ACKNOWLEDGEMENTS

This report was prepared by the ZIMREF Secretariat team led by Tonderai Fadzai Mukonoweshuro and Cheryl Khuphe. In addition, contributions were made by the following Bank staff and consultants: Crispen Mawadza, Easther Chigumira, Kobi Daniels, Leslie Mills, Tafpuma Jongwe, Dhiraj Sharma, Marko Kwaramba, Jay-Hyung Kim, Tuan Minh Le; Jiwanka Wickramasinghe, Rosa Dube, Blandine Marie Wu Chebili, Gibson Guvheya, Emma Wadie Hobson, Ruth Wutete, Enos Esikuru, Blessing Karazandima, Rutendo Nyoni, Irene Bescos Tario Tserayi, Fradreck Danda, Priscilla Mutikani and Chenjerayi Sisismayi. With special thanks for management guidance from Marjorie Mpundu. Document design was created by Cybil Maradza.

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<thead>
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<th>Full Form</th>
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<tr>
<td>BCI</td>
<td>Business Confidence Index</td>
</tr>
<tr>
<td>BE</td>
<td>Bank-executed</td>
</tr>
<tr>
<td>BEFSIP</td>
<td>Business Environment, Financial Sector and Investment Policy</td>
</tr>
<tr>
<td>GoZ</td>
<td>Government of Zimbabwe</td>
</tr>
<tr>
<td>ICT</td>
<td>Information communication and technology</td>
</tr>
<tr>
<td>IFMIS</td>
<td>Integrated Financial Management Information System</td>
</tr>
<tr>
<td>ISN</td>
<td>Interim Strategy Note</td>
</tr>
<tr>
<td>M &amp; E</td>
<td>Monitoring and evaluation</td>
</tr>
<tr>
<td>MDAs</td>
<td>Ministries, departments, and agencies</td>
</tr>
<tr>
<td>MLAWCRR</td>
<td>Minister of Lands, Agriculture, Water, Climate and Rural Resettlement</td>
</tr>
<tr>
<td>MoFED</td>
<td>Ministry of Finance and Economic Development</td>
</tr>
<tr>
<td>MoHCC</td>
<td>Ministry of Health and Child Care</td>
</tr>
<tr>
<td>MoPSE</td>
<td>Ministry of Primary and Secondary Education</td>
</tr>
<tr>
<td>MoTID</td>
<td>Ministry of Transport and Infrastructural Development</td>
</tr>
<tr>
<td>MPSLSW</td>
<td>Ministry of Public Service, Labour and Social Welfare</td>
</tr>
<tr>
<td>MSME</td>
<td>Ministry of Small and Medium Enterprises and Cooperative Development</td>
</tr>
<tr>
<td>NHA</td>
<td>National Health Accounts</td>
</tr>
<tr>
<td>OAG</td>
<td>Office of the Auditor General</td>
</tr>
<tr>
<td>PECG</td>
<td>Public Enterprises Corporate Governance</td>
</tr>
<tr>
<td>PEFA</td>
<td>Public Expenditure Financial Accountability</td>
</tr>
<tr>
<td>PFM</td>
<td>Public financial management</td>
</tr>
<tr>
<td>PFMS</td>
<td>Public Financial Management System</td>
</tr>
<tr>
<td>PICES</td>
<td>Poverty, Income, Consumption and Expenditure Survey</td>
</tr>
<tr>
<td>PIM</td>
<td>Public investment management</td>
</tr>
<tr>
<td>POC</td>
<td>Policy Oversight Committee</td>
</tr>
<tr>
<td>PPP</td>
<td>Public-private partnerships</td>
</tr>
<tr>
<td>RBB</td>
<td>Results-based budgeting</td>
</tr>
<tr>
<td>RBZ</td>
<td>Reserve Bank of Zimbabwe</td>
</tr>
<tr>
<td>RE</td>
<td>Recipient-executed</td>
</tr>
<tr>
<td>SOE</td>
<td>State-owned enterprise</td>
</tr>
<tr>
<td>SEPs</td>
<td>State enterprises and parastatals</td>
</tr>
<tr>
<td>TA</td>
<td>Technical assistance</td>
</tr>
<tr>
<td>TTL</td>
<td>Task team leader</td>
</tr>
<tr>
<td>ZIMASSET</td>
<td>Zimbabwe Agenda for Sustainable Socio-Economic Transformation</td>
</tr>
<tr>
<td>ZIMRA</td>
<td>Zimbabwe Revenue Authority</td>
</tr>
<tr>
<td>ZIMREF</td>
<td>Zimbabwe Reconstruction Fund</td>
</tr>
<tr>
<td>ZIMSTAT</td>
<td>Zimbabwe Statistical Agency</td>
</tr>
</tbody>
</table>
This report provides a detailed narration of the Zimbabwe Reconstruction Fund’s (ZIMREF) operations in 2021. ZIMREF is a country-specific multi-donor trust fund supported by seven development partners: the European Union, the UK’s Foreign Commonwealth and Development Office (FCDO), the Swedish International Development Cooperation Agency, the Swiss Agency for Development and Cooperation, the Norwegian Aid Agency, the State and Peacebuilding Fund (SPF), and the Canadian Government. Since its inception, ZIMREF has received over US$52 million from its development partners.
Over the past year, ZIMREF contributed to the country’s reforms primarily through analytical work.

Support for key reforms led to recognition of ZIMREF through a World Bank Trust Fund award for delivering strong technical support thereby creating strong buy-in and improved capacity and systems in several critical areas. These are further discussed in the Results section of the report.

Additionally, while there is not yet full reengagement with the international community, the program has provided a bridge vehicle through which stakeholders, the Government, and development partners maintained dialogue through various technical working groups and other information sharing platforms.

Since 2014, ZIMREF has worked on strengthening Zimbabwe’s systems for reconstruction and development through an initial eight main activities¹ under four windows.² With an evolving context, sub activities³ have been added over the years. For instance, with additional funding in 2021, ZIMREF began implementing a Social Protection (SP) and Water Sanitation and Hygiene (WASH) pilot to support adolescent girls in Zimbabwe to help keep them in school after COVID-19 related school closures (under the Resilience window). The pilot will complement the Government’s Basic Education Assistance Module programme and test the results achieved by providing a comprehensive package of cash transfers, livelihoods support, menstrual hygiene management, WASH and hygiene support and school level sensitization.

From an initially programmed end date of 2019, ZIMREF’s End Disbursement Date has been extended twice during implementation to allow for completion of activities. Currently the Trust Fund has an End Disbursement Date of December 2022.

---

¹ Activities: Business Environment, Financial Sector Investment Policy, Capital Budgets, Public Procurement and Modernization Project, Public Financial Management Enhancement Project, Results Based Budgeting, Poverty Monitoring and Evaluation Technical Assistance (TA), Climate Change and Zimbabwe National Water Project.


³ Sub-activities: Land, Agriculture, InfraSAP, Zimbabwe Risk and Resilience Project.
Operational Context

The country faced climatic shocks in 2019 and 2020, COVID-19 pandemic and macroeconomic challenges that led the economy to experience two successive years of recession. The economy contracted both in 2019 and 2020. In 2021, though the economy experienced three significant COVID waves in January, June and December, it recovered mainly driven by higher agricultural production, improved capacity utilization in industry, and stabilization of prices and exchange rates. However, successive restrictions to contain the pandemic had significant impacts on livelihoods, particularly in the informal sector. Immediately after the onset of the pandemic, less than 30 percent of school-going children in rural areas engaged in education and learning compared with 70 percent of urban children. With the easing of lockdown and reopening of schools, most children resumed attending school though the pandemic continued to keep some children out of school, with teacher absenteeism being the primary reason (ZIMSTAT, Rapid Poverty Income Consumer Expenditure phone surveys July 2020 and December 2020-March 2021).

Monetary and exchange rate policies brought down inflation to two-digit levels for the first time in two years. Annual average inflation slowed significantly from 557.2 percent in 2020 to 98.5 percent in 2021, following the introduction of rule-based reserve money management, a foreign exchange auction, and relaxation of dedollarization. However, year-on-year inflation increased in the last quarter of 2021 as the exchange rate depreciated both on the official and parallel market.

The extreme poverty rate has increased steadily between 2011 and 2020, only declining in 2021 following exceptionally good harvest and disinflation policies. After peaking at 43 percent in 2020, international poverty rate fell to 41 percent in 2021. The decline in poverty is primarily driven by rural areas thanks to the bumper harvest of 2021. Although poverty remains an overwhelmingly rural phenomenon, in recent years it has increased relatively faster in urban areas, leading to an urbanization of poverty. The persistent drought, Cyclone Idai, triple-digit inflation, and the COVID-19 pandemic have contributed to the recent increase in poverty.

The health system is challenged by human resource issues including doctor strikes, staff attrition particularly nurses, and inadequate quantities and slow access to personal protective equipment. Reduced frequency and timing of antenatal care visits may cause further deterioration in maternal and infant mortality. Households’...
loss of access to basic social services and deepening of negative coping strategies risks undermining Zimbabwe’s high human capital and the pace and inclusivity of economic growth.

Addressing the economic impacts of COVID-19 was a key challenge for the Government in the absence of significant external support. To counter these risks posed by COVID-19, ZIMREF’s work continued virtually through remote supervision.

Improved economic environment eased social conditions although poverty levels remained high. With a sizable proportion of households experiencing reduced or no income since the onset of the pandemic, the coverage of social assistance programs remains low. The number of people living below the international poverty line is expected to be 6.1 million in 2021 and to marginally decline in 2022, supported by expected economic growth and lower inflation.

Zimbabwe received the equivalent of US$961 from the International Monetary Fund (IMF) Special Drawing Rights (SDR) allocation, with an immediate impact of boosting gross international reserves which were critically low. The Government indicated its plans to use part of its SDR allocation (almost $1 billion (about $3 per person in the US) equivalent) to address some of the social challenges, support productive sectors, upgrade infrastructure, and build official contingency reserves.

The Government further reaffirmed its keenness to clear its arrears to International Financial Institutions (IFIs) and be on a path to debt sustainability. In this regard, the Government finalized an Arrears Clearance, Debt Relief and Restructuring Strategy that articulates the Government’s position and options for addressing the country’s debt distress and arrears situation.
Support to poverty monitoring has strengthened Zimbabwe’s welfare monitoring system and enhanced statistical capacity. Regular data on vital socioeconomic indicators such as employment, food insecurity, poverty, school enrollment, etc. has helped keep a pulse on households since the onset of the pandemic. Government adopted a telephone survey on the impact of COVID-19 on households.

In terms of technical support, of note were the following results in 2021:

Public Investment Management (PIM) Technical Assistance (TA) has supported the development of a modern public investment management framework. In addition, the Government applied existing guidelines and Project Appraisal Manuals (PAMs) in the 2021 budget process. Emergency PIM guidelines for simplified PIM procedures and decision making in a crisis of COVID-19 were approved by the Ministry of Finance and Economic Development (MoFED) in February 2021.

As part of influencing policy, the Climate Change PIM guidelines were approved by the Ministry of Finance and Economic Development in February 2021.

As a result, the national budget for the fiscal year 2022 allocated a total of ZWL $52.4 billion climate change adaptation and mitigation measures across a variety of sectors.

This is the first time a national budget provision has been made to address the global subject of climate change.
The Green Climate Finance approved the Infrastructural Development Bank of Zimbabwe’s (IDBZ)’s accreditation for direct access to climate finance. This paved the way for the development of scaled-up projects of up to $50 million. This is a landmark achievement for the TA and Zimbabwe.

With support to the PFM program, there was timely completion and submission of the previous fiscal year (FY)’s audit reports to the Parliament with the 2019 Office of the Auditor General Report tabled in June 2021.

While strong results were achieved in some areas, there were also challenges. On PFM, the objective of improving control, transparency and accountability, and oversight in the use of public resources—were clear, realistic and at the right level of ambition. However, the related activities were not. Given the country context, the proposed implementation timeline, and the budget, the activities proved too many.

**Looking forward**

The Government will continue to require assistance to safeguard and consolidate the structural reform priorities. For instance, Zimbabwe’s governance indicators lag to that of its peers, in terms of measures of corruption and regulatory quality. While establishing the Information Technology platforms were merely the beginning of the journey toward successful PFM reforms, there is a need to maintain, sustain and build on the existing systems. Efforts should also be made to develop Public Financial Management System (PFMS) management and coordination structures in the MoFED in consultation with the PFMS unit. In addition, public service delivery challenges, particularly considering the COVID-19 pandemic, are critical to ensure gains in human capital are preserved.
Restructuring ZIMREF to a more flexible and agile financing instrument began in 2020. This was in line with the recommendations from the 2019 ZIMREF independent evaluation, and the World Bank trust fund reform program aimed at consolidating the Bank’s trust fund portfolio at country and global levels. During a Policy Oversight Committee (POC) meeting in 2020, development partners and the government agreed on restructuring ZIMREF into an Umbrella Trust Fund to allow for engagement during a fluid transition, while adapting to changing circumstances and supporting the peaceful consolidation of economic reforms over the medium term.
Flexibility will allow the trust fund to respond to the evolving needs of the government in achieving its ambitious reform agenda, support the government’s response to the negative impacts of COVID-19, and provide continued support for the reengagement agenda—areas in which development partners have indicated they would appreciate the World Bank and other international financial institutions’ support.

As the economy looks to rebound after two years of recession, the restructured Zimbabwe Socio-Economic Transformation (ZISET) would help lay the groundwork for longer-term recovery in Zimbabwe and potential reengagement. Postpandemic recovery provides opportunities to press forward with social, economic, and institutional reforms as identified in the government’s National Development Strategy 2021-25 (NDS-1). The priorities in the NDS-1 are well-aligned with the Sustainable Development Goals (SDGs) and were developed in broad consultation with civil society, the private sector, and development agencies. The recently approved Arrears Clearance and Debt Resolution Strategy and resumption of token payments to key creditors represent important steps to renewed reengagement.

ZISET will focus its activities within three pillars:

1. **Stability and Economic Growth**
2. **Effective and Transparent Public Sector**
3. **Building Resilience**

ZISET will consolidate high priority Bank- and Recipient-executed tasks within six strategically aligned programs, two in each pillar. Each program would prioritize activities using the twin selectivity filters of i) momentum and will to implement reforms, and ii) knowledge gaps. Taking into account the lessons learned from the implementation of the first phase, the trust fund, ZISET, would include a deeper effort on inclusion and implementation. This will help to move forward on those areas most likely to yield results and actual structural changes based on country and sector realities.
Over the last six years, ZIMREF’s development partners have provided over US$52 million, against a planned envelope of US$60.2 million (figure 3.1).
## Figure 3.1. ZIMREF Activities

ZIMREF supports both Recipient-Executed (RE) and Bank-Executed (BE) activities described in the box below:

<table>
<thead>
<tr>
<th>Output</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OUTPUT 1</strong></td>
<td>The <strong>Business Environment, Financial Sector and Investment Policy (BEFSIP) Technical Assistance (TA) Program</strong> supports implementation of Doing Business and investment policy reforms, and development of credit and capital markets infrastructure.</td>
</tr>
<tr>
<td><strong>OUTPUT 2</strong></td>
<td>The <strong>Capital Budgets TA Program</strong> develops modern systems for public investment planning, management, and resource mobilization; improves state-owned enterprise governance; and supports development of a pipeline of feasible projects in the transport and energy sectors.</td>
</tr>
<tr>
<td><strong>OUTPUT 3A</strong></td>
<td>The <strong>Public Financial Management (PFM) Enhancement Project</strong> provides for modernisation of key elements of the public financial management system including coverage and reporting, internal and external audits, and Parliamentary and civil society oversight.</td>
</tr>
<tr>
<td><strong>OUTPUT 3B</strong></td>
<td>The <strong>Public Procurement Modernization Reform Project</strong> supported the modernization of the public procurement regulatory framework and practices and develops and pilots e-Government procurement.</td>
</tr>
<tr>
<td><strong>OUTPUT 4A</strong></td>
<td>The <strong>Results-Based Budgeting TA Program</strong> supports the introduction of program budgeting, as well as key reforms to strengthen the management of financing and public expenditures in key social sectors.</td>
</tr>
<tr>
<td><strong>OUTPUT 4B</strong></td>
<td>The <strong>Poverty Monitoring and Evaluation TA Program</strong> aims to improve the monitoring of poverty and shared prosperity outcomes and their integration into national strategy and planning documents.</td>
</tr>
<tr>
<td><strong>OUTPUT 5A</strong></td>
<td>The <strong>National Water Project’s</strong> aim is to improve water supply in the small-town sector and strengthen the Zimbabwe National Water Authority and the regulatory framework in the water sector.</td>
</tr>
<tr>
<td><strong>OUTPUT 5B</strong></td>
<td>The <strong>Climate Change TA Program</strong> aims to help develop Zimbabwe’s climate policies, its pipeline of climate adaptation investments, and its mainstreaming of climate changes in investment planning.</td>
</tr>
</tbody>
</table>
ZIMREF is implemented through four windows meant to contribute to its objective. Three of the windows, namely private sector development, systems and capacity development, and resilience and livelihoods support, fund both investments and analytical work. The fourth window is supporting policy analytical work. In addition, funds are provided for studies that are key to the government’s reconstruction and development work but are not explicitly related to thematic windows. The ZIMREF windows are aligned to government of Zimbabwe (GoZ)’s priorities, the World Bank Interim Strategy Note (ISN) III, donor funding priorities, and country development needs. While the ISN expired in 2015, the 2019 ZIMREF evaluation found its provisions still relevant. The windows are outlined in figure 3.2.

**Figure 3.2 Priority Areas**

- **PRIVATE SECTOR DEVELOPMENT**
  1. Improve the business environment
  2. Support employment generation
  3. Reforms that would unlock the private sector potential

- **SYSTEMS & CAPACITY DEVELOPMENT**
  1. Strengthen public sector management systems
  2. Institutional reforms
  3. Promote demand side accountability

- **Resilience & Livelihoods Development**
  1. Contribute to social and economic investments for reconstruction and development
  2. Safety nets and improved livelihoods

- **Analytical & Policy Support (APS)**
  Analytical work essential for future reconstruction and development of Zimbabwe

**PRIORITIES IN LINE WITH THE ISN**

1. fostering private sector lead growth though improvements in business environment, infrastructure and support for agrarian reform;
2. improving public sector management systems; and
3. an enabling environment for resilience and human capacity

The fund is governed by a policy oversight committee (POC) comprising representatives from the GoZ and ZIMREF’s development partners. The POC is co-chaired by the GoZ (permanent co-chair) and a development partner (the co-chair rotates among the development partners).

The POC is supported by three technical review groups: the Economic and Public Financial Management Technical Review Group (EPFMTRG), Investment Climate Technical Review Group (ICTRG), and Infrastructure Technical Review Group (ITRG). These groups comprise representatives from the government, development partners, and the World Bank. The TRGs’ mandate is set out in the operational guidelines, and these duties include providing technical guidance to the POC; ensuring technical quality-at-entry of projects; overseeing project implementation; providing support for cross-sectoral and stakeholder coordination; reviewing and analyzing, monitoring and evaluation (M&E) plans and findings; and contributing to risk monitoring and project reporting.

At the 13th Investment Climate Technical Review Group meeting held on March 16, 2021, the WB team indicated that while ZIMREF-funded activities were limited, the preparation of an umbrella investment climate program is being finalized. Approval of the plan is expected, after which engagement will commence. The team also indicated their plans to pitch a proposal to continue BEFSIP, which is key to financial recovery.

11
The proposal would highlight strategies for the government to quicken private sector response, recovery and growth to and from the downside of COVID-19 pandemic, and disruption to supply and demand sides of business operations. The main highlights in the proposal would include strategies such as supporting the growth of a guarantee fund, expansion of existing guarantee scheme to support the private sector, and support to value chains and new markets for the private sector to take on opportunities presented by the pandemic. Also, an innovation component would look at sectors that can use digital platforms to grow the businesses.

It was noted that while follow-up activities were receiving funding from other sources, the catalytic effect of ZIMREF was acknowledged as the original ones were funded by the TF. The 14th ICTRG meeting was held on September 29, 2021, and among the issues raised (under Investment Climate) was the need to address some of the building blocks for investment generation while awaiting reengagement.

During the 9th Infrastructure Technical Review Group meeting held on March 23, 2021, the WB team outlined work on the dams’ prioritization, a study that supports the development of a multicriteria tool that could lead the way to a program of interventions on dams and storage intended to improve water supply and food security. Two economic advisers have also been hired to support the Ministry of Finance and Economic Development on Public Investment Management and cross-cutting with climate change. The team is also working with MoFED to review and evaluate project proposals from the various sectors. At the 10th ITRG meeting held on October 13, 2021, a presentation was made on the revision of the nationally determined contributions (NDC), which were supported by ZIMREF. Recommendations were made for the team to develop an implementation framework that looks at each strategy and explores ways of putting a financing framework for it to enable stakeholders to locate their roles and opportunities within the revised NDC.
The 13th Economic Public Financial Management Technical Review Group meeting was held on March 30, 2021. The TRG members were informed of the establishment of a central internal audit unit (CIAU), with senior management vacancies filled on an acting capacity and recruitment at entry-level ongoing. Additionally, most ZIMREF activities are now implemented by the new CIAU. Notable was German Development Cooperation (GIZ)’s partnering with the unit, which is a welcome development as more partner support is required. Discussions on the SAP maintenance contract between the Bank and MoFED have commenced, and negotiations with SAP are planned to reduce the annual maintenance fees paid by MoFED. The team is assisting with gathering data for negotiation, and an expert to assist with the process will be hired. The team is also working closely with MoFED to ensure that the licensing model used will be rationalized across the whole of government to ensure that costs are not prohibitive.

During the 14th Economic and Public Financial Management Technical Review Group meeting, members were updated of the pilot project, which the social protection team was implementing in conjunction with Care International and GoZ. The aim of the project is to provide social protection and WASH interventions, which will be layered over the government BEAM program. It was noted that even though current health activities no longer benefitted from ZIMREF funding, far-reaching effects were evident as follow-up activities emanated from initial projects. Assistance was also provided to ZIMSTAT with mapping of census blocks in preparation for the national census planned for April 2020. The Procurement Regulatory Authority of Zimbabwe (PRAZ) underscored their interest in assistance with the e-government procurement process.

The 13th POC meeting was held on May 13, 2021, and during the meeting, the annual workplan was approved. Members were appraised of the status of the ZIMREF restructuring process. Previously, there had been an agreement to defer the time frame to align with NDS I and partners’ strategies. The presentation aimed to get members’ agreement on the approach for establishing a Zimbabwe Socio-Economic Transformation (ZISET) umbrella TF and agree on the scope of restructuring and timelines.
The Business Environment, Financial Sector, and Investment Policy (BEFSIP) aims to support the implementation of, among other things, business reforms, building credit and capital markets infrastructure, and reforming investment policies.
Reducing the time, cost, and bureaucratic burden of doing business in Zimbabwe

Introducing more effective and predictable investment and commercial policies that ensure security of private property rights

Strengthening the regulatory framework and financial infrastructure for expanded access to financial services and markets for small and medium enterprises and smallholder producers

BEFSIP has a focus on improving the business climate for microenterprises, small and medium enterprises (SMEs), and agricultural smallholder farmers by:

BEFSIP’s components entail the Investment Climate, Financial Sector, Enabling the Business of Agriculture, and Market institutions. The Investment Climate component closed in December 2021, although an M&E component is being supported to gauge the impact and reach of BEFSIP’s financial sector-related TA.

Financial sector technical assistance

This M&E component comprises the Zimbabwe 2022 FinScope Micro-Small and Medium Enterprise Survey (FinScope MSME) which is a US$350,000 TA knowledge product that will track the milestones reached through BEFSIP’s support for financial inclusion. The survey results will become a baseline for the Ministry of Finance and Economic Development and the Reserve Bank of Zimbabwe’s driven second National Financial Inclusion Strategy (NFIS II). This survey analyzes financial service providers’ breadth and depth of reach to financially excluded groups since 2016 when NFIS I was launched. Key indicators include access to finance for micro, small, and medium enterprises (MSMEs) and specific previous financially excluded groups like women, youth, rural, and agricultural groups and how the upcoming National Financial Strategy II should tackle remaining gaps.

In parallel and to complement the FinScope survey, Alliance for Financial Inclusion (AFI) supports the Reserve Bank to compile a FinScope consumer survey whose indicators track levels of financial inclusion at household and individual levels. The support from AFI was made possible as a complementary activity to crowd in ZIMREF’s support. The FinScope consumer survey provides additional data on access to finance since the last survey in 2014.

The survey is expected to be completed by April 30, 2022, with results being used for the NFIS II by June 30, 2022. The ongoing demand for the Bank’s TA program reflects the relevance of the instruments offered to the government. The progression from NFIS I to NFIS II demonstrates the sustainability of the program. Beyond this current phase of strategy formulation, ZIMREF funding for a financial sector TA would be implementation support for the execution of NFIS II.
Agriculture

Noting that Zimbabwe is a climate hotspot, this TA is targeted at implementing actions identified in the climate-smart investment plan (developed through the TA) working with government officials from the Ministry of Agriculture, Meteorological Services Department (Met Dept), Agriculture Extension Services (AGRITEX), academia, and farmers.

Building adaptation and resilience for smallholder farmers is an urgent necessity, as climate variability and change is linked to increased prevalence of droughts, pests and diseases, and significant decline in yields. A key action is support to the Zimbabwe Agriculture Observatory, established in 2018 to facilitate access and capacity enhancement to manage and analyze near-real-time and high-resolution agricultural weather information. In addition, it allows the World Bank Group (WBG), government, and stakeholders in the agriculture value chain to proactively monitor, advise, and respond to the weather impacts on agricultural production systems in the country.

In its first year of implementation, the Zimbabwe Agriculture Observatory focused on capacity building. Initially, 12 local Zimbabweans, including government officials from the Met Department, AGRITEX, academia, and farmers, were trained as trainer of trainers (ToT). A community of practice (CoP), which brings together participants of the ToT and key actors in the agricultural value chains, was established. Further uptake with funds from the Bank budget and, more recently, Progreen Trust Fund has enabled the growth of the community of practice (users of the platform) to over 50 participants from the initial 12. More young and female farmers, including extension workers, have joined the CoP and received training. Capturing the young farmers is critical in transforming the agriculture sector, as they are the future of Zimbabwe’s agriculture and food systems.

For two consecutive cropping seasons, the TA first monitored the farming activities of one of the farmers, Chriswell Vava, who had gone through the Agriculture Observatory’s ToT and was part of the CoP. The purpose of monitoring was to observe how Chris was using his knowledge from the training, how he was helping his farming activities, and the overall effect of this information in his farming. In the first year, which was a drought year and characterized by high rates of fall armyworm infestation, Chris attributed his harvest of 30 tonnes of maize on five hectares to his ability to apply the agro-weather information. In Chris’s words, “This is clear testimony of ZimAgObs’ knowledge and information, which helped to be precise with dates of planting and fertilizer applications. Most of the farmer whom I shared information had excellent yields owing to the vital ingredient of information at the right time.” In the following year, with above normal rainfall, Chris went on to harvest 50 tonnes of maize on his five hectares. He indicated that those in the community that he shared this information with also had very high yields above the national average.
Timely immediate and short-term agro-weather forecasts and site-specific recommendations on crop cultivars, soil preparation, sowing time, fertilization, harvest time, and other information will enable farmers to manage agricultural risks better and reduce uncertainties that often constrain decision-making. Such advisories provide for “anticipatory action” and improve smallholder farmers’ resilience to shocks. Thus, the TA has a memorandum of understanding (MOU) that was first signed between the Zimbabwe Farmers Union (the largest farmers organization in Zimbabwe representing over a million farming households) and the World Bank in which 20,000 smallholder farmers (46.8 percent female) were onboarded and provided with digital climate advisory information (DCAS), based on a request from the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development (MLAFWRD).

Land TA was an addition to Enabling the Business of Agriculture component BEFSIP. The objective of the TA was to generate knowledge and provide recommendations to the government of Zimbabwe focused on the compensation roadmap process. The TA is part of a longer-term dialogue with the government on land issues, and that dialogue continues. The TA worked with the Joint Resource Mobilization Committee (JRMC) that is made up of various stakeholders, including government.

The signing of a compensation agreement in August 2020 has presented the opportunity to support the government with advice and TA on how best to mobilize and organize the compensation processes and develop their compensation roadmap. The roadmap lays out the processes, timelines, and responsibilities that are required to implement the compensation agreement, for example, resource mobilization, financing options, administrative processes, and so on.

Support under this component included two case studies from Colombia and Serbia, and a presentation on land value capture and asset management and how it could contribute to the compensation discussion.

In support of the roadmap development, the basic four building blocks—legal and regulatory framework, administrative processes, communications, and financing—were explored with the JRMC and recommendations provided. In addition, several presentations addressed the land compensation issue, including contributions from the World Bank treasury team on financing options and on administrative processing experience and preliminary communications plan. For this specific TA activity, the objective has been achieved, as knowledge and recommendations have been generated on the compensation roadmap with the JRMC, who actively participated in all sessions.

**OUTPUT 2**

**CAPITAL BUDGETS**

The Capital Budgets Technical Assistance (TA) Program seeks to develop modern public investment planning, management, and resource mobilization systems, improve state-owned enterprise governance, and support the development of a pipeline of feasible projects in transport and energy.

**A. Transport**

The development objective of this activity is to assist public transport sector institutions to lay the foundation for improved efficiency and effectiveness in their public investments. The intermediate outcome is prioritizing reforms and investments within the sector ministry and selected parastatals. The Ministry of Transport and Infrastructure Development (MoTID), National Railways of Zimbabwe (NRZ), Civil Aviation Authority of Zimbabwe (CAAZ), and Zimbabwe National Road Agency (ZINARA) are examples of beneficiary institutions.

The TA entails working with the sector ministry, its parastatals, and other stakeholders to prioritize areas of interventions into two parts: improvement of operational efficiency of the institutions and preparation of investments in the respective modes of the sector. The following activities were completed:
1) support toward civil aviation reforms; 2) review of the roads subsector; 3) review of the road tolling policy; and 4) expanded rail market study.

Building on support previously provided by ZIMREF, support was provided to assist in building capacity among stakeholders in preparation for future private-party participation in Zimbabwe’s rail sector. Complementary funding from the Mobility and Logistics (MOLO) Trust Fund supported this activity. Beneficiaries included Ministry of Transport and Infrastructural Development, Ministry of Finance and Economic Development, NRZ, ZIDA and State Enterprise Restructuring Agency. In addition, draft public-private partnerships (PPPs) guidelines on private sector engagement in rail were shared with the government for finalization.

Two new activities were added in 2021:

1. Urban transport engagement, comprising early engagement to address general urban mobility requirements focusing on key dimensions of urban transport, including political and social interests, financial and economic dimensions, affordability, environment, and road safety.

2. Transport spatial data analysis to inform the government’s strategy and engagement with donor partners to improve the country’s internal and external transport connectivity to maximize inclusive growth by improving local access to basic services and socioeconomic activities. It will provide a framework and empirical evidence for prioritizing and sequencing transport sector interventions.

Early impacts of work undertaken:

1. Support toward civil aviation reforms: Through the contribution of this support, the government has achieved its primary objective of unbundling CAAZ by creating two entities to oversee regulation and operations, respectively. CAAZ oversees regulation exclusively, while the new Airports Company of Zimbabwe oversees operations. Additionally, the independence of the accident investigation function from CAAZ was incorporated into the Civil Aviation Amendment Act. MoTID has appointed a consultant to oversee the creation of the accident investigation unit. This support continues to inform the government on sectoral reform recommendations and potential future sustainability risks to newly created civil aviation agencies.

2. Review of the roads subsector: The TA reviewed the roads subsector institutions and assessed their key structural, financial, and operational challenges and recommended policy measures to improve their performance. As part of this support, the government is undertaking initiatives to ensure a clear separation of road funding and road management functions. At present, ZINARA has been weaned off any road management function and has been mandated through a government directive to fully focus on road funding. This has contributed to the government’s efforts to realign ZINARA’s functions to focus solely on its core funding mandate. The sustainability of this positive development will be assured once the directive is enhanced through an amendment to the Roads Act. Draft legislation to this effect and covering the main study recommendations has been prepared as part of this assignment. Other recommendations linked to improving efficiency in road network management are being pursued within the 2021-2025 National Development Strategy.

3. Review of the road tolling policy: Activity developed a sustainable road tolling policy
to guide future road tolling and related road investments, including public-private partnership arrangements. Proposed recommendations will lead to an environment characterized by more rational funding of roads and improved utilization of road sector revenues managed by ZINARA. Policy recommendations following the review were grouped as: 1) recommendations on spending; 2) recommendations on cost sharing; 3) recommendations on cost responsibility; 4) recommendations on road user charging (RUC); and 5) recommendations on PPPs.

- ZINARA has requested assistance to review some of the sole-sourced contracts presently on its books. Assistance will be based on the future availability of funds. For the short term, some of the recommendations particularly linked to spending, cost sharing, and PPPs have been incorporated into the 2021 to 2025 National Development Strategy. At present, there are discussions between the Ministry of Transport and Infrastructural Development and the Ministry of Finance and Economic Development to rebase the fuel levy to U.S. dollars because of the shortfalls being faced in collecting revenue in local currency. Rebasing the fuel levy was one of the recommendations under the study.

4. Supporting private sector participation in Zimbabwe’s rail sector: The main activity provided training, experience sharing, and knowledge resources to NRZ in preparation for future potential private-party participation in rail. This is especially critical in a fragile, resource-constrained environment like Zimbabwe’s, which is further exacerbated by the rail sector’s limited technical capacity to effectively engage the private sector. This capacity-building support to NRZ and other stakeholders exposed professionals to best practice approaches toward private sector participation in infrastructure rehabilitation and renewal, rail operation improvements, and rail-related logistics development. The adoption of a ZIMREF-funded rail marketing study focused on some selected rail corridors is linked to this engagement to assess the potential for modal shift of freight from road to rail. The marketing study contributes to the development of strategic plans for the sector.

**Next steps**

Next steps include continuing to provide technical assistance to government as part of implementing reform recommendations developed and adopted under ZIMREF. Recommendations will assist in improving transport efficiency and enhancing the sector’s contribution to Zimbabwe’s economy.

**B. Public Investment Management**

The PIM component aims to 1) assist MoFED to develop a public investment management system and cycle, including guidelines, manuals, and training for line ministry staff; 2) provide technical assistance and policy advice to improve the regulatory framework for joint ventures and public private partnerships in key sectors. The TA continues covering various aspects of the PIM reforms to bring about the deep-seated changes in planning and annual capital budgeting.

Upon request from the MoFED, the TA developed sector project appraisal manuals (energy, transport, water, irrigation), emergency spending guidelines, climate change PIM guidelines (also climate aspects of energy, transport, water, irrigation), and capacity building and training programs.

Treasury Circular No. 3 of 2021 evoked the use of the PIM guidelines (including climate PIM and emergency guidelines) to implement public investments and the National Development Strategy (NDS1), laying the foundation for efficiently, effectively, and sustainably managing public infrastructure resources. The circular gave a directive to Ministries, Departments and Agencies (MDAs) to follow the requirements of the PIM guidelines in the conceptualization, appraisal, and development of new projects for submission to the Treasury.
The circular also reiterated that in reviewing and appraising project submissions from MDAs, Treasury would be assessing the strategic alignment of projects with national and sectoral development plans, including their socioeconomic feasibility, financial affordability, as well as environmental impacts in line with the regulations imposed by the PIM guidelines before including any public investment projects or programs into the annual investment pipeline. Ongoing and expected future interventions include supporting NDS1 in prioritizing national projects based on the PIM guidelines and manuals, capacity-building programs, integration and harmonization of PIM and PPP under the ZIDA Act, strengthening climate change PIM, and supporting emergency spending.

Efforts to establish a modern and effective public investment management system and mainstream into it the government’s climate change agenda (reflected in the revised nationally determined contributions, the NDCs) have been supported by the PIM TA. All committed deliverables are on track toward attaining, including the development of the new tools and instruments for PIM screening, capacity building, and application of the new appraisal tool in screening projects to be included in the new National Development Strategy (NDS 2021-2025). As part of the effort to raise the MoFED’s capacity to manage the climate-responsive PIM system and facilitate effective routine communications, technical consultation between the Ministry of Finance and Economic Development and the Ministry of Environment, two economic advisers were hired to support the climate PIM operations. To date, 80 percent of the targets have been achieved.

**Cumulative outcomes and impacts since inception:**
- Implementation and enforcement of PIM guidelines/manuals in sectors (water, energy, and transport).
- The MoFED PIM Guidelines (2017) streamline PIM requirements across all investment modalities (budget, SOEs and PPPs).
- The MoFED Treasury Circular No. 3 of 2021 required the use of the PIM guidelines and sector manuals to implement public investments and NDS1.
- PIM guidelines and manuals were piloted in 11 projects in five sectors (table 4.1 below) and are being rolled out during the 2022 budget process.

UPON REQUEST FROM THE MOFED, THE TA DEVELOPED SECTOR PROJECT APPRAISAL MANUALS FOR:
- **ENERGY, TRANSPORT, WATER & IRRIGATION**
<table>
<thead>
<tr>
<th>Project</th>
<th>Sector</th>
<th>Description</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zhove Irrigation Scheme</td>
<td>Water/Irrigation</td>
<td>The project entails the construction of a water conveyance system to supply adequate and sustainable water from the Zhove Dam to irrigate a target of 2,500 hectares of agricultural land. In addition, the project will include a pipeline water conveyance infrastructure to the town of Beitbridge.</td>
<td>March– April 2020</td>
</tr>
<tr>
<td>Biri Irrigation Scheme</td>
<td>Water/Irrigation</td>
<td>The undertaking of the Biri Irrigation Scheme Feasibility Study (FS). The PFS and FS will consider alternative options and technologies that can be used to deliver the project.</td>
<td>August 2020</td>
</tr>
<tr>
<td>COVID-19 Isolation Centers</td>
<td>Health</td>
<td>The project focuses on isolation centers that will be used to quarantine those with COVID-19 or those suspected to have contracted it.</td>
<td>April–May 2021</td>
</tr>
<tr>
<td>Semwa Dam Project</td>
<td>Water/Irrigation</td>
<td>The project entails the construction of a rockfall dam with a full supply capacity of 260,000 mL. Water from the dam is expected to irrigate over 12,000 hectares of farmland in the Mount Darwin and Rushinga Districts.</td>
<td>April – May 2020</td>
</tr>
<tr>
<td>Muzhwi-Mushandike Canal Project</td>
<td>Water/Irrigation</td>
<td>The project is intended to save the Mushandike irrigation scheme from collapse by building a canal that will draw water from the idle Muzhwi Dam to the Mushandike Dam.</td>
<td>April–May 2020</td>
</tr>
<tr>
<td>Mbudzi Interchange</td>
<td>Transport</td>
<td>The project is intended to construct a traffic interchange estimated to cost Z$88 million at the major intersection along Harare Masvingo Highway. The designs and financing proposal were reviewed by Treasury during 2021.</td>
<td>September–November 2021</td>
</tr>
<tr>
<td>Bindura Halls of Residence</td>
<td>Education</td>
<td>The project, which has stalled since 2015, was reappraised in line with PIM guidelines, including the review of cost and implementation modalities. The project is now ongoing, and one block is complete while the other is expected to be completed in one year.</td>
<td>April–November 2021</td>
</tr>
<tr>
<td>Project</td>
<td>Sector</td>
<td>Description</td>
<td>Timeline</td>
</tr>
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<td>---------------------------------------------</td>
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<tr>
<td>Rehabilitation and upgrading of National Sports Stadium</td>
<td>Social</td>
<td>The rehabilitation and upgrading project, which is expected to cost Z$1 million, was reappraised in line with PIM, which resulted in change of implementation and procurement plans with work expected to start in 2022 at a cost of $10 million.</td>
<td>April–August 2021</td>
</tr>
<tr>
<td>Second Education Project</td>
<td>Education</td>
<td>Treasury developed a concept note consistent with PIM guidelines for the construction of 200 schools, which was approved by the Minister, with implementation scheduled in 2022.</td>
<td>March–July 2021</td>
</tr>
<tr>
<td>Harare Ring Road</td>
<td>Transport</td>
<td>The project intends to review the designs and financing model given that it involves the private sector.</td>
<td>July–October 2021</td>
</tr>
<tr>
<td>Kanyemba Road</td>
<td>Transport</td>
<td>The project intends to review designs and financing model of the construction of 150 km given that it involves the private sector.</td>
<td>July–October 2021</td>
</tr>
</tbody>
</table>

Note: PIM = public investment management; FS, feasibility study; PFS, prefeasibility study; COVID-19 = coronavirus disease 2019.

In 2021, the TA achieved the following outputs/deliverables:

- Modern public investment management framework adopted: The existing guidelines and project appraisal manuals (PAMs) were used in the 2021 budget process. Emergency PIM guideline for simplified PIM procedure and decision-making in a crisis of COVID-19 (approved by MoFED in February 2021);

- Climate change PIM guideline for mainstreaming climate change into PIM (approved by MoFED in February 2021);

- Re prioritization of current investment pipeline: Provided advice and consultations to the development of NDS1 (will be completed by May 2022); development of PIM database and management system by monitoring/reviewing the deliverables by the EU work; data management system ready, but still awaiting a response from EU team;

- Climate informed PAMs in energy, transport, water, and irrigation were developed and approved.

- Climate Change Public Expenditure and Institutional Review (CCPEIR) conducted: will be completed by June 2022.

- Support for adopting the modern PIM framework: ZIMREF supported the drafting of a policy note for the PIM-PPP harmonization and integration under the new Zimbabwe Investment Development Authority (act in June 2021, completed in July 2021).
In June 2021, a stakeholder training program was delivered. The program included capacity-building training on PIM guidelines, climate-proofing PIM, emergency spending guide, PPP-PIM harmonization, as well as fiscal risk and contingent liabilities for infrastructure sectors. The program also served as the platform to support MoFED to raise awareness and commitments by all major government stakeholders to support the climate change agenda as part of the nationally determined contribution and National Development Strategy 1. Participants included government officials and experts from line ministries and agencies, including Ministry of Transport and Infrastructure Development, Ministry of Energy and Power Development, Ministry of Health and Child Care (MoHCC), Ministry of environment, Climate, Tourism and Hospitality Industry, PPP Unit, and IDBZ. A new capacity-building training program to further support the NDS1 and climate change PIM is under preparation and will be delivered in March/April 2022.

Next steps

The TA is in dialogue with the senior management at the MoFED, Department of Infrastructure, and Fiscal Devolution on furthering the PIM reforms and the Bank’s continued support. MoFED has requested the following priorities for the next phase of the World Bank TA, assisting the continued reforms of the PIM system and operationally mainstreaming the country’s commitments in the climate change agenda. Henceforth, the priorities are consolidated into two components, with respective background and justification followed by the TA activities.

Component 1: Support Climate Change Mainstreaming in PIM and Mobilize Climate Private Financing for the NDC 2021

Component 2: Strengthen Linkage and Improve Coordination Between Public Investment Program and PPP Unit

C. State-Owned Enterprises

This TA seeks to improve governance and performance of parastatals through an assessment of corporate governance practices and strategic reviews and options for selected parastatals. This TA works with the Office of the President and Cabinet and MoFED.

With limited funding and reduced activities, the TA achieved the following in 2021:

- **Capacity-building for effective state enterprises and parastatals (SEPs) supervision**: SEPs, OPC Corporate Governance Unit, State Enterprises Restructuring Agency (SERA), and line ministries were trained. Training ranged from SEP corporate governance monitoring, including using the Public Entities Corporate Governance Act (PECG) compliance monitoring tool, strategic review of the SEP portfolio, interpretation of...
financial information, data management, and aggregate reporting.

- **Directors database for SEPs:** To support the recruitment of qualified directors to SEP boards, OPC is now maintaining a database of directors.

- **Stakeholder engagement plan:** A strategy and plan for stakeholder engagement on key SEP reforms and the PECG Act were prepared.

- **Guidance material for PECG Act implementation:** The Bank supported the preparation of the implementation regulations of the Act that clarifies the concrete duties and obligations of SEPs, a model code of conduct and ethics followed by the provision of a series of guidelines for SEPs to implement provisions of PECG Act.

## OUTPUT 3A
PUBLIC FINANCIAL MANAGEMENT ENHANCEMENT PROJECT

The recipient-executed $10 million PFM project closed in May 2021. It sought to improve control, transparency and accountability, and oversight in using public resources and contribute to enhancing fiscal discipline, strategic allocation of resources, and service delivery efficiency through strengthened systems, procedures, and targeted capacity building.

The project approach was embedded in capacity building and sustainability. For example, building the capacities and tools for internal audit at MoFED and line ministries and establishing effective audit committees would increase the effectiveness of internal audit to support improved compliance with rules and regulations. Deepening and expanding the audit skills and practices of the Office of the Auditor General (OAG) would support improved external audit oversight and reporting of the national government, public entities, and local authorities. Enhanced capacity and technical support for key parliamentary committees would strengthen the Parliament’s oversight of the budget at the central and local levels.

At closing, the project had almost fully achieved the objective to improve control in the use of public resources, as defined by the revised intermediate outcomes. In terms of the expansion of the PFMS functionality, technical and financial assistance was provided to expand existing PFMS/SAP modules to support business planning and consolidation (BPC), business intelligence (BI), and the web portal. The BPC module supports the consolidation of all budget data based on the 10-digit uniform CoA adopted in 2020. In 2021, training for the MDAs to use the module to prepare the 2022 budget was initiated but not completed because of COVID-19 restrictions. Therefore, the module has not been used to prepare the 2022 budget. The BI tool has enhanced financial reporting.

The module is operational and the MoHCC, MoFED, Ministry of Youth, and Ministry of Industry and Commerce are already using the reports on donor-funded projects. The PFMS web portal facilitates the uploading and disclosure of the MDAs’ budget plans as well as the financial statements of the local authorities and state-owned enterprises. Eight pilot MDAs were trained on use of the web portal to consolidate national accounts, and the MoFED issued an initial guiding circular to those MDAs on this process. However, the MDAs are not yet disclosing information on the web portal. The PFMS IT audit was conducted and the final report was submitted to the MoFED for review in February 2021. In addition, migration to unified 10-digit coding in the PFMS for recording and reporting all budget transactions was successfully completed.

The development of the system interfaces was largely completed. The PFMS-ZIMRA interface was developed and is now transmitting key cash management data electronically from the ZIMRA system to MoFED PFMS, albeit with a manual trigger (the interface was designed for automated data exchange, and the MoFED and ZIMRA teams are expected to activate this in 2022). The interface
between the RBZ Eagle Switch (linked to the T24 System) and the PFMS was also implemented.

The PFMS-RBZ interface was developed in May 2021 but has not yet been operationalized. The Treasury tested the interface, but it was not possible to initiate the rollout before the closure of the project. Currently, all MDAs continue to process their payments through 40+ separate interfaces with the RBZ in parallel to this new PFMS-RBZ interface, as before. The MDAs are expected to close their separate connections with the RBZ and use the new PFMS-RBZ interface for all electronic payments and reconciliations in 2022. The interface, once operational, will eliminate face-to-face interventions and approvals of RBZ payment requests. This will also reduce exposure and automate bank reconciliations, which were previously delayed by months because of manual processes. The development and implementation of the RBZ interface is one of the capstone outputs of this project that is expected to contribute to improving control in the use of public resources and facilitate the transition to treasury single account operations. The RBZ is the government’s main payment channel, and the interface has helped to improve security in online payments and reduce government losses due to fraud. The PFMS-DMFAS interface was also initiated under the project, but it was not possible to complete its development by the end of May 2021 because of delays in the contract deliverables. The MoFED eventually completed the DMFAS-PFMS interface using budget funds in September 2021, and it is expected to become operational in 2022. The IFMIS-Payroll interface was not implemented because of a shift in priorities.

Coverage of PFMS was extended to statutory funds and donor grants. The project supported the integration of 22 grants into the PFMS (out of a total of 74 grants) and 45 statutory and retention funds (out of a total of 94 funds). This compares with the target of 10 for each. The MoFED issued a directive for retention funds to be incorporated into the appropriation accounts for each MDA on the PFMS. Statutory funds operate separately on the PFMS. Thirteen of the statutory funds and 32 of the retention funds had gone live by the end of the project. The rollout of the PFMS to donor projects was initiated but has not yet been completed. The Implementation Completion Report (ICR) team was informed that the DevProMIS (an aid management platform) will be linked to the PFMS in due course. Delays in operationalizing the platform were a direct result of the effects of the COVID-19 pandemic and ensuing lockdown and restrictions.

The PFMS was successfully rolled out to districts via kiosks. In total, 63 kiosks (against a target of 30) were established. They give MDAs and district councils access to the expanded PFMS, web pPortal, and other applications. The kiosks, which are equipped with computers, printers, uninterruptible power sources (UPSs), desks, chairs, air conditioning units, and solar panel and battery installations, are connected to the government network (fiber optic) to ensure system access for daily operations. More than 50 percent of the kiosks are already in use for PFMS, that is, they are functional and operating PFMS services for districts.
In terms of enhancing transparency and accountability by strengthening external audit, the following was achieved: Checklists for private sector audit firms were developed; public sector audit firms received training; risk management processes were developed; computer-assisted audit tools (CAAT) were procured for data extraction/analysis; study tours to South Africa, Rwanda, Ghana, and Tanzania were facilitated to exchange knowledge and experiences in financial reporting, internal controls, and internal audit functions; and advanced SAP training for system audits was conducted. To date, eight IT auditors (two females and six males) and 29 financial auditors (five females and 24 males) have been trained through the facility. A job evaluation and career development plan for the OAG was established. Some of the job evaluation recommendations (for example, salary adjustments) were implemented in 2021. However, the recommendations on career path have not been fully implemented.

Again, final targets, which measured the percentage of completed annual internal audit work plans for the six largest spending ministries, were not met. In fact, in 2020, the percentage fell to 25 percent, which is significantly lower than the baseline (70 percent) and a far cry from the expected target (80 percent). However, the decline was caused by COVID-19 lockdowns and restrictions, which affected working arrangements and caused delays. Still, because the requisite systems and procedures had been put in place and corresponding capacity had been built, in 2019, the percentage of completed workplans was 79 percent, almost reaching the 80 percent target, while in 2018, the year the project was restructured and the target formulated, it was 70 percent. In the end, despite missing the final targets, the project made good progress toward its objective to improve transparency and accountability in the use of public resources.

Despite slippages in quantitative indicators, other evidence suggests that the project almost achieved its objective to improve oversight in the use of public resources. At the end of the project, it was taking Parliament 10 sitting months to analyze the government’s audited financial statements against a target of seven sitting months. Nonetheless, Parliament’s role in PFM in Zimbabwe has grown stronger, as has its relationship and collaboration with other key PFM institutions, especially the OAG. Capacitating Parliament with the expertise to effectively analyze audit reports has raised the bar in terms of scrutinizing the use of public resources. Bringing citizens into the fold by ensuring their participation and engagement in the budget process has greatly improved oversight in the use of public resources. Parliament’s oversight role was enhanced through the increased efficiency of the OAG, which submitted the previous FY’s audit reports to the Parliament within the mandated period of six months, which is half the time that it took when the baseline (12 months) was established. However, the final target was not met because of the impact of COVID-19. A key aspect of audit analysis is to identify where improvements can be made. In the context of the PFMEP, this was measured by the extent to which PAC recommendations were implemented by the MoFED. The target for each year was 90 percent, and this was met in 2017, 2018, 2019, and 2020. In 2021, the target was surpassed, as 100 percent of the recommendations were implemented. It must be highlighted here that PAC has played a critical role in demanding action from relevant authorities. Four treasury minutes were received from the MoFED by May 2021, meeting the set target.

From a cost benefit analysis, the project helped put in place improved PFM functions that could be deployed by the GoZ to contribute to enhanced fiscal discipline, the strategic allocation of resources, and service delivery efficiency. In the short term, the benefits of the project’s results are increased operational efficiency and an expected contribution to improved effectiveness in public expenditure, but these impacts are difficult to quantify.

The investment made in strengthening the PAC’s capacity and expertise to scrutinize the use of public funds has increased accountability in a way that identifies the mismanagement and misuse
of public funds and demands corrective action. If this is sustained, the savings made over time will be significant and resources will be allocated efficiently and effectively, resulting in positive development outcomes.

**Gender**

Although the project did not have a specific gender tag, it maintained a strong focus on gender issues. In its quest to build capacity, the PFMEP was very specific about addressing gender inequality, and through its approach to training and capacity building raised awareness of the gaps between females and males and sought to address them. The project improved women’s employment opportunities and roles in various audit departments. This is particularly important given that, in general, the composition of staff in key audit institutions was predominantly male, with women primarily taking on administrative roles. Through the training and capacity activities under components 1 and 2, women were encouraged to come on board and take on more senior positions. Greater efforts were also made to call for and ensure gender equality in decision-making as part of project oversight. Equal access to training opportunities and active participation of women in training programs and conferences was also prioritized.

Women’s participation in the budget preparation process was significant, as measured by a specific project indicator, and budget allocations increased to the Gender Commission. Under component 4 of the project, (*Strengthening the Demand Side of Transparency and Accountability*), Intermediate Results Indicator measured women’s participation, that is: **Citizens participating in the prebudget and postbudget consultations conducted by Parliament/committees (disaggregated by gender).** By supporting budget consultations, the project created a platform for citizens to provide input on the allocation and use of public resources. In 2018, 680 (46 percent female) citizens participated in the development of the national budget, while 1,285 (48 percent female) citizens participated in 2019. Consistent with section 141 of the Constitution, these public platforms contributed to “public access to and involvement in Parliament.” The result of this public involvement was that Parliament passed a bill that addressed contemporary issues affecting Zimbabweans, including women, and which increased budget allocations to the Gender Commission from US$1.84 million in 2018 to US$1.89 million in 2019. The bill encourages the recruitment of more female staff and promotes the involvement of women in internal audit investigative and monitoring mandates, among other activities.

**OUTPUT 3B PUBLIC PROCUREMENT AND MODERNIZATION ENHANCEMENT PROJECT**

The recipient-executed component closed in 2018. It aimed to support greater transparency, accountability, and effectiveness of public procurement. ZIMREF support continued through TA in 2021, enabling technical assistance to the Procurement Regulatory Authority of Zimbabwe for capacity-building value for money, transparency, and good governance through e-learning courses. The TA also enhanced efficiency in public spending by developing a framework agreement (approved in June 2021) for commonly used goods and developed massive open online courses—e-learning procurement was operational from August 2021.
The PBB journey in Zimbabwe was adopted in 2014 on a phased implementation basis, and in 2016, 3 pilot ministries had their estimates of expenditure tabled in the program format.

Additional funding of US$50,000 was allocated to update the following documents related to the electronic government procurement (e-GP) initiatives:

1. e-GP readiness assessment report drafted in 2015, taking into consideration the importance and risks associated with levels of technological capacity, infrastructure, organization, and expertise within the public and private sectors in the country.
2. Analysis of existing regulations related to the use of an e-GP solution and recommendations.
3. e-GP strategy and business process reengineering report that was approved by the government in 2018 together with the cost estimates and implementation of the roadmap.
4. Bidding document, including the functional and technical specifications of the e-GP solution to be implemented in Zimbabwe.

Based on the revised documents that are planned to be finalized by the end FY22, i.e., June 2022, the Bank will work with the government of Zimbabwe and other partners on the implementation of the electronic procurement system roll out.

**OUTPUT 4A
RESULTS-BASED BUDGETING**

This TA works with all government ministries, departments, and agencies to support the formulation of robust expenditure policy decisions. The TA has been implemented through three components of program-based budgeting (PBB), education, and health.

**Component 1: Program-Based Budgeting**

In 2021, a report on the review of PBB implementation was developed in collaboration with the Ministry of Finance and Economic Development. The presentation of the report to all stakeholders (government ministries, development partners, private sector) was, unfortunately, postponed due to the COVID-19 pandemic, as the majority of government workers were working from home and without reliable Internet services.

The other work stream undertaken during this period was the development of a PBB performance reporting template. The work involved piloting performance reporting using primary and secondary Education; and Public Service, Labor and Social Welfare ministries. It is envisaged that performance reporting will foster a performance management culture within the public service through periodic performance reporting, including on budgetary units’ websites and in Parliament. The tasks also involved updating the policy and technical guidelines on the results-based budgeting / PBB manual in collaboration with the Ministry of Finance and Economic Development and the Office of the President and Cabinet.

**Cumulative impact**

The PBB journey in Zimbabwe has been gaining traction since its inception. It was adopted in 2014 on a phased implementation basis, and in 2016 three pilot ministries had their estimates of expenditure tabled in the program format. By 2020, all 35 ministries and agencies presented their estimates of expenditure in program format (figure 4.1). The year 2021 is,
therefore, the second year in which all spending estimates were submitted to Parliament in PBB format. This achievement was due, in part, to continuous training that was offered through this TA over the years. As a result, spending priorities and program outputs and outcomes align with the government’s priorities outlined in the NDS1, Zimbabwe’s medium-term national development plan.

Figure 4.1. PBB Implementation Timeline

<table>
<thead>
<tr>
<th>Year</th>
<th>Activities</th>
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<tbody>
<tr>
<td>2014</td>
<td>1) Reviewing performance indicators and targets for all the 35 votes (ministries and independent commissions); 2) Providing support for the alignment of NDS to the national budget through PBB focusing on two tracks: a) Matching budget programs to the NDS priorities and matched budget programs to sectors and subsectors and b) Matching budget programs to NDS priorities (themes); 3) Preparing a report on Performance Reporting to Parliament and Citizens: Lessons for Zimbabwe to provide guidelines on how other countries report on performance to Parliament. Further, a blog was published documenting the PBB implementation journey.</td>
</tr>
<tr>
<td>2020</td>
<td>Challenging in TA implementation</td>
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In 2020, various tasks were completed that involved component four activities: 1) reviewing performance indicators and targets for all the 35 votes (ministries and independent commissions); 2) Providing support for the alignment of NDS to the national budget through PBB focusing on two tracks: a) Matching budget programs to the NDS priorities and matched budget programs to sectors and subsectors and b) Matching budget programs to NDS priorities (themes); 3) Preparing a report on Performance Reporting to Parliament and Citizens: Lessons for Zimbabwe to provide guidelines on how other countries report on performance to Parliament. Further, a blog was published documenting the PBB implementation journey.

Challenges in TA implementation

While there was notable progress in implementing the TA, the COVID-19 pandemic affected scheduled training sessions and workshops. The targeted groups to be trained are stationed in various parts of Zimbabwe, including areas where there is difficulty getting Internet connectivity. Hence, online training was challenging. The other challenge was due to job attrition across various ministries; a substantial number of PBB-trained staff either resigned, were assigned to other duties, or got promoted. This necessitated continuous training of additional new staff members on PBB. The training component was negatively affected in 2021, with training completed in March 2022.

Note: PBB = Program-based budgeting; MDA = Ministries, Departments and Agencies; RBB = Results-based budgeting; MoFED = Ministry of Finance and Economic Development.
Way forward

Overall, the ZIMREF funding to PBB is ending in June 2022. Notable progress achieved to date needs to be sustained and deepened by addressing institutional, human resource, and technical constraints to PBB implementation. It also entails ensuring implementation reports are produced and made publicly available. Key areas that need future consideration include strengthening the dedicated reform unit in MoFED, allowing it to focus on deepening and fortifying the implementation of PBB. This unit should continue to work closely with the Public Sector Reforms and Modernization Department of the OPC, focusing on the alignment of PBB performance specifications to national priorities in the NDS1. Further consideration should involve enhancing parliamentary oversight by developing appropriate parliamentary capacity for budget analysis and oversight; developing capacity in the audit office to audit the integrity of performance information as well as service delivery performance; refining and enhancing the program costing methodology to strengthen the credibility of program budgets; strengthening information management by building a sectoral monitoring and evaluation capacity and gradually linking all MDAs under a single information system; and making regular reporting mandatory to ensure that decision-makers and policymakers have timely information on financial and program performance.

Component 2: Health Sector Technical Assistance

ZIMREF-funded activities (knowledge products) were completed in 2019. This component sought to improve evidence-based planning and integration of empirical measurement for the health sector. The technical outputs from this TA were i) National Health Financing Strategy and National Health Financing Policy; ii) support to conduct the National Health Accounts for 2015–16; iii) feasibility analysis of conducting community-based health insurance; iv) fiscal space analysis; and v) development of health and gender policy brief. The outputs have been used by the government and partners to implement strategic interventions to improve the effectiveness and efficiencies in the health sector response.

Furthermore, the evidence base has also provided inputs in recent national strategic planning processes, for example, inclusion of recommendations from the health and gender policy brief and the progress in implementation of health financing reforms in the development of the health sector investment case. Also, notable is the institutionalization of the expenditure tracking mechanisms, for example, incorporating the health module into the poverty, income, consumption, and expenditure surveys. Overall, efforts to strengthen evidence-based decision-making in the sector also build on the knowledge products produced under ZIMREF support. There are opportunities to build on the lessons and technical aspects of this previous work in the continued support to the health financing work stream, including resource mapping and expenditure tracking exercises in the country.

Component 3: Education Sector Technical Assistance

Most activities have been completed. The Teaching Profession Council Bill was handed over for enactment, but due to the COVID-19 pandemic, the process has been delayed. The education component aims to support the government’s efforts to improve education outcomes and spending efficiency. The intended outcomes are to increase knowledge, strengthen capacity, and update practices in specific policy areas aimed to address gaps in education outcomes.

Progress made during the reporting period

The key outstanding deliverable under the reporting period was an implementation framework for the Information and Communication Technology (ICT) in Education Policy. In discussion with the Ministry of Primary and Secondary Education (MoPSE), the deliverable was changed to “A guide to support
completion of the Zimbabwe ICT in Education Policy Implementation Plan. This change was because the Ministry is currently reviewing the ICT in Education Policy to align it to new developments such as the NDS1, the new education sector strategy, and the higher education’s education 5.0 strategy. As such, an implementation plan of the policy that is under review would not have been of any value.

It is against this background that it was agreed to have a guide on developing an implementation framework, a guide whose purpose would be to provide guidance to the MoPSE as they roll out a multiple-year operational plan to implement the national Information and Communication Technology Policy for Primary and Secondary Education in Zimbabwe. The document provides an initial outline of the steps, activities, and tasks that will be required to implement the MoPSE National ICT Policy and an accompanying draft budget template for calculating school-based costs of implementation. Overall, the guide gives an overview of the data and information to be gathered, consultations with stakeholders to be held, budgetary considerations to be made, equity and equality issues to be taken note of, and important choices and decisions to be made before the ICT in Education Policy is implemented. The guide has since been finalised and handed over to the MoPSE, and the Education TA has been completed and an activity completion summary prepared for internal World Bank processes.

**OUTPUT 4B
POVERTY MONITORING & EVALUATION TECHNICAL ASSISTANCE**

The primary objective of this analytical and advisory work is to promote the use of data and generate evidence for policymaking and monitoring of the development process in Zimbabwe working mostly with the Zimbabwe Statistical Agency.

The Poverty, Monitoring and Evaluation TA is a (hybrid) program that aims to strengthen the collection and use of high-quality data on poverty and other social outcomes to design better policies and programs in Zimbabwe. All five outputs were completed, leading to the intermediate outcome of improved poverty monitoring and evaluation.

Currently the TA is working on the following:

- Rapid PICES Monitoring Telephone Survey
- Call for poverty research proposals to promote use of new PICES data; seven research papers were completed under the first call, and four more papers are under development under the second call. The next step is to engage government on findings.
- Strengthening capacity for monitoring and evaluation of NDS; jointly with United Nations (UN) and African Development Bank (AfDB), technical and financial assistance was provided to strengthen the NDS M&E framework.
• Support to develop new National Strategy for the Development of Statistics; this will spell out the steps for the modernization of the statistical system. Technical and financial assistance is being provided to ZIMSTAT to validate the draft findings of the National Strategy for Development of Statistics (NSDS) II assessment and NSDS III strategic framework.

• Support to the mapping component of the Population and Housing Census 2021; high-resolution satellite imagery is provided for areas where population size has changed rapidly. A results dashboard with key indicators and their disaggregation from Rapid PICES has also been prepared and is available from the ZIMSTAT website. Two rounds of COVID-19 follow-up Enterprise Survey were completed among registered and unregistered businesses in Zimbabwe to measure the impact of COVID-19 on businesses and their response.

Progress made and results achieved during the reporting period are as follows:

• The Mini PICES microdata have been released through the ZIMSTAT website after data anonymization was completed.

• High-frequency household phone survey conducted by ZIMSTAT with technical and financial support from the World Bank and UNICEF.

• Seven rounds of Rapid PICES data collection have been completed since July 2020. The eighth round is under preparation.

• Summary briefs based on rounds 1–4 data have been prepared and disseminated. Briefs based on round 5 and 6 are under development.

• The Rapid PICES microdata will be released through the ZIMSTAT website after data anonymization is completed (ongoing).

• A subsample of 1,800 households from Mini PICES 2019.

• The briefs produced jointly by ZIMSTAT, World Bank, and UNICEF. ZIMSTAT assumed the lead in the production of the briefs starting with round 4.

• The key performance indicators (KPIs) for NDS1 M&E framework were revised. The draft awaits final review by the principal secretaries and approval by the cabinet.

• Two phases of training on Stata, an advanced data analysis program, were completed by ZIMSTAT staff.

Lessons from the findings that would provide parameters of a shock-responsive SP system include the following:

• Early warning system and emergency response: This is important to determine the level of need, targeting criteria, coverage, and expansion methods.

• Targeting: Targeting mechanisms and forming a single registry for beneficiaries, for example, would be important.

• Delivery systems: Strengthening of delivery systems such as payment systems or grievance redress mechanism.

• Monitoring and Evaluation: Common M&E mechanisms and indicators to be tracked across programs and agencies.

• Harmonization: Greater harmonization between government and humanitarian partners toward a more coherent shock-responsive system.

The restrictions to travel and gatherings because the COVID-19 pandemic compelled a rethinking of the approach to capacity building of National Statistics Offices (NSOs). Responding to the altered circumstances, the Zimbabwe poverty team
adopted a distance learning approach to building the capacity of ZIMSTAT. Training sessions on Stata were conducted on Thursday and Friday of every week, with the instruction accompanied by individual assignments, group work, and take-home exercises. About 20 ZIMSTAT staff from across the organization completed the first phase of the training. Building on the success, the second phase has been kicked off, with the World Bank and ZIMSTAT conducting joint analysis of core poverty indicators for the upcoming Zimbabwe Poverty Assessment.

The Brown Bag Lunch (BBL) was attended by counterparts from ZIMSTAT, counterparts from other statistics agencies, and Bank colleagues from the Country Management Unit (CMU) and Global Practice (GP). There was a robust discussion on the opportunities for and challenges to the distance-learning approach for capacity building.

**Outcome**

The outputs from the TA have strengthened Zimbabwe’s welfare monitoring system and enhanced its statistical capacity. Regular data on vital socioeconomic indicators, such as employment, food insecurity, poverty, school enrollment, and so on, have helped keep a pulse on the situation of households since the onset of the pandemic. In the process, the capacity of ZIMSTAT to design and implement rapid monitoring surveys and perform data analysis has been enhanced through training of ZIMSTAT staff in advanced statistical software and ZIMSTAT leading the development of summary briefs. The TA has also augmented the stock of knowledge on the causes and consequences of poverty in Zimbabwe through the development of poverty-related policy papers by national academics and policymakers.

**Next steps**

The following activities are planned for the rest of the FY (until June 2022):

- Four poverty-related policy papers under development
- Rounds 8 and 9 of high-frequency household survey (Rapid PICES)
- BBLs to disseminate the main findings of Rapid-PICES
- Third round of COVID-19 follow-up Enterprise Survey
- Dissemination event to share the main findings on firm outcomes and response
- Provide ongoing capacity-building and implementation support for NDS1 M&E
Strengthening policies, institutions, and investments for rebuilding better

Against a backdrop of weakened institutional capacity, especially in core government functions to deliver services to citizens, the Poverty Monitoring and Evaluation TA has been providing technical assistance to the Zimbabwe Statistical Agency (ZIMSTAT) on strengthening data systems to monitor progress and boost public accountability. With the TA there has been a deliberate effort to generate, analyze, and disseminate data that can be consistently used for decision-making by policy makers and planners and monitor progress toward national goals on targets such as poverty reduction.

The TA kicked off with a medium-term household survey strategy to help with sequencing household surveys to prevent overlap, spread ZIMSTAT workload and ensure data gaps are filled as they were limited by access to micro-data.

By strengthening the data supply side of evidence-based poverty policy making in the TA was able in 2020 to introduce a high-frequency telephone survey of households to measure the socio-economic impact of COVID-19 in Zimbabwe. The survey was in response to the urgent need for timely information to help monitor and mitigate the socio-economic impact of the pandemic. This information was essential to inform the policy formulation, implementation, and evaluation process.

Seven rounds of data have been collected so far, with two more rounds remaining. Going beyond its traditionally defined role as the producer of data, ZIMSTAT also took the lead in producing summary reports and developing a data dissemination dashboard that are updated after every survey round. This makes the data accessible to potential users, thus enhancing its value. ZIMSTAT also partners with ministries and agencies to selectively include modules the agencies need for policy decisions, which enhances the relevance of the data.

“The Technical Assistance provided by the World Bank through ZIMREF-funded activities has strengthened our household welfare monitoring system through Rapid PICES Telephone Monitoring Surveys. We have been able to produce high frequency, quality and timely data on poverty, food security, unemployment, and other indicators particularly during COVID-19 pandemic. We are now thinking of how to institutionalize the gains made from the Technical Assistance rendered in the past several years. Going beyond data production, World Bank has also helped build our capacity on data analysis and dissemination,” said the Director General of ZIMSTAT Mr Taguma Mahonde.

Apart from the surveys, the TA augmented the stock of knowledge and promoted evidence-based policymaking by supporting the production of policy-relevant research papers by research teams comprised of academics and policy makers. The team partnered with ZEPARU, a leading local think tank, on this activity. Seven papers on a variety of topics were produced under the first round, and four papers are almost completed under the second round of policy papers.
The Zimbabwe National Water Project (ZNWP) is closed. Since closure, the sector is benefiting from a TA that arose from a government request based on previous work done on dam safety in 2013 and dialogue during the preparation of the draft master plans under the National Water Program.

**Multipurpose Water Storage System Assessment for Sustainable Productive Water Use**

Zimbabwe has historically relied on water storage dams to ensure water, food, and energy security. The country has the second highest storage capacity in southern Africa, with about 4,485 public dams. These dams were constructed in the last century (from the 1920s) and represent a significant (and aging) national asset base and “infrastructure stock.”

Within this context, the TA has supported the government on the development of a multicriteria decision model (MCDM) Excel-based tool to support them on identifying and triaging dams for rehabilitation. The MCDM tool helps to prioritize the dams based on transparent, open, and explicit criteria where stakeholder values are elicited and explicitly incorporated into the decision process through a strong stakeholder engagement process. These include technical criteria that focus on dam hazard risks, technical conditions, and potential for development; criteria on potential productive uses, including in agricultural systems (crop, livestock, fisheries); institutional criteria that focus on dam management factors; and social and environmental criteria that focus also on climate vulnerabilities of dams. The Advice and Analytics (ASA) has provided technical support on development and utilization of the tool, which is triaging will triage rehabilitations to enhance the climate and disaster resilience and food security of communities across the country.

Data collection efforts for the 30 sample dams have been completed, along with the testing and fine-tuning of the tool. During this process, there has been a strong emphasis on streamlining data collection efforts that required consultation workshops on data sources, identification of data collectors/validators for all catchments and provincial irrigation departments, training on the use of a digitalize platform to collect georeferenced data, identification of alternative sources through partnerships with ZINVAC, Bindura University, and UNESCO / Princeton Flood and Drought Monitors. These efforts have been instrumental to experience firsthand not only the data challenges that ZINWA currently faces, which is critical for sound water resources management, but also have revealed a window of opportunity to further support the client in building up its infrastructure database, so data can be used for both the triaging of dams and for other water resources management purposes.

Dam management prioritization was based on a needs assessment submitted on an annual basis. These will be specific requirements based on individual dams following inspections or based on reports submitted by the water bailiffs. However, because of limited funding from central government or from ZINWA’s cost recovery from water sales or provision of services, the central office will disburse lump sum allocations for dam safety and maintenance to the catchments for the large and small dams’ portfolios, respectively. It will be up to the catchment management office to then allocate the available resources in the best way possible for both categories. Additional budget was allocated in the event of an emergency.

This tool helps bring all dams into perspective in the prioritization process by looking at all of them through the same lens. The tool also assists authorities to get a comprehensive view as they collect the same data for the entire portfolio of infrastructure assets that they have, rather than relying on different reports submitted by the bailiffs solely.

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5 This has been identified as one of the most critical challenges for ZINWA in the 2013 Dam Safety Review conducted by the World Bank in collaboration with Arup.
Zimbabwe is a climate change hotspot requiring urgent and sustained efforts to mitigate the negative impacts, especially on the poor. Zimbabwe is one of the climate change hotspots in southern Africa, where risks of large adverse effects of climate change coincide with large numbers of poor people who are least able to cope.

Over the recent period, Zimbabwe has faced an increased frequency of extreme-weather events such as droughts, devastating storms, and cyclones leading to large multidimensional losses. At the same time, poverty levels continue to rise with the number of extreme poor people having more than doubled between 2011 and 2020. Climate shocks exacerbate poverty and vulnerability and, indeed, Zimbabwe is one of the six countries where the poor are overexposed to climate shocks. This exposure to climate change risks has been compounded by other economic shocks, such as COVID-19 and the ongoing Ukraine crisis.

This exposure to climate change and economic shocks is well-reflected in Zimbabwe’s overarching planning frameworks, namely Vision 2030, the NDS 2021–25, the Low Emissions Development Strategy, and related sectoral policies. Zimbabwe is an active party to the United Nations Framework Convention on Climate Change (UNFCCC) and its related protocols.

Zimbabwe’s planning and development management apparatus has come to articulate a shared purpose for accelerating climate action and nature-based approaches as both imperative for resilience and long-term sustainable growth and development. Working with other partners, the World Bank, through ZIMREF, is well-placed to continue supporting Zimbabwe in accelerating climate action to mitigate climate shocks, alleviate poverty, and promote resilient economic growth and development.

The high exposure and vulnerability to climate shocks provides the rationale for previous, ongoing, and future support for climate action by ZIMREF.

Key outcomes

Support from ZIMREF has been key in helping Zimbabwe to 1) develop and strengthen national capacities to directly access and mobilize international and local climate finance for climate action; 2) engage in a dynamic and robust process of revising the NDC to enhance realism of the underlying growth/structural assumptions, balance mitigation and adaptation, expand the sectoral scope, ensure high quality, ambition, and ownership; 3) actively participate in the UN Climate Summit in Glasgow, Scotland; and 4) catalyze action and resources to support Zimbabwe in addressing climate risks.

Accreditation of Infrastructure Development Bank of Zimbabwe to directly access resources from the Green Climate Fund. In June 2021, the Infrastructure Development Bank of Zimbabwe (IDBZ) received its accreditation to the Green Climate Fund (GCF) for small-sized projects (up to US$70 million each). This milestone was the culmination of direct ZIMREF Climate Change technical assistance to support the accreditation process.

IDBZ’s accreditation for direct access to the GCF is veritable evidence of the contribution to strengthened national capacity to access international climate finance. The accreditation of IDBZ to the GCF followed the Environmental Management Agency’s accreditation to the Adaptation Fund in 2019. Previously, Zimbabwe could only access international climate finance through international accredited entities. Given Zimbabwe’s limited access to bilateral and multilateral finance, this is a major result that allows Zimbabwe to access critical resources that are required to implement the climate actions specified in the country’s NDC.

The year under review also registered significant progress toward the operationalization of the Climate Finance Facility (CFF), which is also hosted...
at IDBZ. The facility seeks to mobilize local (including from private sector) resources to support climate action. Following the development of the business case, the year under review saw the development of implementation arrangements for the CFF, notably the operations manual and attendant annexures. Work is ongoing to complete the prospectus, launch, and convene a donor roundtable to pave the way to the operationalization of the CFF as a dynamic part of the emergent climate finance ecosystem in Zimbabwe.

Revising Zimbabwe’s nationally determined contributions. Another key outcome was the production of a revised NDC report with enhanced ambition, expanded sectoral scope, and extended coverage beyond climate change mitigation to include adaptation to economy-wide climate change risks and vulnerabilities. ZIMREF supported the 2021 revision of the NDC, presented at the UN Climate Change Conference in 2021. Key changes include 1) a target of a 40 percent per capita emissions reduction across all sectors (previous target was 33 percent) of the economy below the projected business as usual scenario by 2030; 2) the emissions baseline and expanded list of mitigation measures now cover all Inter-Governmental Panel on Climate Change (IPCC) sectors; 3) and the NDC prioritizes adaptation measures in agriculture, water resources, early warning systems, and disaster risk management (DRM) infrastructure development.

Zimbabwe’s NDC prioritizes actions in forestry (increase area of forest land, increase area of forest plantation, and reducing area of forest burned) for enhanced climate mitigation and adaptation. The high quality of the revised NDC is supported by the key outcome of COP26 of the United Nations Framework Convention on Climate Change held in Glasgow, United Kingdom, in 2021, which is the renewed focus on nature-based solutions and forestry as key and cost-effective approaches to address climate change mitigation and adaptation. Hence, supporting Zimbabwe in promoting sustainable forest management schemes would contribute to effective climate action at local, national, and global levels with significant cobenefits in terms of jobs, gender, and key environmental services.

Compliance with the revised NDC is fully conditional on affordable international financial support, investment, technology development and transfer, and capacity development. The Revised NDC Report was not only of high quality but was produced under a strong participatory and Government-led process. The revised NDC report was adopted by the cabinet and informed Zimbabwe’s participation to the UN Climate Summit in Glasgow, Scotland. ZIMREF also supported key delegates from Zimbabwe to actively participate at COP26, including staging key side events. The president led Zimbabwe’s robust participation at the COP26 Climate Summit in October–November 2021.

Catalyzing resources, processes, and action. ZIMREF support has continued to build the evidence base, track record, and a platform for catalyzing additional resources for scaling up support for climate action and nature-based approaches in Zimbabwe. Accordingly, the year under review saw the launch of a spatial landscape mapping and ecosystem services evaluation study to provide the evidence base for developing an integrated landscape management activities in prioritized biodiversity and production landscapes in northeastern Zimbabwe. The ProGreen study is funded by the ProGreen Multi-Donor Trust Fund that is managed by the World Bank. The ProGreen study is on course for completion by June 2022, paving way for the development of an investment project for scaled-up integrated landscape management in the Mazoe Catchment for enhanced environmental and development benefits.
The same catalytic (and cofinancing) function was also at play during the revision of the NDC report, which was funded in significant measure by the NDC Support Facility alongside other partners.

Recently (March 2022), the IMF team met with ZIMREF Climate Change team and were impressed with the substantial work on technical analysis and mainstreaming climate change in priority sectors and development policy frameworks. IMF is exploring ways to accelerate climate action in developing countries, and the substantial work done under ZIMREF is already providing a platform for meaningful discussions. Finally, based on the key works and record established under ZIMREF, government has indicated a willingness to work with the World Bank to develop a Climate Change Development Report (CCDR) for Zimbabwe. The CCDR is an in-depth analytical instrument for mainstreaming climate change in priority sectors and their interrelationships for economic growth and resilience. The CCDR is a key diagnostic tool for informing World Bank engagement under the World Bank Climate Change Action Plan. The preparation of such a CCDR for Zimbabwe would not have been in play without the catalytic platform already established under ZIMREF.

Next Steps

The ZIMREF Climate Change support is focused on consolidating the strong technical and institutional platform established in part with the continued support of ZIMREF to strengthen the implementation of scaled-up climate-resilient and nature-smart development strategies in Zimbabwe. The following activities and engagements are lined up for the outlook period, namely:

- Developing a prospectus, formal launch, and convening a donor roundtable for the Climate Finance Facility;
- Undertaking and finalization of spatial land-use planning and ecosystem services evaluation in the Mazoe Catchment in northeastern Zimbabwe. Finalization of this diagnostic work will dovetail with development and resource mobilization for an integrated natural resources management project in the same landscape;
- Supporting the development of a revised NDC implementation framework ahead of the planned COP27 UN Climate Summit scheduled for October–November 2022 in Egypt;
- Development of sustainable financing options paper for the forestry sector;
- Supporting enhanced community-based natural resources management in Zimbabwe; and
- Supporting the development of a Climate Change Development Report for Zimbabwe

Other ZIMREF-Supported Activities

Zimbabwe Recovery and Resilience Project

Pursuant to the government’s request to extend the closing date of the project, given implementation delays and the time required to deliver on key activities, the proposed year-long extension was approved by the Policy Oversight Committee and aligned with the umbrella ZIMREF time extension. The Bank established June 30, 2022, as the latter closing date from the prior established closing date of June 30, 2021. The project is more than one and a half years into implementation and is making steady progress toward achieving its development objective, despite the challenges of COVID-19. The project to date has met several of its key results targets at this stage that include the following:

- Strengthening hydro-meteorological and early warning services in Zimbabwe. The project delivered on its assignment objectives to assess the institutional requirements and early actions to be taken to improve the provision of hydro-meteorological and early warning services in Zimbabwe. The project finalized and produced two reports on assessment of the current service delivery and user needs and institutional mandates and capacities, which were
Consultations were held with stakeholders on developing a methodology for a prototype early warning system to seek feedback on the current status of existing early warning systems. The team of consultants prepared and presented short- and medium-term actions to be taken to strengthen meteorological, hydrological, and electro-optical infrared weather system (EWS) services to facilitate effective decision-making and early action by government, responders, and communities. To build upon this work further, the WB is now providing technical and financial support to the Meteorological Service Department (MSD) in the implementation of a few immediate activities to improve service delivery capabilities of the department. This will include provision of equipment for computerization and modernization of the meteorological training school, wide area network (WAN) installation that enables connectivity of all the 47 meteorological stations across the country so as to allow real-time data transmission. In addition, through the Bank-executed component, the WB recruited a consultant to advise and support MSD on maximizing the use of their recently purchased radar network and providing relevant training to forecasters and engineers.

**Updating landslide and flood risk mapping.** The University of Zimbabwe was engaged by the government to carry out landslide and flood risk mapping studies. The consultant submitted the final report that provided the outputs of flood hazard and landslide risk assessment, which included flood risk and landslide susceptibility maps to be used for physical and land use planning. The maps will assist in identifying areas that are at high risk of flooding and are susceptible to landslides. In cases where areas characterised by high flood or landslide risk are already settled, the maps will be used to guide resettlement. In addition, flood risk mapping and landslide susceptibility mapping the different infrastructure at risk in these areas will be mapped. These outputs are key to guide decisions in future infrastructure investment.

**Drought risk mapping and Composite Drought Index validation.** The consultant completed the validation process of the Composite Drought Indicator (CDI) tool, developed by the U.S. National Drought Mitigation Center (NDMC), concluding that the CDI accurately depicts geographic extent, severity, and duration of drought in the Zimbabwean context. The consultant submitted the final report on conducting a comprehensive and systematic scientific analysis of the drought risk inclusive of existing mitigation measures/capacities to reduce the physical, social, economic, and environmental impacts of droughts in Zimbabwe using a CDI and a principal component analysis (PCA). In addition, the second part of this study related to drought vulnerability assessment to model the spatial variation of drought vulnerability at the district level. Building on that work, the World Bank is supporting GoZ on the development of the institutionalization plan for the CDI tool that has been developed to be adopted and fully operationalized by government agencies, ministry/department, or state research institutions. The CDI tool can further be used in bridging the gap between drought monitoring/early warning, prediction, and preparedness through
proactive drought risk management planning both at national and district levels. To facilitate this process, the Bank arranged knowledge exchange with Eswatini to share their experiences and advancements in the institutional and governance aspects of the CDI. Ideally, the CDI monitor can be linked to some ongoing agriculture programs such as Pfumvudza on conversion agriculture to see how it can also complement some of the tools used.

The Ministry of Local Government and Public Works received ICT equipment procured under the project to capacitate the Departments of Civil Protection (DCP) at the national and subnational levels.

**National integrated emergency management plan.** The project has advanced on development of a national emergency management plan and guidance note for the formulation of provincial emergency management plans. An internal working drafting national plan has been developed and is currently under review by the government before it is finalized and disseminated for consultations. This plan will establish a consistent, all-hazard framework and structure for emergency preparedness and response (EP&R) in the country that can guide the production of plans at provincial and district levels and the production of supporting sectoral contingency plans and standard operating procedures (SOPs) by relevant agencies.

Through the DCP recipient-executed resources, external consultants (reporting to the DCP) will be appointed to assist provincial and district governments in developing their plans using the guidance note and template developed during phase 1. This support will be provided in two pilot provinces, one primarily representing urban risks and challenges, and one that is representative of challenges and risks found in rural provinces.

**Social protection management information system.** A firm has been contracted to develop the management information system (MIS) following the detailed needs assessment report. In conjunction, technical specifications for the data center are being finalized for procurement as well as the considerations for the upgrading of the current server room as per the agreed technical architecture.

The project also procured ICT equipment that is earmarked for use within the project in the nine Cyclone Idai-affected districts. The equipment has been received by the Ministry of Public Service, Labour and Social Welfare (MoPSLSW). The project team engaged consultants to support the MoPSLSW to develop a harmonized operations manual for MoPSLSW social protection programs.

**Training on post-disaster needs assessment.** Post-disaster needs assessment (PDNA) training of trainers was carried out at national and subnational levels. The consultant submitted the final report and prepared standard operating procedures and training of trainers manual.

**DRM communications strategy.** The project contracted two consultants (communications and DRM expert) to support the developing and operationalizing of priority communication channels and tools for enhanced disaster preparedness and response for Zimbabwe. This should see the development of an effective and efficient multihazard low-cost, easy-to-comprehend, user-friendly, and sustainable communication strategy.

**Zimbabwe Resilience and Recovery Framework.** The Zimbabwe Resilience and Recovery Framework (ZRRF) has been developed, and the ongoing work on the DRM national emergency management plan will complement ZRRF institutional framework recommendations.

**Development of DRM MIS and data tracking tool.** The project has recruited an IT/data analyst consultant to support initial inputs into a database tracking tool and provide ICT technical supports to the Department of Civil Protection. The consultant shall help the DCP staff to ensure that data collection systems and analysis are responsive to the needs of DCP and partners, including other government ministries and departments.
Next steps

**Geographic information systems, remote sensing, and KoBoToolbox training.** To strengthen its capacity and systems for coordination and disaster risk management and mitigation, the project will provide geographic information systems (GIS), remote sensing (RS), and KoBoToolbox training for DCP national staff and key national level stakeholders from the National Civil Protection Committee (NCPC).

**Operationalization of the national emergency management plan.** DCP should quickly conclude the review of the internal first draft national plan and then expeditiously complete the first draft guidance note for provincial and district Plans. Government should also expedite plans being considered to bring consultants to populate the plans in pilot areas. The consultants will work on the provincial and district plans following the template provided for them. The next stage will be convening a stakeholder workshop to present the draft national plan and finalize the draft for internal approvals/ adoption.

Development of the integrated social protection MIS. Synergy submitted a revised accelerated workplan to ensure the project is delivered on time and is expected to submit a request for a no-cost contract extension by February 28, 2022. Nondisclosure agreements between the Ministry, Ecocash, and NetOne have been drafted to pave way for work toward integration of these two platforms with the SP MIS. A working group of ministry program officers who will review the prototype/mockup designs of the SP MIS has been constituted to accelerate the system design phase.

**Piloting Social Protection and WASH Interventions to Keep Adolescent Girls in School in Zimbabwe**

ZIMREF is implementing a social protection and WASH pilot to support adolescent girls in Zimbabwe and help keep them in school after COVID-19-related school closures. The pilot will complement the government’s BEAM program and test the results achieved by providing a comprehensive package of cash transfers, livelihoods support, menstrual hygiene management, WASH and hygiene support, and school-level sensitization. This will be a recipient-executed activity to the government, with third-party implementation by CARE International Zimbabwe.

**Overview: Social Protection and WASH**

1. This is a one-year pilot project. The pilot will build on the government of Zimbabwe’s BEAM program by introducing layered complementary social protection and water interventions to support adolescent girl beneficiaries.

2. BEAM is a government program that provides education subsidies to vulnerable and orphaned children nationwide.

3. The pilot aims to demonstrate the results that can be achieved in terms of keeping adolescent girls in school by layering complementary social protection and WASH activities over BEAM.

4. The project will be piloted in Buhera district through CARE International selected through a competitive selection process.
**Project components**

1. **Household-level interventions. This will include:**

   - A multipurpose monthly cash transfer ($35) per household to help meet basic food and nonfood needs of beneficiary adolescent girls.

   - An income-generating activity (IGA) grant ($250) to fund beneficiary household’s business plans. These will be complemented with targeted capacity building and training focused on business skills, financial literacy, and so on.

   - Adolescent girls will also receive 12 menstrual hygiene kits to last them one year, which will include sanitary pads, soap, and underwear.

   - Households will receive support to improve water-related hygiene behavior that will help promote hygiene and will also provide chlorine tablets for water treatment.

2. **School-level interventions**

   This component will work closely with public secondary schools where children receiving BEAM support attend through promotion of positive gender norms, sexual and reproductive health messaging, good hygiene and menstrual hygiene management, including raising awareness among adolescent girls and their guardians.

3. **Process evaluation, knowledge dissemination, and policy dialogue**

   - A process evaluation will be carried out to assess the effectiveness of the pilot.

   - There will be a dissemination of the learnings from the pilot and policy dialogue toward adoption of lessons learned in future policies and programs.

The project became effective in December 2021.
CROSS-CUTTING THEMES
Communication

Communication objectives (communication and visibility plan):

1. To inform, raise awareness, and stimulate demand-side accountability of supported reforms and institutional developments by keeping the public, civil society, the private sector, and parliament fully abreast of supported activities and benefits expected.

2. To ensure public access to ZIMREF information, project materials, and other relevant documents in line with the World Bank’s Access to Information policy. http://www.worldbank.org/en/access-to-information; and

3. To raise the visibility and profile of contributing development partners and their efforts in assisting Zimbabwe.

As virtual meetings have become the norm, a series of webinars has been scheduled to launch publications, stimulate debate on findings, and proffer recommendations on certain issues. The webinars included representatives from the government, development partners, civil society, academia, and the media.

Table 5.1. Ensuring Public Access to Documents and Relevant Information

<table>
<thead>
<tr>
<th>Tools</th>
<th>Frequency</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual report</td>
<td>Annually</td>
<td>1</td>
</tr>
<tr>
<td>Press releases/advisories</td>
<td>As and when the need arises</td>
<td>2 - PICES Findings/ZIMREF Annual Report</td>
</tr>
<tr>
<td>Exhibitions</td>
<td>1</td>
<td>Zimbabwe International Trade Fair, Bulawayo</td>
</tr>
<tr>
<td>Webinars</td>
<td>2</td>
<td>Dissemination of PICES telephone survey findings Multistakeholder consultations</td>
</tr>
<tr>
<td>IEC materials (fliers, folders, banner, website update, feature stories, blogs)</td>
<td>As and when the need arises</td>
<td>Program-Based Budgeting Blog ZIMREF Newsletter: Investing in Climate Smart Agriculture to Boost Productivity and Resilience</td>
</tr>
</tbody>
</table>

Note: ZITF = Zimbabwe International Trade Fair; UN = United Nations; IEC = information, education, and communication.

Plans for 2022

Greater and broader dissemination of results as we work to prepare a list of good practices, outcomes, projects, activities, and documents that can be more widely disseminated.
Pledges, contributions, and investment income

Since establishing the Trust Fund in 2014, the total cash contributions from development partners amounted to US$52 million, with an investment income of US$1.16 million.

Under ZIMREF 1, a total of US$38.1 million (with an investment income of US$ 947) was received from seven donors - Denmark (US$0.9 million), EU (US$11.3 million), Norway (US$4.1 million), Sweden (US$5 million), Switzerland (US$3.5 million), the State and Peacebuilding Fund (US$5 million) and the UK (US$8.2 million).

By the end of 2021, total disbursements under ZIMREF 1 were US$38.9 million for all Recipient Executed and Bank Executed projects.

By December 31, 2021, US$13.5 million had been received from four donors (with an investment income of USD 213,000). These contributions included UK-FCDO ($8.65 million), Norway (US$113,000), Canada (US$1.2 million), and the State and Peacebuilding Fund (US$4 million). Progress against disbursement projections improved in 2021 compared to 2020, with cumulative disbursements totalling USD 9.1 million. The disbursement increase was due to the easing of covid restrictions that had almost stalled programming activities.
ZIMBABWE RECONSTRUCTION FUND (ZIMREF) 2021

APPENDIX B:
ZIMREF-FUND-LEVEL LOGICAL FRAMEWORK

<table>
<thead>
<tr>
<th>Intervention logic</th>
<th>Indicators</th>
<th>Baselines (including reference year)</th>
<th>Targets (including reference year)</th>
<th>Sources and means of verification</th>
<th>Assumptions</th>
<th>Achievement against planned target</th>
<th>2020 update</th>
<th>2021 update</th>
</tr>
</thead>
<tbody>
<tr>
<td>IO-1: IMPROVED BUSINESS CLIMATE, ESPECIALLY FOR SMES AND SMALLHOLDERS</td>
<td>HLO-2: Overall distance to the frontier on the Doing Business index (extent of a country’s achievement of best country performance)</td>
<td>016: 48%</td>
<td>Annual Doing Business surveys</td>
<td>Updating financial and investment rules and procedures will be sufficient to halt/reverse some of the decline in private investment, even if macroeconomic policies worsen. Vested interests are effectively co-opted into the process and allow regulatory changes. Regulatory changes are effectively communicated to all stakeholders and applied by service providers.</td>
<td>Overall DTF is 47.08 percent below target. DTF improved in three areas: dealing with construction permits went up by (9.73 percentage points), resolving insolvency (1.02 percentage points), and registering property (0.82 percentage points).</td>
<td>50.44%</td>
<td>Data not available. The 2021 report is due for release in February 2021.</td>
<td>Data not available. The World Bank suspended the release of 2021 Doing Business Report because several irregularities that have been reported regarding changes to the data in the Doing Business 2018 and Doing Business 2020 reports, published in October 2017 and 2019. The changes in the data were inconsistent with the Doing Business methodology.</td>
</tr>
</tbody>
</table>
### Intervention Logic: Improved Business Climate, Especially for SMES and Smallholders

<table>
<thead>
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**Indicators:**

HLO-3: Index of perception of the investment climate in Zimbabwe

<table>
<thead>
<tr>
<th>Baselines (including reference year)</th>
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</tr>
</thead>
</table>

- **Assumptions:**
  - BCI not yet out, to be released in March 2017.
  - BCI not yet out, to be released in October 2017.
  - Achieved. The BCI and PMI show an improvement of 45% for the quarter ending December 2017.
  - 20.9 (year-on-year from quarter 1 2017 to quarter 1 2018). It is key to note that the confidence fell from quarter 4 of 2017 to quarter 1 of 2018, and the quarter-on-quarter BCI is –14.4

- **2019 Update:**
  - The composite Business Confidence Index for the first quarter of 2020 stood at –51.5 for quarter-on-quarter and –49.9 for year-on-year. This indicates lack of confidence and pessimism of business leaders for both quarter-on-quarter and year-on-year economic situation.

- **2021 Update:**
  - The publication of the 2021 Doing Business report will only be released after completion of the current assessment on data irregularities, which is underwa.
<table>
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<th>2021 update</th>
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</thead>
<tbody>
<tr>
<td>On IO-2: IMPROVED CAPACITY TO LEVERAGE INFRASTRUCTURE FINANCING</td>
<td>HLO-5: % of active public investment projects are fully reflected in the PIM and PFM systems.</td>
<td>2015: No PIM system in place, projects approved on an ad hoc basis, capital spending not integrated into budget or IFMS systems.</td>
<td>2016: PIM methodology approved. 2017: Guidelines, regulations, and database in place and being used.</td>
<td>Ministry of Finance and Economic Development, IFMS</td>
<td>Government’s commitment to reengagement is sustained and gathers pace despite the evolving political economy. Limited availability of preinvestment financing does not effectively discourage the PIM reform effort.</td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
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<tr>
<td>GOZ PIM, which are executed by GOZ MDAs directly, are all in PFMS. GOZ PIM executed through parastatals and other quasi-government is outside PFMS and will only appear as a transfer when money is given to parastatal. PIM for statutory funds and grants, which are in PFMS will appear in PFMS. So far nothing as yet as current grants are operational expenses.</td>
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<tr>
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<td>2016</td>
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<td>2018</td>
<td>2019</td>
<td>by GOZ MDAs, directly are all in PFMS. GOZ PIM executed through parastatals and other quasi government is outside PFMS and will only appear as a transfer when money is given to parastatal. PIM for STAT funds and PIM for grants, which are not in PFMS will not appear in PFMS. PIM for statutory funds and grants, which are in PFMS will appear in PFMS. So far nothing as yet as current grants are operational expenses.</td>
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</table>
Stronger public financial management (PFM) and public procurement systems will enhance the efficiency and effectiveness of government spending. They will also support fiscal consolidation and create greater fiscal space for public investment and non-wage spending.

### IO-3: IMPROVED ALLOCATION, TRANSPARENCY, AND ACCOUNTABILITY IN THE USE OF PUBLIC RESOURCES

<table>
<thead>
<tr>
<th>HLO-7: Statutory funds accounts collecting revenues are captured in PFMS for financial reporting (share of total flow of 90 statutory funds)</th>
<th>2017: 0. NB. New indicator introduced during project restructuring.</th>
<th>2016: n.a.</th>
<th>MoFED</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017: 0</td>
<td>2018: 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 10</td>
<td>2020: 10</td>
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</tbody>
</table>

Government commitment to fiscal consolidation and adjustment is maintained, even in the run-up to the 2018 election.

A consultant was engaged to provide TA to conclude capturing of statutory funds into the PFMS (41 out of the 90 statutory funds had already been entered into the system).

By the end of 2018, 10 of the 41 funds had their data loaded into PFMS. Three have gone live as of February 2019. These are Women Development Fund, SSB General Fund, and National Prosecuting Authority Fund. The other 7 are expected to go live by the end of Q1 2019.

The number of Funds that are now live on PFMS is 34. There are however a number of challenges affecting use of the system by these Funds, which include late or no budget releases through the system and lack of user training.

There are 45 Funds (out of 94) that have transacted on the PFMS since 2019. In 2020, only 35 of these Funds had done transactions on the system. MoFED Treasury needs to enforce the use of PFMS before opening new bank accounts to ensure compliance.

46 Funds continue on the PFMS system. Government has instructed that Retention Funds be removed from this PFMS environment and be incorporated under the appropriation accounts of MDAs. This process is yet to be completed.

MoFED Treasury needs to use the PFMS more. This has been affected by the absence of staff from offices due to lockdown.

This result has been achieved. Government is encouraged to use the system. During the last 12 months, many staff were not in office due to lockdown. This slowed down the usage of the statutory funds functionality of the PFMS for newly incorporated funds.
### HLO-8: Timely completion and submission of the previous FY’s audit reports to the Parliament.

<table>
<thead>
<tr>
<th>Year</th>
<th>Action</th>
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<tbody>
<tr>
<td>2016</td>
<td>6</td>
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<tr>
<td>2017</td>
<td>6</td>
</tr>
<tr>
<td>2018</td>
<td>6</td>
</tr>
<tr>
<td>2019</td>
<td>6</td>
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</tbody>
</table>

**MoFED**

**Annual audit reports submitted to Parliament within stipulated time frame.**

The auditor general submitted audit reports FY2017 on June 26, 2018. The reports were eventually tabled on October 30, 2018. This was after MPs and senators of the 9th Parliament had been sworn in on September 5, 2018.

The target continued to be met as the auditor general submitted audit reports FY2018 on June 27, 2019.

**Completion of audits for the 2019 financial year have fallen behind due to the lockdown.** Most of the auditor general staff have not been going to work and could not do much at home due to lack of connectivity. It is not certain when the reports will be ready for tabling due to continued lockdown.

The 2019 financial statements audit has now been completed and OAG is now working on the audit report for submission to Parliament. The 2020 financial statements audit is in progress. It was delayed by lockdown.

The status of lockdown persists in the country and this continues to affect submission of financial statements for audit. At some point, more than 50% of government staff were working from home without access to the necessary systems and financial information to allow proper completion of financial statements.

**Resources for training are sufficient to bring the majority of MDAs to capacity on new public procurement framework. Satisfactory public procurement law is enacted without substantial interference from vested interests.**

**The 2019 financial statements audit has now been completed and OAG is now working on the audit report for submission to Parliament.**

The 2020 financial statements audit is in progress. It was delayed by lockdown.

The status of lockdown persists in the country and this continues to affect submission of financial statements for audit. At some point, more than 50% of government staff were working from home without access to the necessary systems and financial information to allow proper completion of financial statements.

**Development of e-procurement strategy and guidelines finalized.**

The Public Procurement and Disposable of Public Assets passed into law on January 1, 2018. 1,520 MDAs trained on the new Procurement Law.

N/A. All the yearly targets from 2016 to 2019 achieved.
The production and availability of up-to-date gender-disaggregated data on poverty and welfare are required to improve poverty focus of public spending. Public budgeting processes can be adapted to focus on longer term results. With improved poverty, welfare and spending data, the authorities will be able to have a more focused poverty strategy, and increase the efficiency of public expenditures in fighting poverty and achieving the sustainable development goals.

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>PICES last conducted in 2011/12. PICES survey and was widely disseminated. Anonymized microdata are not accessible.</td>
</tr>
<tr>
<td>2016</td>
<td>New PICES underway and policy on microdata access updated. Financial resources are mobilized to finance the PICES survey. Agreement is reached with stakeholders on PICES methodology.</td>
</tr>
<tr>
<td>2017</td>
<td>Field work completed in 2017. Data entry complete and systems for release of microdata adopted. Adequate cofinancing resources are mobilized to finance the PICES survey. Agreement is reached with stakeholders on PICES methodology.</td>
</tr>
<tr>
<td>2019</td>
<td>Anonymized microdata published. ZIMSTAT is able to update the policy on release of anonymized microdata in time to lock in resources for PICES. Statistical law to enable microdata dissemination amended.</td>
</tr>
</tbody>
</table>

**IO-3: IMPROVED ALLOCATION, TRANSPARENCY, AND ACCOUNTABILITY IN THE USE OF PUBLIC RESOURCES**

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/17</td>
<td>PICES Survey is conducted. (NO = 0; YES = 1/4), analyzed, and report produced (NO = 0; YES = 1/4), disseminated (NO = 0; YES=1/4), and poverty microdata are made available (NO = 0; YES = 1/4). Maximum score = 1.</td>
</tr>
<tr>
<td>2017</td>
<td>Field work completed in 2017. Data entry complete and systems for release of microdata adopted.</td>
</tr>
<tr>
<td>2018</td>
<td>PICES survey data analysis completed and report produced.</td>
</tr>
<tr>
<td>2019</td>
<td>Anonymized microdata published.</td>
</tr>
</tbody>
</table>

**APPENDIX B: ZIMREF-FUND-LEVEL LOGICAL FRAMEWORK**

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>PICES survey report on PICES 2017 has been released. Agreement reached on adoption of good analytical practice and re-basing of poverty estimates. ZIMSTAT survey report on PICES 2017 as well as the poverty report 2017 have been released. Agreement reached on adoption of good analytical practice and re-basing of poverty estimates. Microdata of PICES 2017 made available on ZIMSTAT website.</td>
</tr>
<tr>
<td>2018</td>
<td>ZIMSTAT survey report on PICES 2017 has been released and widely disseminated. Agreement reached on adoption of good analytical practice and re-basing of poverty estimates. Microdata of PICES 2017 made available on ZIMSTAT website.</td>
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<tr>
<td>2019</td>
<td>ZIMSTAT survey report on PICES 2017 has been released and widely disseminated. Agreement reached on adoption of good analytical practice and re-basing of poverty estimates. Microdata of PICES 2017 made available on ZIMSTAT website.</td>
</tr>
</tbody>
</table>
### IO-3: Improved Allocation, Transparency, and Accountability in the Use of Public Resources

| HLO-11 | 2015: No ministries | 2016: 3, 2017: 9 | 2018: 80% of ministries | 2019: 100% of ministries | MoFED, program budgeting monitoring reports | Shorter-term fiscal pressures do not divert effort from medium-term planning. Program budgeting is sufficiently linked to national planning processes, including i-PRSP/PRSP. | 2016 National budget presented to Parliament for three ministries. | 2017 National budget presented to Parliament in program-based budgeting format for 9 ministries. | Program-based budgeting format rolled out to a total of 11 ministries, which is 42.8%. | PBB format rolled out to all the 25 ministries (100%). 2020 national budget presented using PBB format. | PBB format rolled out to all the 35 votes (100%). 2020 National Budget presented using PBB format. |
|--------|---------------------|------------------|------------------------|------------------------|---------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|

### IO-5: Improved Resilience in One Key Basic Service and an Important Area of Vulnerability

| HLO-12 | 2015: 0 | 2016: n.a. | 2017: 2018 | 2019: 16,922 | Quarterly reports ZINWA -PIU | This is an overly ambitious target. Results will emerge once the rehabilitation of water supply systems is complete. The 2018 target will be revised accordingly to reflect that the current committed funding covers three towns. | Connections done: target to be achieved in 2019. | Connections done: target to be achieved in 2019. | Connections done to date: Gurure-505 (70%) of the total planned 715, Zvimunya-313 (116%) of the total planned 270, and Lupane-509 (56%) of the total planned 908. Total number of people provided with access to improved water sources under the project: Total: 36,220 broken down as follows: Urban: 34,820 Rural: 1,400 | Direct beneficiaries from the project: 34,810, aggregated as follows: Urban: 33,410 Rural: 1,400 | New piped household water connections resulting from project intervention: 1,265 Piped water connections that are benefiting from rehabilitation works: 2,696 |
|--------|----------|----------|------------|--------------|---------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------|

Improved access to safe drinking water and sanitation services is a key indicator of local government capacity to deliver public services. The small-town/settlement WASH sector is relatively underserved compared to the larger towns and cities. Improving WSS governance and service delivery in the small towns is an important entry point into growth pole development.

HLO-12: People provided with access to “improved water sources under the project Tranche 1 Urban: 16,922 Rural: 11,238

MoFED, program budgeting monitoring reports

Shorter-term fiscal pressures do not divert effort from medium-term planning. Program budgeting is sufficiently linked to national planning processes, including i-PRSP/PRSP.

2016 National budget presented to Parliament for three ministries.

2017 National budget presented to Parliament in program-based budgeting format for 9 ministries.

Program-based budgeting format rolled out to a total of 11 ministries, which is 42.8%.

PBB format rolled out to all the 25 ministries (100%). 2020 national budget presented using PBB format.

PBB format rolled out to all the 35 votes (100%). 2020 National Budget presented using PBB format.

This is an overly ambitious target. Results will emerge once the rehabilitation of water supply systems is complete. The 2018 target will be revised accordingly to reflect that the current committed funding covers three towns.

Connections done: target to be achieved in 2019.

Connections done to date: Gurure-505 (70%) of the total planned 715, Zvimunya-313 (116%) of the total planned 270, and Lupane-509 (56%) of the total planned 908. Total number of people provided with access to improved water sources under the project: Total: 36,220 broken down as follows: Urban: 34,820 Rural: 1,400

Direct beneficiaries from the project: 34,810, aggregated as follows: Urban: 33,410 Rural: 1,400

New piped household water connections resulting from project intervention: 1,265 Piped water connections that are benefiting from rehabilitation works: 2,696

ZIMBABWE RECONSTRUCTION FUND (ZIMREF) 2021
and rural poverty reduction in Zimbabwe.

### Stronger capacity to integrate climate change considerations into the planning, design, and implementation of selected sectors will reduce long-term vulnerabilities in Zimbabwe.

<table>
<thead>
<tr>
<th>HLO-13: Strategy for climate financing adopted and approved guidelines for integrating climate change into public planning in water, agriculture, energy, and forestry in place.</th>
<th>2015: No guidelines in place.</th>
<th>2016: TA program approved and workplan agreed with government.</th>
<th>Climate Change TA monitoring reports</th>
</tr>
</thead>
</table>

**TA program was approved by POC.**

- **Technical workshops successfully conducted on agroecological re zoning, climate impacts on the forest sector, climate resilience in energy systems, climate finance (with an emphasis on GCF accreditation and pipeline development), and technical reports completed in each sector.**

**Draft strategy for climate financing is in place, and work is ongoing.**

**Guidelines currently being operationalized in public investment planning.**

### 55