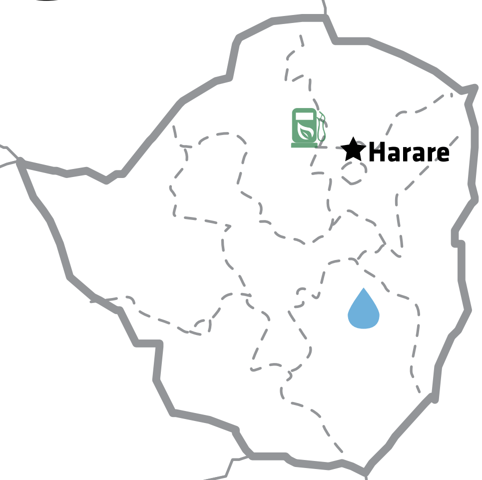
SOUTHERN AFRICA

Zimbabwe



GD[1]: **$13.7bn**
Five-year economic growth rate: **7.6%**
Population: **14.6m**
Total clean energy investments, 2009-2014: **$280.0m**
Installed power capacity: **2.0GW**
Renewable share: **4.8%**
Total clean energy generation: **190.8GWh**
Top energy authority:
Ministry of Energy and Power Development

OVERALL RANKING 2014	OVERALL RANKING 2015	OVERALL SCORE 2015
43	43	0.70

PARAMETER	RANKING	SCORE
I. Enabling Framework	42	0.85
II. Clean Energy Investment & Climate Financing	48	0.21
III. Low-Carbon Business & Clean Energy Value Chains	38	1.04
IV. Greenhouse Gas Management Activities	34	0.97

SCORE SUMMARY

Zimbabwe scored 0.70 in *Climatescope* 2015, placing it 43rd on the list of countries overall, the same position it held in 2014. The country's highest score was on Greenhouse Gas Management Activities Parameter IV.

On Enabling Framework Parameter I, Zimbabwe slipped one place to rank 42nd. Its score was supported by the presence of energy access policies and relatively high diesel and kerosene prices.

On Clean Energy Investment and Climate Financing Parameter II, the country was positioned near the bottom of the list. It took 48th place, one lower than in 2014, largely due to the lack of new investment.

Zimbabwe was placed 38th on Low-Carbon Business & Clean Energy Value Chains Parameter III, a decline of six places. Its score is supported by a modest number of clean energy service providers.

On Parameter IV, the country was ranked 34th, with moderately good scores for the number and diversity of carbon credits generated.

For further information, access www.global-climatescope.org/en/country/zimbabwe

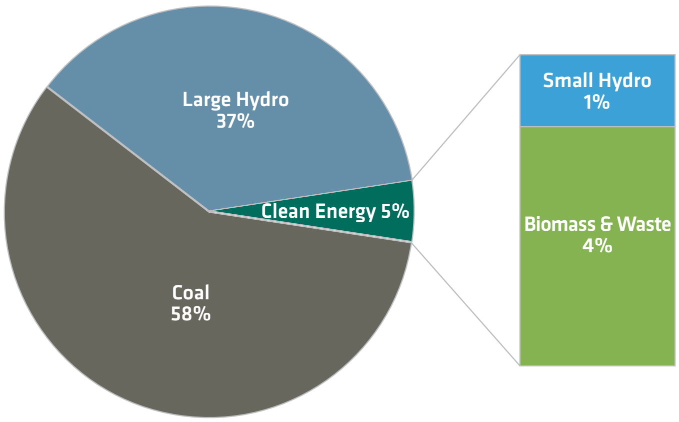
OVERVIEW

Of the 2.0GW of installed capacity in Zimbabwe, national power generator, Zimbabwe Power Corporation (ZPC) owns 1.9GW. Those plants suffer from reliability issues, and currently only around 900MW is available, equating to 50% of installed capacity and meeting 40% of peak connected demand. Imports from its neighbours have been curtailed due to non-payment.

Zimbabwe's power sector is split between ZPC and Zimbabwe Electricity Transmission and Distribution Co (ZETDC) which are both subsidiaries of Zimbabwe Electricity Supply Authority (ZESA).

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

2.0GW total installed capacity



Source: Bloomberg New Energy Finance, Zimbabwe Power Company, Nyangani Renewable Energy

The power generation sector recently received a boost with the financing of the Lake Kariba South expansion project to add 300MW more large hydro capacity. ZESA and ZPC are currently seeking finance to upgrade the Hwange coal plant and develop a coal bed methane project in Lupane.

KEY POLICIES

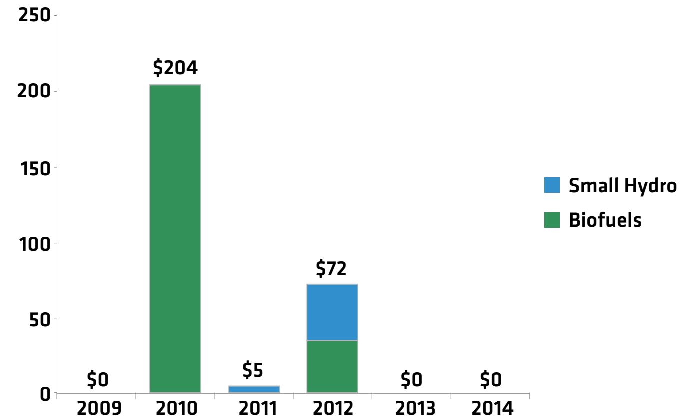
Feed-in Tariff	A 20-year tariff for small hydro, wind, solar, biomass and biogas projects up to 10MW. Implementation remains pending the release of the national renewable energy strategy.
Biofuels	A mandate to blend ethanol with gasoline lowered from 15% in 2015.
Debt/Equity Incentives	An infrastructure fund offers long-term debt and equity but has not yet disbursed any to renewable energy projects. The rural electrification fund aims to achieve 100% access by 2040 but has had operational challenges.
Tax Incentives	Energy investors are eligible for ten-year income tax holidays.

Source: Bloomberg New Energy Finance Policy Library

Zimbabwe's clean energy sector was also boosted in 2014 as Nyangani Renewable Energy commissioned a 15MW small hydro plant. 96MW of the country's 120MW (non-large hydro) renewables capacity comes from three biomass plants, with the rest made up of small hydro.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2009-2014 ($m)

$280.0m total cumulative investment



Source: Bloomberg New Energy Finance
Notes: Total investment includes: Asset Finance, Corporate Finance and Venture Capital / Private Equity Commitments.

The country's regulatory framework makes it relatively easy for an independent power producer (IPP) to set up a project. One stumbling block: signing a power purchase agreement (PPA) with ZETDC in order to sell into the grid, as it suffers cash-flow shortages and the IPP has to draw up the framework for an agreeable tariff, which needs approval from the regulator.

Zimbabwe still lacks a clear renewable energy policy. Discussions continue over the implementation of FiTs, which were first proposed in 2013.

There is a biofuels blending mandate in force, which is set at 5%. The mandate changes sporadically depending on supply and has reached up to 15%. While the government intends to raise the mandate, investment has been slow due to non-cost reflective fuel prices and public resistance over perceived damage to engines.

Zimbabwe targets universal electricity access by 2040 – up from around 31% – but the rural electrification fund has struggled since inception due to cash-flow shortages.