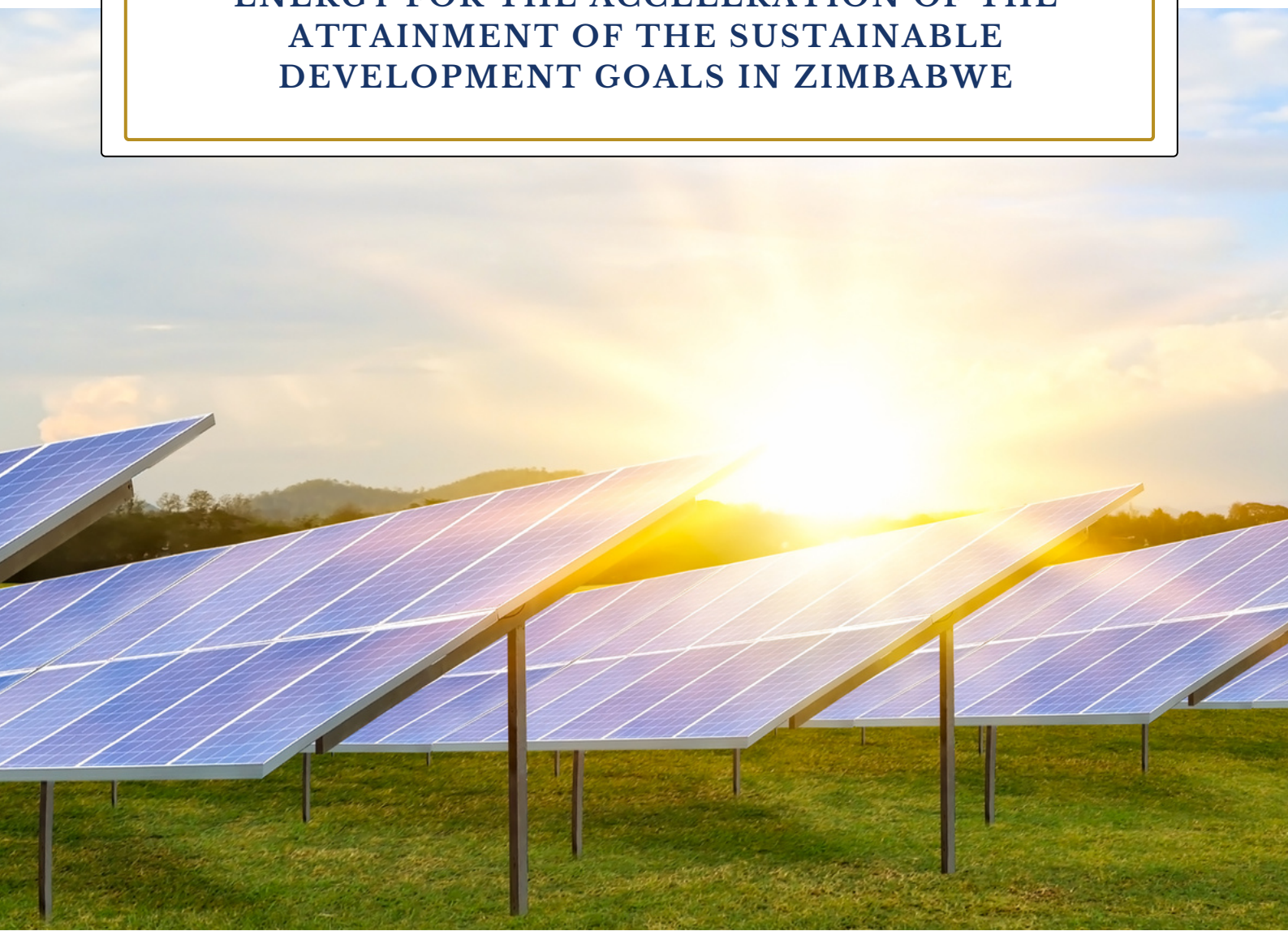




ZIMBABWE JOINT SDG FUND PROGRAMME 2023

CATALYSING INVESTMENT INTO RENEWABLE
ENERGY FOR THE ACCELERATION OF THE
ATTAINMENT OF THE SUSTAINABLE
DEVELOPMENT GOALS IN ZIMBABWE





Introduction

Zimbabwe is currently facing an acute energy crisis with an overall electrification rate reported as low as 44% in 2020, with supply of electricity for productive uses failing to meet demand. This has consequently led to loss of production in key economic sectors such as agriculture, mining and tourism value chains. Not only is the energy deficit more prominent in rural areas, but also women and youth are disproportionately affected. Overarching issue of inadequate financing and conducive investment terms for renewable energy and climate change projects remains an issue in the country.

Programme Background

The Joint SDG Fund programme aims to address barriers to financing by catalysing local investments in renewable energy space. This is being achieved by the establishment of an SDG Renewable Energy Fund (SDG REF) that aims to leverage local financial markets to finance renewable energy projects that have a return on investment while achieving social impact for the acceleration of SDG achievement in Zimbabwe.

The programme emphasizes gender responsive and inclusive renewable energy investments with a focus on productive uses. To address capacity gaps in pre-investment, investment and post-investment stages, the Partnering UN Organizations (PUNOs) through the joint programme will leverage partnerships with international renewable energy-capacity building organisations and local money markets to increase access to funding by SMEs.

The joint programme will therefore carry out a full-scale demonstration of the concept of the REF instruments driving an innovative model of Accelerated Local SDG Achievement and economic empowerment of communities through the transformational impact of introducing renewable energy technology with new entrepreneurship opportunities, income and job creation.





The Joint SDG Fund Programme is of paramount importance in unlocking domestic and international capital for investments into high impact SMEs and business ventures and kick-start the required initiatives and focus to achieve a RE-based pathway. The financial sector ordinarily associates investments in community-based and rural projects with low returns.

The participating UN Organisations (PUNOs) will seek to debunk these assertions by blending existing developmental funds with private sector funds to prove the sector viability, thus accelerating SDG attainment. The added value of the UN is to closely and systematically articulate investment in RE infrastructure with attitudinal changes towards sustainability and capacity building.

The PUNOs within their existing mandates and programs will identify, nurture, and link bankable community projects with the SDG Renewable Energy Fund.

Accelerated Local SDG Achievement

The overall approach of the Joint SDG Fund Programme (JP) is based on the innovative model, where the JP interventions are designed to use Renewable Energy uptake and capacity-building initiatives to create an economic spinoff which will have catalytic effects in inducing growth in other related sectors through increased energy access.

Since it is one of the first large-scale demonstrations in the region, insights from such demonstration and dissemination will be shared with the SADC Secretariat and SADC Member States to further enable the adoption of the model in the region.

By providing technical assistance to projects without the necessary financial resources to access finances but whose projects have been approved for funding, the JP also aims to bridge the gap that exists in the market and promote project implementation.

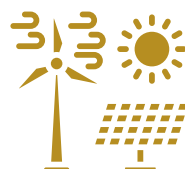
Enhanced
Leverage of
private sector
and
International
finance and
growth of the
renewable
energy sector

ACCELERATOR
ONE



Increased RE
energy access by
rural communities
currently
experiencing
energy poverty
,including off grid
communities

ACCELERATOR
TWO



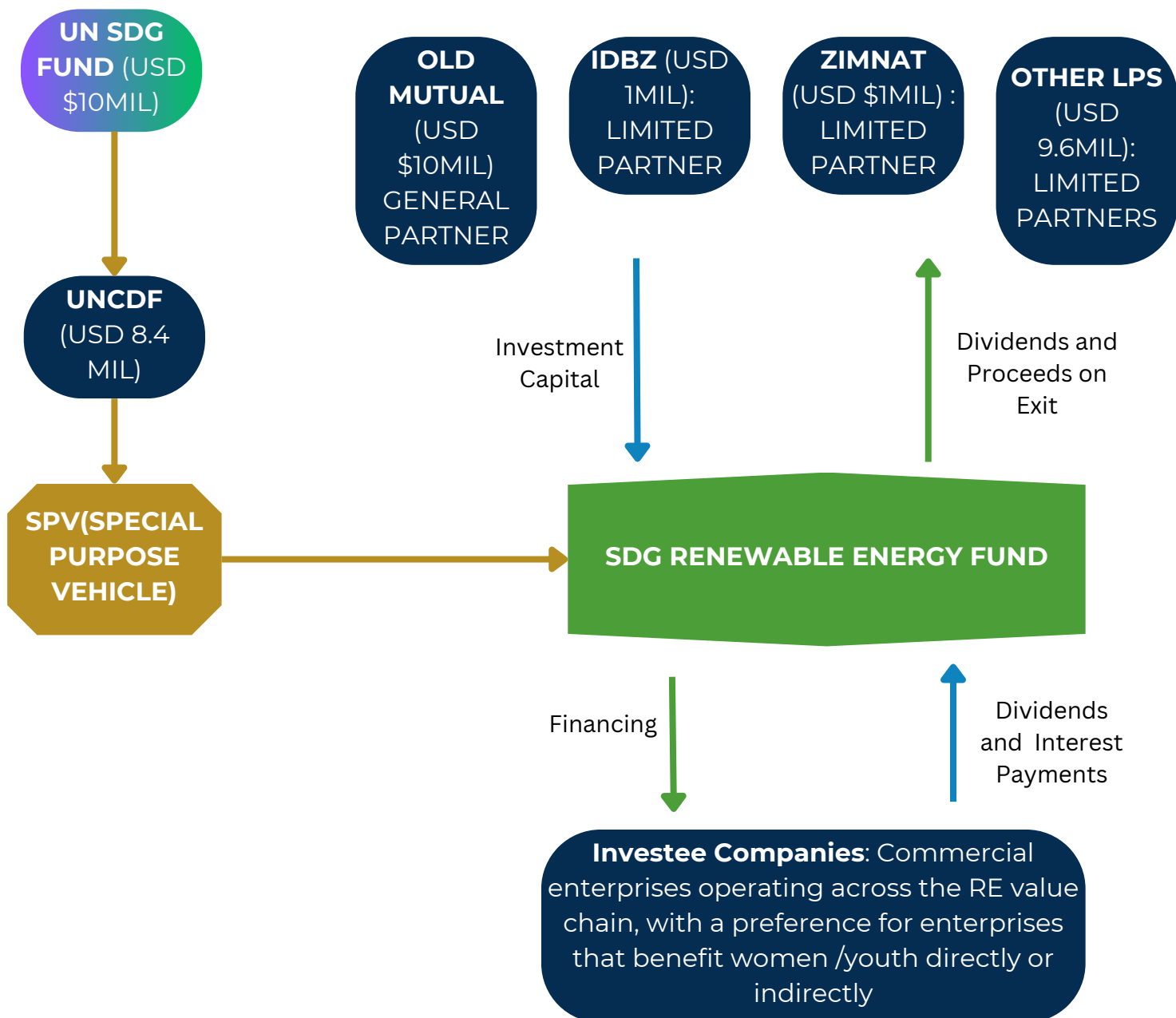
Enhanced capacities
of institutions
,project developers
including women
and youth led
enterprises to
develop and
implement RE
projects

ACCELERATOR
THREE



Financing Model

Innovation and Partnership for RE Financing



- Whilst most of the existing initiatives have focused on providing concessional finance to promote the inception stages of renewable energy projects in the country, the key learning derived is that the involvement of the private sector and commercial investors is of vital importance to channel the much-needed long-term flow of capital towards the renewable energy sector.
- This learning has been incorporated into the joint programme design by utilizing a blended financing model for renewable energy investments.

Fundraising and Project Pipeline

Fundraising Target

- **USD \$22 million** Initial Investment at Programme Onset co funded by The SDG Fund, Old Mutual Investment Group, Government of Zimbabwe and limited partners.
- **USD \$50+ million** projected to be raised locally and internationally at end of March 2026.



Project Pipeline

- The programme aims to finance bankable RE projects in:
 1. **PV power generation**
 2. **Mini hydropower generation**
 3. **Biomass power generation**
 4. **e-mobility**
 5. **Mini-grids**
 6. **Hybrid renewable power generation**
- The project pipeline comprises of renewable energy projects that are set to provide transformative changes to local beneficiaries.
- A projected number of 80 RE projects are to be financed through the fund through the life of the programme.



Target SDGs and Projected Programme Impact

LIST OF SDGS AND TARGETS DIRECTLY ADDRESSED BY THE JOINT PROGRAMME

In addition to the SDG REF adopting a gender-responsive approach to selecting RE projects, skill enhancement and capacity-building initiatives, targeted towards encouraging women and youths to become active agents in the RE value chains will help achieve the targets of **Goal 5: Gender Equality**.

Widespread uptake of RE across Zimbabwe is expected to lead to enhanced energy access facilitating productive uses, particularly in marginalized and vulnerable communities, thereby leading to the strengthening of livelihoods and empowerment, helping to achieve **Goal 7: Affordable & Clean Energy**.

It is projected that REF-financed RE enterprises will generate employment opportunities and new green jobs in the RE sector. These outcomes collectively will indirectly help achieve **Goal 8: Decent Work & Economic Growth**.

The proliferation of green energy enterprises, particularly those led by women and youth through the REF would foster the integration of small-scale RE businesses in the energy value chains, thereby leading to the attainment of **Goal 9 Industry, Innovation and Infrastructure**.

In contrast to projects that employ conventional energy and fossil fuels, clean energy projects under the JP focus on ensuring reduced emissions for achieving **Goal 13: Climate Action**.

Finally, the REF can be a key that unlocks public-private partnerships in the RE sector and fosters dialogic engagement between RE project financiers and developers. This would be critical for achieving **Goal 17: Partnerships for the Goals**.

Target SDGs and Projected Programme Impact



PRIORITY SDG

5.5 - Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

PROGRAMME IMPACT

The REF encourages RE projects that are women-led or have a strong ratio of women workforce, while also creating impact on women in communities through the JP. **Projected 85% of women involved in productive activities after switching to renewable sources from the REF funded RE project. Projected 30% of the REF funded RE projects will reserve a percentage of jobs for women and youth.**

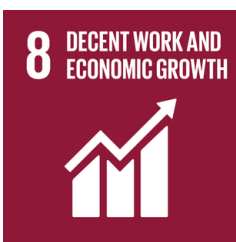


PRIORITY SDG

7.2 - By 2030, increase substantially the share of renewable energy in the global energy mix

PROGRAMME IMPACT

Increased share of RE in the energy mix in the long run. Providing clean energy for productive uses particularly in the agriculture sector will lead to climate change adaptation and resilience for rural communities. **Projected total of 180Gwhr energy to be generated within the programme's lifetime through funded projects.**



PRIORITY SDG

8.3- Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

PROGRAMME IMPACT

As the JP progresses in catalysing finance to RE projects, envisaged impact is the creation of decent employment opportunities for communities in the RE sector through productive uses. **A projected 2250+ new jobs are to be created within the programme life span.**



PRIORITY SDG

9.3 - Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and market

PROGRAMME IMPACT

A special focus of the JP is on promoting and building knowledge levels of small-scale businesses (Especially women-led or youth-owned). **A projected total of 70 pipeline projects to be developed with emphasis on women led enterprises and those offering youth participation**



PRIORITY SDG

13.3 - Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

13b Promote mechanisms for raising capacity for effective climate related planning and management in least developed countries and small island developing States, including focusing on women, youth, and local marginalised communities

PROGRAMME IMPACT

All interventions planned in JP would lead to promotion of RE projects, thus reducing GHG emissions. Providing clean energy for productive uses particularly in the agriculture sector will lead to climate change adaptation and resilience for rural communities. **It is projected that 60 percent of households in the target communities will derive energy from the REF funded projects.**



PRIORITY SDG

17.3 - Mobilize additional financial resources for developing countries from multiple sources.

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

PROGRAMME IMPACT

The JP will pave the way for public-private partnerships in the RE sector, while also meeting the objective of mobilizing specialized financing support and options for clean energy projects. **A 25% increase in growth in balance sheet size for the investees is projected.**

CAPACITY BUILDING INITIATIVES

CAPACITY BUILDING FOR RE DERISKING AND INCREASED OPPORTUNITIES FOR WOMEN AND YOUTH

The Joint SDG Fund Programme aims to de-risk investment in Renewable Energy and foster the integration of small-scale RE businesses in the energy value chains through capacity building. The capacity building is especially aimed at women and youth which will lead to the proliferation of green energy enterprises, particularly those led by women and youth to foster the integration of small-scale RE businesses in the energy value chains.

Current Initiatives	Partners	Expected Results
Comprehensive Capacity Building Needs Assessment Development underway	Various RE industries, vocational schools ,polytechnics and universities. Government of Zimbabwe Ministry of Higher and Tertiary education innovation Science and Technology Development.	<ul style="list-style-type: none"> • A comprehensive renewable energy capacity building needs assessment across vocational schools, polytechnics and universities in Zimbabwe. • Capacity building framework for holistic RE capacity building
Engagement with key technical assistance partners	Private Financing Advisory Network (PFAN) ,Seed Capital Assistance Facility(SCAF)	<ul style="list-style-type: none"> • Technical assistance initiatives especially in RE financial literacy and development of bankable RE proposals



Seed Capital Assistance Facility



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<https://www.unesco.org/en/articles/sdg-renewable-energy-fund-programme>

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