



Zimbabwe

GD¹: \$12.8bn

Five-year economic growth rate: 9%

Population: 14.1m

Total clean energy investments, 2006-2013: \$372.3m

Installed power capacity: 2GW

Renewable share: 4%

Total clean energy generation: 420.3GWh

Top energy authority:

Ministry of Energy and Power Development

OVERALL RANKING
2014

43

OVERALL SCORE
2014

0.76

PARAMETER	RANKING	SCORE
I. Enabling Framework	41	0.87
II. Clean Energy Investment & Climate Financing	47	0.27
III. Low-Carbon Business & Clean Energy Value Chains	32	1.27
IV. Greenhouse Gas Management Activities	31	0.97

SUMMARY

Zimbabwe scored 0.76 and placed 43rd on *Climatescope* 2014. It had its strongest performances on Low-Carbon Business and Clean Energy Value Chains Parameter III and Greenhouse Gas Management Activities Parameter IV, achieving its best score within the distributed clean energy service providers and carbon offsets historical activity indicators.

The country received no clean energy investment in 2013, but from 2006-12 attracted a total of \$372m. The majority of this investment was in the biofuels sector, which accounted for \$327m or 88% of the total in that period. Small hydro made up the remainder. The clean energy sector has been bolstered recently

with the entrance of independent power producer Nyangani Renewable Energy, which is in various phases of developing a small hydro portfolio worth just under \$50m.

In 2013, the government released the final version of its draft feed-in tariff policy, which will be available for projects up to a maximum size of 10MW. As of the third quarter of 2014 there was no indication of when the policy will come into force. In February 2013, the government released an updated blending mandate to reduce the country's reliance on diesel and gasoline imports.

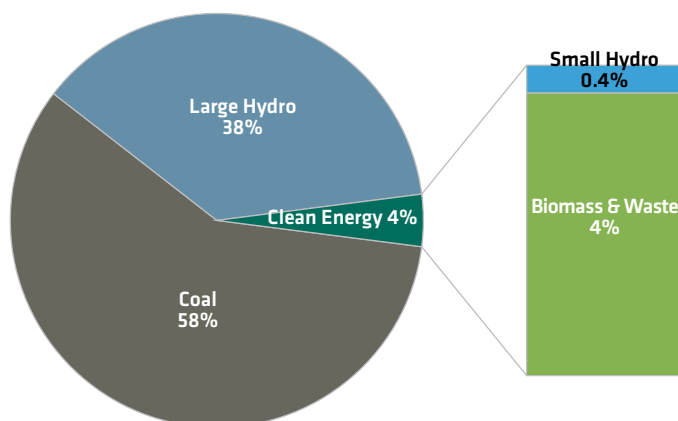
For further information, access www.global-climatescope.org/zimbabwe

PARAMETERS AT A GLANCE

Zimbabwe's power sector is dominated by the national utility ZESA. The system is plagued by reliability issues and load shedding is common. Coal makes up nearly 60% of installed capacity, followed by large hydro, and there are plans for a further large project in each totaling 3.6GW. A highlight within the sector is the development of off-grid small hydro, which by the end of 2014 may reach 20MW of installed capacity. The country is making a strong push to increase rural electrification, with the Rural Electrification Agency reporting over 350 mini-grids installed within the country.

INSTALLED POWER CAPACITY BY SOURCE, 2013 (%)

2GW total installed capacity



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

Zimbabwe ranked 41st on Enabling Framework Parameter I. Its best scores were for its distributed energy regulatory framework, which has opened up that market, and its energy access targets which aim for 100% access by 2040. While the country does not score well on the power market structure indicator, the entrance of Nyangani Renewable Energy is positive for the sector.

KEY POLICIES

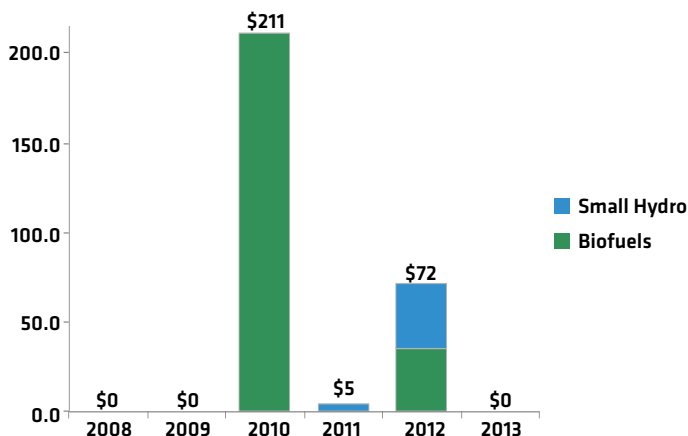
Feed-in Tariff	Implementation due in 2014 of 20-year tariff for small hydro, wind, solar, biomass and biogas projects up to 10MW.
Biofuels	A mandate to blend 5-10% ethanol with gasoline has been in force since 2011.
Debt/Equity Incentives	An infrastructure fund offers long-term debt and equity but has 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

The country's lowest ranking (47th) was on Clean Energy Investment Parameter II. While the country has seen more investment than the majority of African countries, it has been sporadic and there are no green micro-financing companies. The clean energy sector is also hindered by the high cost of debt: developers' only option is to seek financing from outside of the country.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2008-2013 (\$m)

\$372.3m total cumulative investment



Source: Bloomberg New Energy Finance

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

On the Low-Carbon Business and Clean Energy Value Chains Parameter III, the country placed 32nd. There is local commercial activity within the biomass, biofuels and small hydro sectors, but it lags behind on service providers specializing in clean energy. However, there are signs of growth among Zimbabwe's distributed clean energy service providers, such as specialized retailers and importers, as the government pushes to increase rural electrification. Despite this, the country has yet to see local manufacturers enter the distributed energy sector.

Zimbabwe ranks 31st on Greenhouse Gas Management Activities, despite only scoring in the carbon offsets category. With one registered CDM project and one VCS project and a low level of project failure the overall carbon project risk is rated low.