.

In a nutshell it can be inferred that most of the DFIs have capital injection from their respective Governments. The additional capital allows them to work across multiple sectors. In IDBZ's case it would be prudent to focus on a few sectors given the uncertain capital injection from their majority shareholder – the Government. IDBZ should limit their involvement in the agriculture sector and MSMEs, instead they can opt to collaborate with State Enterprise and Parastatals on certain sectors to avoid overlap but maintain their mandate in supporting the Governments infrastructure development vision.



9 Appendix B: Results Management Framework



Activities	Indicators		Target					Means of verification	Critical Assumptions /Risks
			2022	2023	2024	2025	2026		
Committing projects to the pipeline	Value of new projects committed to the Pipeline (US\$ millions)	Total	280	280	280	294	309	Project Identification Reports (PIRs) Internal project progress reports	1. Cooperation by Promoters
		<i>IPD1.0</i>	186	186	186	197	205		
		<i>IPD2.0</i>	94	94	94	97	104		
Project development and preparation	Value of Project Preparation Funding Disbursed (US\$ millions)	Total	28	28	28	29.4	30.9	Internal project progress reports (Project Disbursement Reports)	1. Adequate Project preparation funding.
		<i>IPD1.0</i>	18.6	18.6	18.6	19.7	20.5		
		<i>IPD2.0</i>	9.4	9.4	9.4	9.7	10.4		
	Value of Projects with Approved Project Preparation Reports (US\$ million)	Total	219	143.5	136.5	143	150	Approved Project Preparation Reports- LIC Minutes.	1. Regulatory Approvals are done timeously 2. Cooperation of project promoters by providing information timely.
		<i>IPD1.0</i>	170	130	136.5	143	150		
		<i>IPD2.0</i>	49	13.5	-	-	-		
Developing projects to Bankability	Value of projects developed to bankability (US\$ millions)	Total	356.6	475.5	474.4	498.6	524.3	Approved Project Appraisal Reports LIC and Board Minutes	1. Adequate project preparation funding.
		<i>IPD1.0</i>	246.5	259	271	285	300		
		<i>IPD2.0</i>	110.1	216.5	203.4	213.6	224.3		
Lending to infrastructure sectors	Value of investments approved for projects (US\$ million) (inclusive of equity, loans and other instruments)	Total	18.5	38	40	95	128	Approved Project Appraisal Reports LIC and Board Minutes	1. Macro-economic stability.
		<i>IPDR1.0</i>	18.5	38	40	42	44		
		<i>IPDR2.0</i>	-	-	-	53	84		
Disbursement to infrastructure Sectors	Value of disbursements to projects (US\$ million)	Total	123.5	253	265	336	377		1. Macroeconomic stability.
		<i>IPDR1.0</i>	123.5	253	265	279	293		
		<i>IPDR2.0</i>	-	-	-	57	84		
Infrastructure projects implementation	Average completion rate on planned milestones for projects under implementation		80%	80%	80%	80%	80%	Active Projects Processing Schedule (APPS) reports. Quarterly Progress Reports	1. Stable macroeconomic environment. 2. Availability of critical construction materials.
Advisory services and activities	Mandates Obtained		3	3	3	3	3	MOA executed	1. Support from Government Departments and Development Partners.



Activities	Indicators	Target					Means of verification	Critical Assumptions /Risks
		2022	2023	2024	2025	2026		
Engagement with Development Partners	Amount raised for co-financing, lines of credit and equity mobilised.	-	-	10	15	30	Financial Statements.	<ol style="list-style-type: none"> Success of the Government Reengagement initiative. Successful Arrears clearance
	Amount raised through Partners and/or value of Technical Assistance received (US\$ millions)	0.15	0.25	0.75	1.0	1.5	Financial Statements/ Financial Records with FMTE.	<ol style="list-style-type: none"> Clearance of National Arrears with International finance institutions including bilateral and multilateral institutions.
Lending to Private Sector	Private Sector Loan Book Size (US\$ millions)	1.3	2.7	5.5	11.1	22.2	Financial reports/ lending book size	<ol style="list-style-type: none"> Stable Macroeconomic environment Bank adequately capitalised. Efficient regulatory approvals.
	Structured Deals (US\$ millions)	-	16.2	15	15	15	Financial reports	
	Value of disbursements towards private sector and infrastructure value chain projects (US\$ millions)	1.1	2.2	4.6	8.8	17.7	APPS Reports Financial reports	<ol style="list-style-type: none"> Adequate market liquidity Adequate capitalisation
Monitoring and evaluation	NPL ratio	5%	5%	5%	5%	5%	Financial reports	<ol style="list-style-type: none"> Quality loan book will be maintained. Partial dollarisation will be maintained. Current collection efforts will be maintained.
	Average completion rate on planned milestones for projects under implementation	80%	80%	80%	80%	80%	Internal project progress reports (APPS). Quarterly Progress Reports	<ol style="list-style-type: none"> Stable macroeconomic environment. Availability of critical construction materials.
	Project Completion Reports (PCRs)	5	14	14	5	3	Approved Project Completion Reports -LIC Minutes	<ol style="list-style-type: none"> Projects will be completed as per schedule.
	Project Evaluation Reports	2	-	-	3	14	Approved Project Evaluation Reports -Board Minutes.	<ol style="list-style-type: none"> Availability of projects ready for evaluation.



Activities	Indicators	Target					Means of verification	Critical Assumptions /Risks
		2022	2023	2024	2025	2026		
Strengthening human capacity	Staff retention rate (%)	95	95	95	95	95	Internal progress report (WP&B Performance Reports)	1. Stable Macroeconomic environment and Improved Bank Financial Position.
	Employee engagement index (%)	80	80	80	80	80	Organisation Climate Survey	1. Improved working environment.
	Share of staff who are women (%)	42	45	48	49%	50%	Internal progress report (WP&B Performance Report).	1. Adequate interest and response by female applicants
	Share Professional level staff who are women (%)	35	49	50	50	50		
	Share of women in Management%	12	12	14	14	15		
	Man-hour training per staff per annum	24	24	24	24	24		
Enhancing and augmenting internal processes	Updated Policies, (Internal Policy Reviews as per schedule). (Number of policies reviewed)	-	-	80%	20%	-	EXCO and Board minutes – Policies Approved.	1. All policies, processes and procedures are updated once every 5 year.
	Updated Processes and Procedures (aligning processes and procedures to changes the operating environment). (Time taken to align process and procedures. In Months)	2	2	2	2	2	EXCO and Board minutes – Processes and Procedures Approved.	2. All processes and procedures are updated on an ongoing basis in line with the changes in the environment.
	Critical IT project completion (%)	75	75	75	75	75	Internal progress report (WP&B Performance Report). EXCO and Board minutes –ICTU Updates.	1. Availability of financial resources to support the ICT Work Programme and Budget
	Availability of ICT systems (%)	98	98	98	99	99	Internal progress report (WP&B Performance Report). EXCO and Board minutes – ICTU Updates.	1. Availability of financial resources to support the ICT Work Programme and Budget. 2. Acceptable Quality of Service (or QoS) from Service providers.



Activities	Indicators	Target					Means of verification	Critical Assumptions /Risks
		2022	2023	2024	2025	2026		
	% of secure ICT assets online	60	70	80	85	85	Internal progress report (WP&B Performance Report). Vulnerability Assessment and Penetration Testing Reports.	<ol style="list-style-type: none"> 1. Availability of financial resources to conduct scheduled Vulnerability Assessments and Penetration Tests. 2. Availability of financial resources to upgrade or replace obsolete ICT assets.
	PSGR Rating	B	B	B+	B+	BB	PSGR Report from AADFI.	<ol style="list-style-type: none"> 1. The AADFI will continue with the ratings.
	Percentage of customers satisfied with Bank services and products	80	80	80	80	80	Customer Satisfaction Survey Report.	<ol style="list-style-type: none"> 1. Availability resources to undertake the survey.
	Level of Certification by the European Organisation for Sustainable Development (EOSD) under the Sustainability Standards and Certification Initiative (SSCI) %	55	60	70	80	85	OESD SSCI SIMs System and Certificate Issued by EOSD.	<ol style="list-style-type: none"> 1. EOSD certification process will be efficient.
Generate and share knowledge	Number of Studies and Publications	7	2	2	2	2	Research papers and publications	<ol style="list-style-type: none"> 1. Resource Availability.
Resource mobilization	Value of additional resources mobilized for project preparation activities (US\$ millions)	2.2	3.5	5.0	5.5	7.0	Internal project progress reports (WP&B Reports)	<ol style="list-style-type: none"> 1. Bank Capitalization will be on schedule.
	Value of resources mobilised for project financing (US\$ millions)	42.0	55.0	70.0	75.0	85.0	Internal project progress reports (APPS and WP&B Reports)	<ol style="list-style-type: none"> 1. Availability of Bankable projects. 2. Adequate market liquidity.
	Value of resources mobilised for climate financing (US\$ millions)	2.0	7.0	10.0	10.0	10.0	Internal project progress reports (APPS and WP&B Reports)	<ol style="list-style-type: none"> 1. Adequate market liquidity. 2. Efficient GCF approval processes.



Activities	Indicators	Target					Means of verification	Critical Assumptions /Risks
		2022	2023	2024	2025	2026		
	Value of resources mobilised for value chain financing (US\$ millions)	3.3	6	9	13.5	20.3	Internal project progress reports (APPS and WP&B Reports)	1. Improved market liquidity.
	Capitalisation level (Additional capital raised) US\$ million	6.6	50.0	45.0	70.0	85.0	Bank Financial Records.	1. Shareholder Support 2. Success of National reengagement to attract Foreign Investors.

Outputs	Indicators	Target					Achievement verification	Critical assumptions / Risks
		2022	2023	2024	2025	2026		
Infrastructure stock added in the focus (WHITE) sectors.	Water and Sanitation							1. Availability of suitable concessionary funding
	-							
	Capacity of Dam/ Water Reservoirs constructed (ML)	-	0.5		1.5	-	Project Completion Reports - LIC	
	Sewer treatment plant (capacity in cubic metres/day)	-	1,800		22,500	-	Project Completion Reports - LIC	
	Water treatment plant (capacity in ML/day)	-	-		1.5	-	Project Completion Reports- LIC	
	Sewer reticulation system (length in km)	7.4	17	60	40	15	Project Completion Reports - LIC	
	Water reticulation network (length in km)	8.5	17	60	40	15	Project Completion Reports - LIC	
	Housing							1. Stable Investment Environment
	Serviced stands (at completion of works)	201	1,302	6,115	4,400	972	Project Completion Reports - LIC	
Number of houses/ Apartments/ Cluster homes (excluding student and staff accommodation)	3	306	332	300	300	Project Completion Reports - LIC		



Outputs	Indicators	Target					Achievement verification	Critical assumptions / Risks	
		2022	2023	2024	2025	2026			
	<i>Student Accommodation – beds.</i>	1,032	459	3,175	1,910	2,000	Project Completion Reports - LIC		
	<i>Staff Accommodation</i>	2		-	5	16			
	<i>Irrigation infrastructure ²⁹ Irrigated area (hectares)</i>	-	-	975	1,500	1,750	Project completion report	1. Availability of water sources.	
	<i>Transport</i>	-					Project completion report	1. Hampered by external factors	
	<i>Length of roads – constructed or rehabilitated (km) (inclusive of roads in housing schemes)</i>	23	-	20	20	13		1. Bank will obtain mandate from Ministry of Transport/Dept of Roads to participate in Roads Projects.	
	<i>Length of rail line constructed or rehabilitated (km)</i>	-	-	-	-	-			
	<i>Number of Airports Constructed / rehabilitated</i>	-	-	-	-	-			
	<i>Energy</i>								1. Viable Tariff and Ability to repatriate profits by investors
	<i>Renewable Energy Installed Generation Capacity (MW)</i>	-	-		55	58	Project completion report		
	<i>Non-Renewable energy Installed Generation Capacity (MW)</i>	-	-	-	-	-	Project completion report		
	<i>Power Distribution lines (km)</i>	-	23	40	160	70	Project completion report		
	<i>Power Transmission lines (km)</i>	-	-	-	63	-	Project completion report		
	<i>ICT</i>								1. Stable macroeconomic environment.

²⁹ Tugwi Mukosi, Biri, Lilstock and Muzhwi

Outputs	Indicators	Target					Achievement verification	Critical assumptions / Risks
		2022	2023	2024	2025	2026		
	Backbone ICT infrastructure rehabilitated or constructed (km) (inclusive of housing projects infrastructure).	2	15	6	2	2	Project completion report	
	Distribution Infrastructure						Project completion report	
	Rehabilitated or constructed (km/capacity)						Project completion report	
	Tourism					-		1. Recovery of the Global Tourism Sector. 2. Stable Socio-Economic Political Environment. 3. .Containment of Global Pandemics.
	Conference Facilities (capacity)	-	50	-	100	-	Project completion report	
	Hotel Facilities (bed capacity)	6	19	-	36	-	Project completion report	
	Education Facilities (capacity-number of students/ enrolment)	-	-	-	1,000	-	Project completion report	1. Stable macroeconomic environment.
	Boarding facilities for schools (number of beds/ enrolment).							
	Health Facilities (capacity)							1. Availability of Bankable Projects
	Laboratories	-	-	1	-	2	Project completion report	
	Hospital beds		-	10	-	230	Project completion report	
	Theatres	-	-		-	2	Project completion report	



Outcome	Indicators	Target					Achievement verification	Critical assumptions and risks
		2022	2023	2024	2025	2026		
Greater access to equitable and affordable WASH services	Households with access to improved sanitation.	5	306	332	5	16	Project Completion Report Project Evaluation Report	1. Availability of reticulation infrastructure. 2. Affordability of services.
	Households with access to improved water sources.	5	306	332	5	16	Project Completion Report Project Evaluation Report	1. Availability of reticulation infrastructure. 2. Affordability of services.
Improved access to adequate safe and affordable housing	Households with access to safe housing	5	306	332	206	1,318	Project Completion Report Project Evaluation Report	1. Affordability of housing stands and ability of beneficiaries to build their own houses.
	Number students accommodated in new facilities	1,032	459	3,175	1,910	2,000	Project Completion Report Project Evaluation Report	1. Affordability of the Student Accommodation.
Increased access to health and educational facilities	Number of students benefiting from improved or new learning facilities.	-	-	-	1,000	-	Project Completion Reports Project Evaluation Reports	1. Adequate student enrolment and other supporting services.
	Number of people benefiting from improved or new health facilities	-	-	5,000	-	720,000	Project Completion Reports Project Evaluation Reports	1. Availability of supporting services.
Increased crop yields through improved irrigation services	Output (Agricultural Production) tonnes per Unit Irrigated Area (yield for beneficiaries)	-	-	-	-	-	Project Completion Reports Project Evaluation Reports	1. Farmers will be well supported for their production in terms of knowledge, inputs and access to markets.



Outcome	Indicators	Target					Achievement verification	Critical assumptions and risks
		2022	2023	2024	2025	2026		
Improved transport infrastructure	Number of people who can access all season public transport within two km of their homes	-	90,000	92,000	100,000	105,000	Project Evaluation Reports	1. Availability of public transport
	Volume of cargo transported over rehabilitated or constructed rail (tonnes)	-	1,500,000	1,500,000	1,500,000	1,500,000	Project Completion Reports	1. Availability locomotives, wagons and cabooses.
	Number of passengers transported over rehabilitated or constructed rail	-	-	-	-	-	Project Evaluation Reports	1. Availability locomotives, wagons and cabooses.
	Volume traffic at airports						Project Completion Reports Project Evaluation Reports	1. Availability of Airplanes
	Number of passengers							
	Tonnes of cargo per year							
Increased access to renewable and other sources of energy	Households connected	-	-		110,000	150,000	Project Completion Reports Project Evaluation Reports	1. Generated power will be affordable.
	Business Facilities connected	-	-		5	10		
	Community Facilities connected	-	-		10	15		
	CO2 emissions reduced (tons per year)	-	-		10,450	19,000	Technical Evaluation Report	1. It is assumed that 1 MW of renewable energy save 190 tons of carbon emissions.
Improved access to ICT	Households connected	-	100	260	500	600	Project Completion Reports Project Evaluation Reports	1. Affordability of Services
	Businesses connected	-	30	50	50	50		



Outcome	Indicators	Target					Achievement verification	Critical assumptions and risks
		2022	2023	2024	2025	2026		
	Community Facilities connected	1	2	4	5	5		
Improved access to social amenities	Number of people accommodated per year						Project Completion Reports Project Evaluation Reports Hotel Records.	1. Affordability and accessibility of services. 2. 40% capacity utilisation.
	Conference facilities		3,650	-	7,300	-		
	Hotels	440	1,380	-	2,600	-		

Impact	Indicators	Target					Means of verification	Critical hypothesis / risks
		2022	2023	2024	2025	2026		
Robust and Inclusive Infrastructure	% of grid load derived from renewable sources						ZPC Energy and ZERA energy reports.	1. Increased investment in renewable energy sources.
	Electricity (% with access to energy, rural and urban)	48	50	52	54		Ministry of Energy and Power Development and ZimStats.	
	Per capita electricity consumption	773.8	856.1	915.6	975.8			
	Rail freight cargo (million tonnes per annum)	4.8	5.4	6.2	6.7		ZIMSTATS and Ministry of Transport and infrastructural Development	
	% road network conversion to meet Southern Africa Transport and Communications Commission (ATCC) standards.	7	8	9	10		ZIMSTATS, Ministry of Transport and Infrastructural Development, and ZINARA	



Impact	Indicators	Target					Means of verification	Critical hypothesis / risks
		2022	2023	2024	2025	2026		
	% of road network in good condition	14	16	18	20			
	Percentage of population using an improved drinking water source	83	85	87	90		ZIMSTATS and UNICEF	
	Broadband Internet subscribers per 100 inhabitants	65.15	68.41	71.8	75.42		POTRAZ Quarterly Telecommunication Report	
	Internet penetration (%)	65.15	68.41	71.8	75.42			
	Percentage Households with access to safe drinking water (Urban)	77.7	77.9	78.1	78.3		ZIMSTATS- Consumption Survey and Census Report	
	Percentage Households with access to safe drinking water (Rural)	55	57	59	61		ZIMSTATS- Consumption Survey and Census Report	
	Percentage house holdswith access to proper sanitation / sewerage system (Urban)	47	49	51	53			
	Percentage house holdswith access to proper sanitation / sewerage system (Rural)	37	39	41	43			
A prosperous and empowered society	GDP capita income (US\$)	2128	2704	2951	3199		MOFED – National Budget ZIMSTATS	1. Bank intervention will contribute to the National GDP growth.



Impact	Indicators	Target					Means of verification	Critical hypothesis / risks
		2022	2023	2024	2025	2026		
Upliftment of livelihoods of all Zimbabweans	Poverty Levels - % of people below the food poverty line	40	30	20	10		Zimstats – Poverty Report. World Bank Report	1. Incomes will be equitably distributed.
	Number of Housing units delivered a function effective demand	40 000	40 000	50 000	50 000		ZimStats – Reports (Census, Consumption Survey, Poverty Reports, Ministry of Local Government)	1. Access to new homes will skewed towards first homeowners.

