

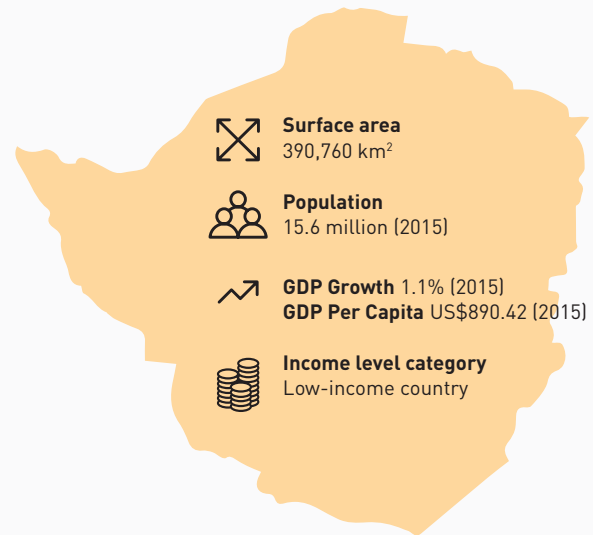


1. Country Context

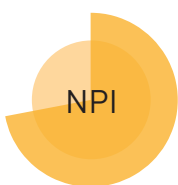
As one of the countries that have relatively good social indicators in the Africa region, Zimbabwe has started a series of important steps to recover from its social and economic crisis and international sanctions. Over the period 2010-2014, the economy stabilized and growth rose to annual average of 8.4%, leading to significant social and health improvements. However, GDP growth has slowed considerably in recent years from 4.5% in 2013 to 1.1% in 2015.

Zimbabwe's plans for economic resurgence hinge very much on the potential of its extractive industries. Between 2002 and 2012, Zimbabwe received US\$5.6 billion in ODA (28th largest globally) and net ODA of an estimated US\$757.8 million in 2014, which is equivalent to 5.4% of GNP. As the country gradually opened up to sign agreements on official development finance, ongoing economic reforms have encouraged partners to resume direct engagement with the government. In view of the challenging political and economic environment, MDG-related targets on hunger, school completion and malaria incidence were achieved.

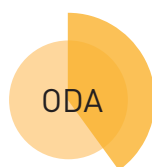
Quick Facts



Key Development Indices:

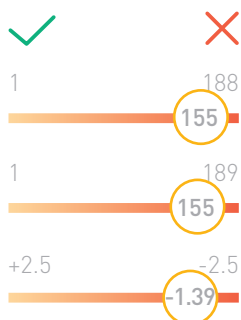


National Poverty Index
72.30 % of pop. (2011)



Official Development Assistance/Capital Formation
40.33 % (2014)

ODA per Capita US\$49.71 (2014)



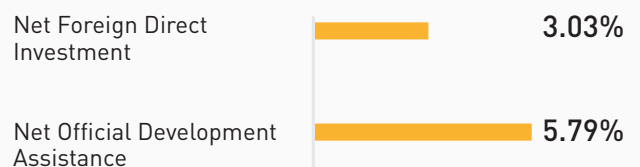
Human Development Index (2014)
(Best rank: Position 1)

Doing Business Rank (2015)
(Best rank: Position 1)

Anti-corruption Index: -1.39 (2014)
(Highest anti-corruption: +2.5)

Inflows (% Gross Domestic Product)

LATEST YEAR AVAILABLE



Key Development Challenges

Given the abundance of natural resources, Zimbabwe has the potential to achieve significant development progress by making use of existing public infrastructure and human resources. On the other hand, the country still faces challenges in poverty reduction and fighting inequality, besides low agricultural productivity. Institutions face considerable capacity constraints to delivery of basic services, adversely affecting overall well-being. Climate-change-induced droughts continue to put livelihoods of the poor in jeopardy, raising the proportion of food-insecure households. Most vulnerable communities lack adequate coping strategies to withstand shocks, making it difficult for them to build resilience, mitigate climate change risks or explore adaptation options.

2. Efforts to Implement the Effectiveness Principles

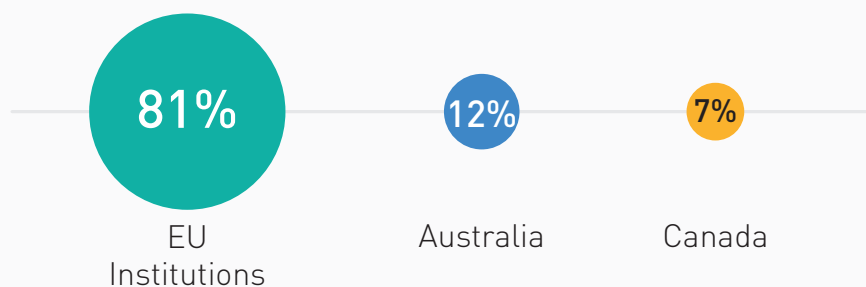
A. Policies and Tools for Partners' Alignment

The national response to the severe socio-economic challenges included the development of the Medium-Term Plan (MTP) 2011–2015. The Zimbabwe Agenda for Sustainable Social Economic Development (2013–2018), or “Zim-Asset”, was launched as a successor to MTP. Although pooled finance has

been established in various areas under management of multilateral organizations, partner resource alignment to national priorities, such as poverty reduction, has been challenging. The sanctions regime has restricted Zimbabwe's access to official development finance, especially to direct budget support, and has hindered

further alignment. Zimbabwe took a proactive step in positioning its stance on SDGs by prioritizing 10 Goals and localizing them with a view of promoting inclusive growth, social transformation and resilience of the population.

Major Development Partners of this Round (by Reported Disbursements)



Participation in 2014 Monitoring



Existence of a National Co-operation Policy

B. Governance and Management of Development Finance and Co-operation

Zimbabwe had an aid coordination policy in 2009 guiding engagement between government and development partners. However, implementation has been impeded by the re-organization of the ministerial functions, which requires a review of the policy to ensure alignment with the new development plan. While encompassing a partner-coordination cluster, the new development plan Zim-Asset recognizes the need to collaborate with all development partners to improve access and use of external resources and calls for a clear and well-coordinated development co-operation framework. In this aspect, the government has begun making arrangements to unlock resources to fund Zim-Asset. Chaired by

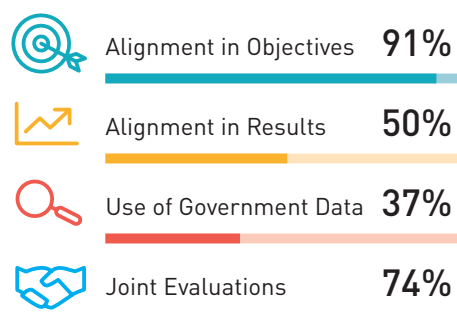
the Minister of Finance and Economic Development, the Cabinet Committee Aid Coordination oversees coordination of official development finance with support from the Working Party of Officials. There are additional structures including sector working groups, known as Zim-Asset clusters and the Aid Coordination Unit under the Ministry of Finance and Economic Development that support implementation of national development objectives. The country was classified under the Fragile State Facility of the African Development Bank that has stimulated catching up with the rest of the world in establishing structures for development effectiveness. Zimbabwe also participates in South-South co-operation.

3. Country Ownership

Indicator 1: Partners' Alignment and Use of Country-Led Results Frameworks

A majority (91%) of official development finance reported in 2015 aligned to national objectives, which was facilitated by the adoption of the results-based approach in Zim-Asset. Policy initiatives have been implemented through programmes supported by the government budget. However, only 50% of official development finance includes country-led results indicators and 37% use the national monitoring systems.

Nevertheless, a significant share of projects are evaluated jointly by the government and partners, enhancing alignment and country ownership overall. There is considerable variation in the use of country results frameworks among the partners. The best performers in this regards have been UN agencies through the country-driven ZUNDAF monitoring process as well as the World Bank and African Development Bank.

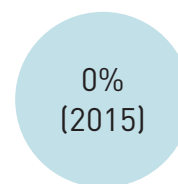


Indicator 6. Development Co-operation is on Budget (Subject to Parliamentary Scrutiny)

Inflows of development co-operation have not been recorded on the government budget, which indicates that partners' pledges were disbursed outside government systems and hence without parliamentary approval. In this regard, much of partner finance is disbursed through NGOs, civil societies

or multilateral organizations. Zimbabwe has built structures to record finance in budget, but no official development finance is currently coming through the budget, as partners are using direct execution and third parties such as NGOs, civil society groups.

Percentage on Budget



Indicators 9 and 10. Use of Country Systems

No data is available on indicator 9b. Partners use their own systems in delivering official development finance. In the meantime, Zimbabwe has kept

its 3.5 score in the Country Policy and Institutional Assessment (CPIA) since 2014, reflecting a continuation of stability in national systems. As regards

the proportion of official development finance that is fully untied, Zimbabwe has seen improvement from 75% in 2013 to 77% in 2014.

	Budget (ideal: 100%)	Financial Reporting (ideal: 100%)	Auditing (ideal: 100%)	Procurement (ideal: 100%)	CPIA* (maximum: 6)	Untying (ideal: 100%)
INDICATOR 9B.	N/A	N/A	N/A	N/A		
INDICATORS 9A & 10.					3.5	77%

* Country Policy and Institutional Assessment

4. Inclusive Partnerships for Development

Indicators 2 and 3. Fostering Inclusive Partnerships for Development

Zimbabwe has a diverse and active civil society. The National Association of NGOs (NANGO) serves as an umbrella organization for NGOs, which provide important functions in support of poverty reduction and development. There has been increased mutual understanding and collaboration between CSOs and government, with a considerable number of CSOs already working closely with government, although more resources are needed to sustain such relationships.

CSOs are consulted by government; in most cases, the government invites NANGO for consultations and the body will further consult with its members for a common position. However, capacity gaps exist, which require additional resources. The government and CSOs implement joint programmes complementing each other and CSOs have memoranda of understanding with relevant ministries within a sector. Each ministry would engage CSOs in consultation on sectoral

policy issues. There is coordination between the government and the private sector from both sides. The private sector organizes annual meetings and invites public stakeholders to participate, besides submitting policy papers for the government's consideration. The government is setting up the Private-Public Partnership Unit within the Ministry of Finance and Economic Development as well as engaging international finance institutions for support.

Indicator 8. Gender Empowerment

The government intends to track allocations for gender equality, but such allocations are currently not systematically tracked. Budget information focused on gender equality is publicly available and

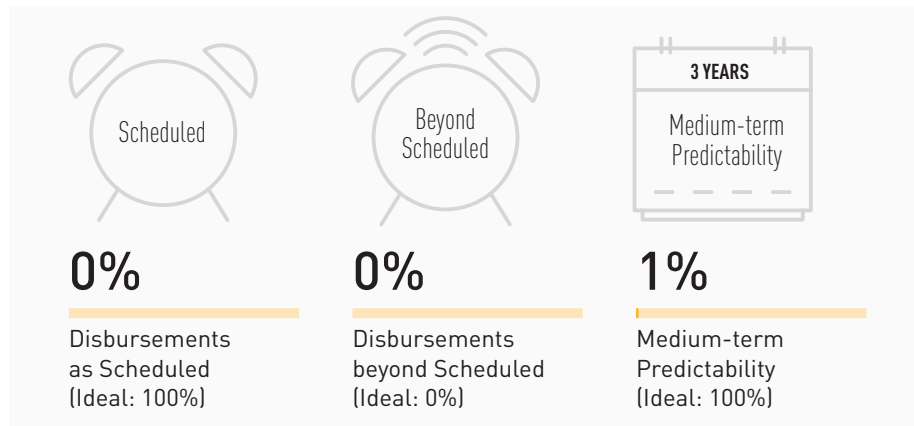
gender-specific indicators inform budget allocations. However, no assessments of budgets address how women benefit from government expenditures. The Ministry of Women Affairs, Gender and Community

Development and the Parliamentary Portfolio Committee follow up on gender equality issues.

5. Transparency and Accountability

Indicator 5. Development Co-operation is More Predictable

Based on results from the second monitoring round, development co-operation finance was not predictable in the short term. Also, three-year plans for medium-term predictability of official development finance disbursement are almost non-existent. This could be attributed to a lack of reporting by partners. Partners are currently not providing medium-term projections; at best, they can provide rough projections for the following year.



Indicator 7. Mutual Accountability

Zimbabwe has had a policy on official development finance since 2009 that defines the country's development co-operation priorities. Work is in progress to revise the policy and to align it with the new institutional arrangements. The policy includes specific country-

level targets for effective development co-operation for the government and partners, but the government and partners have not jointly assessed these targets. Nevertheless, the government is engaged in annual budget meetings with partners. Thus, to strengthen

mutual accountability between the government and partners, the country has considerable space for improvement in the joint evaluation and inclusion of non-government stakeholders in the review process.

National Priorities Going Forward

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Currently, the Ministry of Finance and Economic Development is working with UNDP, the EU and other development partners to produce a needs assessment to strengthen the National Authorizing Office and to design and install an Aid Information Management System (AIMS) to facilitate stronger development effectiveness and coordination in Zimbabwe. Already, two consultants are undertaking the needs assessment with EU support. The results of the process are expected to recommend which AIMS to adopt; this will be useful for tracking partner conduct and performance in development effectiveness. Furthermore, there is need to review the 2009 Aid Policy and Aid Operations Manual, taking into account the principles for effective development co-operation, the Busan Global Partnership for Effective Development Co-operation focusing on inclusive partnership and the Addis Ababa Action Agenda from the 3rd Financing for Development Conference. This, in turn, requires skills training and strategy to upgrade technical capacities of staff based on the recommended AIMS.

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**Brighton Shayanewako, National Coordinator
Ministry of Finance and Economic Development, Government of Zimbabwe**

Disclaimer This document was prepared based on data collected from voluntary reporting to the Second Monitoring Round of the Global Partnership for Effective Development Co-operation and, for Country Context, other open source information available online. The views presented cannot be used or cited as an official UNDP source of information.

For ease of reference, the term 'country' is used to refer to developing countries and territories that reported to the Monitoring Round. Participation in this process and mention of any participant in this document is without prejudice to the status or international recognition of a given country or territory.