Mid-Term Evaluation of the Joint Sustainable Development Goals Fund's - SDG Catalytic Investment (Component 2) Portfolio in Zimbabwe

Evaluation period: April 2022 - March 2024

Evaluation commissioned by the UNESCO Regional Office

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Acronyms

CSOs	Civil Society Organizations
FGDs	Focus Group Discussions
JP	Joint Programme
KIIs	Key informant interviews
LFA	Logical Framework Approach
LNOB	Leaving No One Behind
MTE	Mid-term evaluation
MWACSMED	Ministry of Women Affairs, Community, Small and Medium Enterprises Development
NDS	National Development Strategy
	NEP National Energy Policy
	NREP National Renewable Energy Policy
NGO	Non- Governmental Organization
OECD-DAC	Organization for Economic Co-operation and Development's Development Assistance Committee
PA	Participatory Approach
PUNOs	Participating UN Organizations
RE	Renewable Energy
REF	Renewable Energy Fund
SDGs	Sustainable Development Goals
ToC	Theory of Change
UNSDCF	United Nations Sustainable Development Cooperation Framework
ZimREF	Zimbabwe Renewable Energy Fund

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This report is based on the information available at the time of its preparation. While every effort has been made to ensure accuracy and comprehensiveness, any errors or omissions remain the sole responsibility of the evaluation team and do not reflect the views of any of the institutions acknowledged above.

Executive summary

1. The Zimbabwe Renewable Energy Fund (ZimREF) is a flagship initiative designed to catalyze private sector investment in Zimbabwe's renewable energy sector. Implemented under the Joint Sustainable Development Goals (SDG) Fund's Catalytic Investment Portfolio (Component 2), the programme aims to address the persistent energy access gap, drive green economic growth, and promote gender and youth inclusion in the renewable energy value chain. It is strategically aligned with Zimbabwe's National Development Strategy 1 (NDS1) and the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2022–2026, contributing directly to SDGs 4, 5, 7, 8, 9, 13, and 17. At the core of the programme is the Renewable Energy Fund (REF), an innovative $21 million blended finance mechanism designed to de-risk investments and unlock private capital for renewable energy projects. Managed by Old Mutual Investment Group under the strategic oversight of the United Nations Capital Development Fund (UNCDF), the REF was structured with $8 million from the UN Joint SDG Fund, $8 million from Old Mutual, and $1 million from the Government of Zimbabwe. The programme goes beyond financing by integrating capacity-building initiatives, technical assistance for project developers, and strategic partnerships to enhance project bankability and long-term sustainability.

2. This evaluation, covering 1 April 2022 to 31 March 2024, examined the programme's mid-term performance to determine the extent to which its strategic design, operational execution, and stakeholder engagement have translated high-level policy commitments into tangible, on-the-ground impact. The evaluation object encompassed both the design and early implementation phases of the programme, focusing on its blended finance model, its multi-stakeholder governance structure, and its capacity to serve as a replicable model for sustainable development.

3. Evaluators sought to assess the effectiveness, management efficiency, design and relevance, risk management, and sustainability of the JP. Equally important was the task of identifying operational bottlenecks and systemic challenges that might hinder progress, as well as uncovering the underlying strengths and weaknesses that characterize its implementation. The evaluation also aimed to provide actionable recommendations that would enable programme managers and stakeholders to correct course and enhance future performance.

4. A mixed-methods approach underpinned the evaluation process. Evaluators conducted a comprehensive review of programme documents, including strategic frameworks, loan

agreements, financial reports, and risk assessments, thereby establishing a robust evidence base. This documentary analysis was supplemented by in-depth interviews with key informants drawn from government ministries, UN agencies, private sector partners, and other stakeholders, and further enriched by focus group discussions that captured diverse perspectives on governance and implementation challenges. The qualitative data were systematically analyzed using thematic coding techniques to ensure that insights were rigorously triangulated against quantitative indicators of progress. This methodological rigor enabled the evaluators to capture not only the statistical trends of programme performance but also the nuanced realities of its operational context.

5. One of the defining challenges of ZimREF's early implementation was the delayed onboarding of UNCDF, the only UN agency with the mandate and technical expertise to manage private sector financing and provide loans and guarantees. Initially absent from the programme design, UNCDF was integrated later, requiring substantial modifications to the financial framework, donor re-approvals, and extended due diligence. This late inclusion, while ultimately strengthening the financial structuring of the programme, resulted in a cascading delay effect, postponing fund mobilization and limiting early engagement with intended beneficiaries. The programme also faced significant hurdles in financial structuring, as the process of securing Old Mutual as the fund manager necessitated a rigorous due diligence process, including Know Your Customer (KYC) compliance, risk assessments, and regulatory approvals. The complexity of merging UN funding mechanisms with private sector investment frameworks led to prolonged negotiations, further delaying the operationalization of the REF.

6. Despite these setbacks, the programme successfully established the REF, with Old Mutual selected as the fund manager following an exhaustive vetting process. By mid-term, the first tranche of $3 million had been disbursed, with 50 potential projects identified and 17 undergoing evaluation. Recognizing the delays in financial deployment, the programme adapted its approach, shifting its initial focus towards capacity-building efforts. Investment-readiness training was provided to SMEs, youth entrepreneurs, and women-led businesses, while UN Women led targeted gender-inclusion initiatives to ensure equitable access to finance.

7. While the establishment of the REF marked a major milestone, persistent regulatory delays—particularly in securing prescribed asset status for Old Mutual—have continued to limit

the programme's ability to unlock large-scale pension fund investments. The delay stemmed from Old Mutual's initial application, which sought prescribed asset status for its entire infrastructure development portfolio, including REF. The application was not approved, and Old Mutual was advised to submit a separate request exclusively for REF.

8. The evaluation found that the programme's strategic design is one of its strongest assets. The JP's conceptual framework and innovative blended finance model have successfully mobilized a diverse range of stakeholders and financial resources. Evidence from the evaluation indicates that the programme is well aligned with national development priorities and international SDG commitments, which has provided a strong foundation for its long-term potential. However, the evaluation also reveals significant challenges in translating these high-level commitments into effective local action.

9. The evaluators concluded that while the programme has catalyzed significant policy dialogue and attracted both public and private investments, its operational execution is compromised by administrative delays, protracted due diligence processes, and an absence of integrated data management systems that would enable real-time monitoring and adaptive decision-making. In this regard, the programme's relevance and strategic alignment—reflected in its strong policy framework and stakeholder mobilization—contrast sharply with its implementation challenges. The evaluation underscores that the programme's financial innovation, as embodied in its blended finance model, holds considerable promise; yet this promise is diluted by the inefficiencies that impede timely fund deployment and by the lack of harmonized planning and communication mechanisms.

10. The sustainability of the programme is another critical area of concern. Although the design of the Renewable Energy Fund as an evergreen financing mechanism is innovative and positions the programme for long-term impact, sustainability is jeopardized by an overreliance on external funding and by insufficient domestic resource mobilization. The evaluation highlights that for the programme to realize its full potential, it must transition towards greater national ownership by institutionalizing its structures within existing government frameworks. This shift is essential not only for securing long-term funding but also for ensuring that the benefits of the programme are sustained beyond the initial donor-supported phase.

11. Building on these findings, the evaluators have formulated a series of recommendations

designed to address both immediate and longer-term challenges. In the short term (0-6 months), it is recommended that the programme fast-track regulatory processes by establishing a joint task force involving government regulators, the fund manager, and UN agencies to expedite the prescribed asset status approval. A one- to two-year no-cost extension should be secured to compensate for lost time due to early delays and to allow for corrective adjustments. Additionally, a robust quarterly reporting mechanism that integrates financial, social, and environmental data should be established to facilitate real-time tracking and enhance evidence-based decision-making. To accelerate the development of bankable renewable energy projects, targeted outreach and capacity-building initiatives must be intensified, with a specific focus on engaging SMEs, women-led enterprises, and youth. Furthermore, a rapid-response technical assistance team should be set up to support project developers in refining proposals and improving the bankability of their projects, while a comprehensive risk management framework—including contingency planning for macroeconomic volatility—must be implemented to safeguard against evolving regulatory and financial risks.

12. For the medium term (6-18 months), the evaluation recommends refining investment selection criteria to ensure a balanced approach that captures both financial returns and social impact, with clear sustainability key performance indicators integrated into the process. Enhancing inter-agency coordination through a structured quarterly review process that includes local stakeholder representation is essential to address fragmented implementation and to improve accountability. Strengthened policy engagement with government and regulatory bodies is also critical for streamlining investment regulations and reducing bureaucratic delays. Expanding the project pipeline by engaging additional sectors beyond renewable energy—especially by supporting informal enterprises through tailored capacity-building programs—will further diversify the programme's impact. Investments in an integrated monitoring and evaluation system that delivers real-time data on financial performance, social outcomes, and environmental impact are also crucial to enhance evidence-based decision-making and adaptive management.

13. Looking to the long term (18+ months), the evaluators recommend institutionalizing the Renewable Energy Fund model within Zimbabwe's broader SDG financing strategy to ensure a smooth transition to full national ownership, thereby reducing donor dependency and securing long-term viability. Scaling the REF model to other sectors, such as agriculture and infrastructure, should be pursued by documenting best practices and developing replicable processes. The

creation of a regional knowledge-sharing platform to disseminate the REF model and related innovations across African countries is advised to promote regional integration and to scale successful approaches. Establishing a clear sustainability and exit strategy for UN agencies, with defined timelines for transferring responsibilities to national institutions, will ensure a sustainable transition. Moreover, integrating gender-responsive investment principles into national financial systems through incentives for projects demonstrating strong social impact is essential for promoting inclusive growth. Diversifying financing sources by exploring alternative instruments such as green bonds and climate finance mechanisms will further enhance financial resilience. Finally, investing in long-term capacity building and institutional strengthening at both local and national levels—with an emphasis on developing integrated data management systems—will be vital for monitoring and evaluating long-term impacts and for ensuring that the programme's innovative design translates into scalable and sustainable outcomes.

14. The evaluation of the Joint SDG Fund Programme provides a comprehensive and balanced analysis that recognizes its strong strategic foundations and innovative financing approach while also candidly addressing the operational and systemic challenges that currently limit its effectiveness. The programme's relevance and high-level policy alignment are clear, yet its impact is constrained by regulatory delays, fragmented coordination, and capacity gaps. The recommendations emerging from the evaluation offer a clear roadmap for reinforcing the programme's strengths, addressing its weaknesses, and ensuring that its transformative potential is fully realized through measurable, scalable, and sustainable actions. These insights are intended to guide future strategic adjustments, ensuring that the programme not only meets its current objectives but also serves as a replicable model for renewable energy and sustainable development initiatives in other contexts.

Introduction

15. The Mid-Term Evaluation (MTE) was conducted to assess the progress, effectiveness, and sustainability of the Zimbabwe Renewable Energy Fund (ZimREF), a four-year initiative launched on April 1, 2022, under the Joint Sustainable Development Goals (SDG) Fund's Catalytic Investment Portfolio (Component 2). The evaluation sought to determine whether the intervention was on track to achieve its objectives, identify implementation challenges, and provide strategic recommendations to enhance its impact. Conducted at the midpoint of the program's lifecycle, the evaluation was a critical opportunity to reflect on early successes, course corrections, and emerging risks that could affect sustainability.

16. The evaluation was commissioned by key stakeholders, including the United Nations (UN), the Government of Zimbabwe, and private sector partners, who were particularly interested in understanding the effectiveness of the financial model, the extent to which private sector investments were being leveraged, and how well gender and social inclusion principles were being integrated. Given the program's ambition to serve as a scalable model for renewable energy financing, stakeholders sought insights into its governance, risk management, and long-term viability. The results of this evaluation are expected to guide strategic decision-making, ensuring that the program remains aligned with national development priorities and the broader SDG agenda.

17. The ZimREF initiative was designed to unlock private sector investments in Zimbabwe's renewable energy sector, with a strong emphasis on gender inclusion, youth empowerment, and climate action. The fund, managed by Old Mutual in collaboration with the United Nations Capital Development Fund (UNCDF), was structured as an innovative financing mechanism to support scalable, bankable renewable energy projects. By mid-term, key milestones had been achieved, including the establishment of financial structures, completion of due diligence processes, and initial disbursements. However, the program also faced challenges, particularly in regulatory approvals, fund deployment speed, and private sector engagement.

18. This report is structured to provide a comprehensive analysis of the MTE findings. This report is structured to provide a comprehensive and logical analysis of the evaluation findings. Section 2, "Evaluation framework", outlines the evaluation approach, conceptual model, methodology, and data analysis techniques. Section 3, "Findings", synthesizes the key findings,

informed by the key evaluation questions. Section 4, “Lessons learned and best practices”, highlights key insights, including what has worked well, challenges faced, and areas for improvement. Section 5, “Tailored recommendations”, offers short-term, medium-term, and long-term strategic recommendations to enhance programme impact, strengthen governance, and support expansion beyond Zimbabwe. Section 6, “Conclusion”, summarizes key findings and outlines the path forward for ZimREF’s sustainability and regional scalability. Lastly, Section 7, “Annexes”, provides additional technical data, methodology details, and supplementary information.

Description of the intervention

19. The Zimbabwe Renewable Energy Fund (ZimREF) is a four-year, gender-focused initiative designed to catalyze private sector investment in Zimbabwe’s renewable energy sector. Implemented under the Joint Sustainable Development Goals (SDG) Fund’s Catalytic Investment Portfolio (Component 2), ZimREF seeks to address the persistent energy access gap, support green economic growth, and enhance gender and social inclusion in energy investments. The intervention directly contributes to SDGs 4 (Quality Education), 5 (Gender Equality), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), 13 (Climate Action), and 17 (Partnerships for the Goals). It is aligned with Zimbabwe’s National Development Strategy 1 (NDS1), which prioritizes inclusive economic growth, energy sector expansion, and climate resilience, as well as the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2022–2026.

20. ZimREF was designed to tackle two major, interrelated challenges: limited access to renewable energy finance and the lack of investment-ready projects. Historically, Zimbabwe’s renewable energy sector has struggled to attract private capital due to perceived high investment risks, policy uncertainties, and a lack of technical and financial capacity among project developers. By establishing a gender-responsive and scalable financing mechanism, ZimREF aims to bridge this gap by blending public and private resources to de-risk investments, mobilize funding, and support the development of bankable renewable energy projects. The initiative also seeks to promote gender and youth inclusion by increasing the participation of women-led enterprises and

young entrepreneurs in renewable energy value chains.

21. At the core of the intervention is the Renewable Energy Fund (REF), a financing instrument managed by Old Mutual Investment Group, with strategic oversight from the United Nations Capital Development Fund (UNCDF). The fund was structured to blend catalytic financing from the UN Joint SDG Fund ($10 million), private sector investment ($10 million from Old Mutual), and a $1 million contribution from the Government of Zimbabwe, creating a $21 million investment vehicle. The REF provides loans, guarantees, and other financial instruments to unlock capital for renewable energy projects. Additionally, the initiative includes capacity-building programs, technical assistance for project developers, and partnerships with financial institutions to enhance investment readiness and support sustainable business models.

22. Since its launch on April 1, 2022, ZimREF has undergone significant strategic shifts, particularly in response to regulatory delays and evolving financial risks. The original plan envisioned an early disbursement phase to fast-track investments, but extensive due diligence requirements—particularly for prescribed asset status approval—slowed the process. As a result, the program had to pivot towards capacity-building and strategic partnership development while awaiting full financial deployment. This shift led to the strengthening of investment readiness training for small and medium enterprises (SMEs), youth entrepreneurs, and women-led businesses, as well as technical assistance programs to enhance project bankability. Additionally, new partnerships were established with the Private Financing Advisory Network (PFAN) and the National Training Centre of the Zimbabwe Electricity Supply Authority (ZESA) to build local expertise in renewable energy project development and finance.

23. The implementation of ZimREF involves a multi-stakeholder governance model comprising Participating UN Organizations (PUNOs), government ministries, private sector actors, and financial institutions. UNESCO serves as the coordinating agency, while UNDP focuses on capacity building, UN Women leads gender mainstreaming efforts. UNCDF provides financial structuring expertise and deployment of financing instruments to enable the establishment and startup of the REF. The Government of Zimbabwe, through the Ministry of Energy and the Ministry of Finance, ensures policy alignment and regulatory support, while Old Mutual manages fund disbursements and investment risk. Despite this well-defined structure, early-stage coordination challenges and delays in formalizing governance mechanisms affected

decision-making efficiency and slowed fund deployment.

24. The scale of the intervention is national, with a particular emphasis on off-grid rural communities, SMEs, and underrepresented groups. By the mid-term point, 62 business proposals had been registered for REF funding, with over 30% integrating renewable energy solutions into their business models. However, actual fund disbursement was delayed due to prolonged risk assessments, affecting the pace at which direct beneficiaries could access financial support. The program's initial emphasis on financial structuring over direct engagement with end beneficiaries meant that tangible impacts at the community level were still emerging at the time of evaluation.

25. ZimREF operates in a complex socio-economic and regulatory landscape. Zimbabwe's macroeconomic volatility, inflationary pressures, and foreign exchange risks pose significant challenges for long-term financial sustainability. Additionally, bureaucratic hurdles in securing prescribed asset status for Old Mutual have limited the fund's ability to attract pension fund investments and scale up financing. Despite these obstacles, growing government and UN engagement, increasing private sector interest, and strong alignment with national development goals present key opportunities for accelerating impact.

26. While ZimREF's overall intervention logic remains robust and well-aligned with national and global priorities, certain design weaknesses have emerged. The assumption that private sector investments would flow rapidly was overly optimistic, as investor confidence remains tied to regulatory stability and financial incentives. Additionally, the focus on financial structuring in the early phases limited direct engagement with communities, delaying the realization of social and economic benefits. Moving forward, a stronger emphasis on regulatory advocacy, impact measurement, and adaptive governance will be critical to ensuring that the program achieves its intended outcomes and contributes meaningfully to Zimbabwe's just energy transition and sustainable development agenda. The mid-term evaluation marked the first external review of the Joint Programme.

Specific purpose and scope of the mid-term evaluation (MTE)

27. The MTE covered the implementation period from March 1, 2022, to March 31, 2024. It assessed progress against the JP's objectives and key results, examining early indicators of success

or challenges and recommending necessary adjustments. Additionally, the review evaluated the program's strategy and risks to sustainability.

28. The specific objectives of the MTE included:

- Assessing the design and relevance of the JP about SDG transitions, gender equality, youth inclusion, and the "Leave No One Behind" (LNOB) principle. The evaluation examined the robustness of program indicators and targets.
- Reviewing progress and results achieved against the JP's results framework, identifying barriers to achieving objectives, assessing financial leverage, and determining the potential for scaling solutions.
- Evaluating management efficiency, including program coordination, reporting mechanisms, and stakeholder engagement.
- Validating the risk framework, identifying emerging risks, and assessing mitigation strategies.
- Assessing sustainability prospects, focusing on financial mechanisms, stakeholder ownership, and partnerships for scaling and long-term impact.

Adjustments to the evaluation

29. The Terms of Reference (ToR) stipulated that the MTE would include field missions to investment sites and engaged projects. However, at the time of the evaluation, direct beneficiaries had not yet been identified, and project implementation had not yet begun. As a result, the evaluation focused on the establishment phase of the Renewable Energy Fund (REF), analyzing the planning, organizational structures, and strategic groundwork laid for future implementation. This approach provided insights into the preparedness of the program to engage beneficiaries and achieve its intended impacts.

Expected use of the evaluation

30. The MTE served as a diagnostic tool, allowing stakeholders to assess progress, test

underlying assumptions, and extract key lessons. By systematically measuring performance against planned targets and identifying potential challenges, the review informed strategic decision-making and course corrections. Furthermore, the evaluation validated the project's Theory of Change (ToC) and provided recommendations to enhance the implementation strategy, ensuring the program's continued relevance and sustainability.

31. The MTE also provide insights for government agencies and regulatory bodies to refine policies supporting renewable energy financing in the country. The evaluation also guides the partners and investors in improving fund deployment and mitigating risks.

Evaluation framework

Evaluation approach

32. The evaluation adopted a mixed-methods approach, integrating both qualitative and quantitative data collection techniques to assess effectiveness, management efficiency, design relevance, risk management, and sustainability. This comprehensive methodology ensured a triangulated analysis, combining document reviews, key informant interviews (KIIs), and focus group discussions (FGDs) with key stakeholders.

33. A participatory and utilization-focused approach was employed, engaging implementing partners, policymakers, and financial institutions to provide context-specific insights. The evaluation adhered to OECD-DAC evaluation criteria and was compliant with the United Nations Evaluation Group (UNEG) Norms and Standards.

Conceptual model

34. The evaluation was structured around the Theory of Change (ToC), which outlined the causal pathways linking program inputs, activities, outputs, outcomes, and long-term impacts. This framework allowed for a systematic examination of program assumptions, risks, and external factors influencing implementation.

35. Additionally, the Logical Framework Approach (LFA) was used to assess the intervention

logic, focusing on:

• Inputs: Financial, human, and material resources allocated to program implementation.

• Activities: Actions undertaken to deliver program outputs.

• Outputs: Immediate deliverables such as established partnerships and technical assistance.

• Outcomes: Short- to medium-term results, including the establishment of the REF.

36. By critically analyzing these components, the evaluation identified strengths and weaknesses in program design and execution. External factors such as policy shifts, socio-economic conditions, and stakeholder engagement were also examined for their potential influence on program outcomes.

Evaluation methodology

37. Given the early stage of implementation, the MTE employed a structured mixed-method approach, including:

- o Document review covering project reports, strategic frameworks, loan agreements, work plans, and risk assessments. Please refer to Annex 3 for a full list of all documents that were consulted.
- o Key informant interviews (KIIs), engaging UN agencies, government ministries and financial institutions. The following stakeholders were interviewed:

Table 1: KII Sample

Category	**Name**	**No. of participants**	**Sampling consideration**
Financial institutions	Old Mutual	1	The project only engaged with Old Mutual for fund establishment and disbursement.

Government ministries and regulators	Ministry of Energy and Power Development	3	The project has primarily directly engaged with the Ministry of Energy and Power Development.
UN agencies	UNESCO	2	UNESCO is the project coordinating agency, hence it was important for them to provide deeper details of the project from inception.

• Focus group discussions (FGDs) were conducted with UN stakeholders to examine governance, coordination, and program sustainability. One focus group discussion was conducted with the evaluation reference group comprising members from UNESCO, UNCDF, UNDP, and UN Women.

Data analysis

38. Qualitative data was analyzed using NVivo, ensuring structured thematic coding and categorization. The process involved the transcription and coding of interviews and FGDs, thematic structuring based on the evaluation criteria, and comparative analysis across stakeholder groups. The triangulation of qualitative and quantitative insights enhanced reliability.

39. To enhance the reliability of qualitative data analysis, inter-rater reliability checks were conducted using Cohen's Kappa. The two evaluators coded a subset of the data, and discrepancies were resolved through discussion to ensure consistency in thematic categorization. This approach strengthened the validity and reproducibility of the findings

40. Overall, this structured methodological framework ensured that the evaluation provided rigorous, evidence-based findings, supporting strategic decision-making and program optimization.

Findings

Theory of change analysis (Finding 1)

41. The Theory of Change (ToC) underpinning the Zimbabwe Joint SDG Fund Programme presents a structured and logical framework for achieving sustainable renewable energy (RE) investments. It posits that IF a conducive investment environment is established through adequate financing instruments and supportive policies; AND IF institutional, community, and private sector capacity—especially for women and youth—is enhanced to access finance and develop bankable projects; AND IF gender and social inclusion barriers are systematically addressed, THEN Zimbabwe will achieve increased RE uptake, reducing energy poverty and fostering a green transition.

42. The ToC demonstrates strong logical coherence, clearly linking financing, capacity-building, and social inclusion interventions to long-term RE adoption. It aligns well with the SDGs, particularly Goals 5 (Gender Equality), 7 (Affordable & Clean Energy), 8 (Decent Work & Economic Growth), 9 (Industry, Innovation & Infrastructure), 13 (Climate Action), and 17 (Partnerships). Furthermore, it is grounded in national frameworks, including Zimbabwe's National Development Strategy 1 (NDS1), Renewable Energy Policy, and Nationally Determined Contributions (NDCs). The programme also adopts a multi-stakeholder approach, bringing together public, private, and development sector actors, including UN agencies, the Government of Zimbabwe, Old Mutual, and financial institutions. Its gender-sensitive investment criteria and capacity-building initiatives promote inclusivity for marginalized groups, particularly women and youth.

43. A key strength of the ToC is its emphasis on financial sustainability through the Renewable Energy Fund (REF), which is structured as a long-term financing mechanism leveraging blended finance approaches, including equity, debt, and guarantees. This design enhances private sector engagement and promotes lasting RE investments. Additionally, the ToC integrates economic empowerment with environmental sustainability, recognizing the potential of RE to drive job creation, entrepreneurship, and gender equity. By focusing on capacity-building, it aims to create a critical mass of skilled RE entrepreneurs and institutions, fostering long-term sectoral growth.

44. However, some limitations weaken its robustness. The ToC heavily relies on assumptions about macroeconomic stability, policy consistency, and private sector willingness to invest, without clear risk mitigation strategies. Risks such as currency fluctuations, inflation, and regulatory uncertainty are not sufficiently integrated into the intervention strategy. Moreover, while private sector engagement is a central component, there is limited evidence of investor appetite, raising concerns about the feasibility of large-scale private financing. A market assessment is needed to understand investment risks, expected returns, and regulatory bottlenecks.

45. Despite recognizing gender and social inclusion, the ToC does not fully address socio-cultural barriers that may hinder women's and youth participation in RE. Deep-rooted challenges such as land ownership restrictions, limited technical skills, and social resistance to women in leadership roles remain underexplored. Additionally, the policy and regulatory gaps within Zimbabwe's RE sector, particularly concerning mini-grid management, require targeted interventions.

46. The absence of a clear Monitoring & Evaluation (M&E) framework further limits the ToC's effectiveness. Without well-defined indicators, baselines, and impact assessment mechanisms, including opportunities for tracking assumptions, tracking results and adjusting strategies becomes challenging. Establishing SMART indicators and performance tracking tools is essential to measuring progress in key areas such as job creation, gender inclusivity, emission reductions, and financial leverage. Assumption tracking indicators, such as a Policy Consistency Index, RE financing approval rates, and macroeconomic stability indices, would strengthen the ToC's ability to adapt to changing conditions.

47. Finally, long-term financial sustainability remains uncertain. While the ToC assumes the REF will continue post-programme, there is no detailed plan for attracting additional investors or ensuring fund governance, transparency, and efficiency beyond the UN-led phase. A sustainability roadmap, including strategies for listing the REF on secondary markets and reinvesting repaid funds into similar projects, would enhance financial longevity. Addressing these gaps will strengthen the ToC's effectiveness in driving Zimbabwe's transition to a sustainable and inclusive RE sector.

Alignment with SDGs and national priorities (Finding 2)

48. 1. The Zimbabwe Joint SDG Fund Programme was designed to accelerate progress toward several Sustainable Development Goals (SDGs), specifically Goals 4 (Quality Education), 5 (Gender Equality), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), 13 (Climate Action), and 17 (Partnerships for the Goals). A key feature of the programme's design is its innovative financing mechanism, which leverages public and private sector resources through the Renewable Energy Fund (REF). This fund, managed by Old Mutual and structured by UNCDF, aims to support the development of bankable renewable energy projects in Zimbabwe. The involvement of multiple UN agencies, including UNESCO (coordinating agency), UNDP, UN Women, and UNCDF, ensures a multi-sectoral approach, integrating energy access, gender equality, and financial inclusion.

49. 2. Both the SDGs and Zimbabwe's NDS 1 and 2 emphasize capacity building in the energy sector as a key driver of socio-economic transformation. NDS 1 prioritizes inclusive growth and job creation, while NDS 2 focuses on higher value addition and industrialization. In alignment with these goals, the JP strongly emphasises capacity building, recognizing its crucial role in developing a self-sufficient energy sector, reducing dependence on non-renewable energy sources, and promoting economic and environmental sustainability. This initiative helps bridge technical skill gaps, cultivate local expertise in renewable energy, and ensure that Zimbabwe's renewable energy sector grows sustainably and inclusively.

50. 3. The JP is closely aligned with the National Energy Policy and the National Renewable Energy Policy of Zimbabwe. The National Energy Policy (NEP) aims to provide a sustainable and environmentally friendly energy supply that promotes socio-economic development in the country. Meanwhile, the National Renewable Energy Policy (NREP) focuses on increasing the use of renewable energy to meet long-term energy needs sustainably. These elements form the foundation of the JP.

51. 4. Despite the program's alignment with global and national priorities, delays in setting up governance structures, finalizing financial arrangements, and obtaining regulatory approvals hindered early implementation. The necessity of conducting extensive due diligence, particularly regarding the private sector partnership with Old Mutual, prolonged the programme's launch. These procedural delays limited initial engagement with intended beneficiaries and slowed the

deployment of funds to support renewable energy projects.

Integration of gender equality, youth, and LNOB principles (Finding 3)

52. The programme incorporates a strong gender-responsive approach, with UN Women and the Ministry of Women Affairs, Community, Small and Medium Enterprises Development (MWACSMED) playing a key role in ensuring the meaningful participation of women in the renewable energy value chain. The initiative includes gender-responsive financing mechanisms, targeted capacity-building efforts, and the generation of gender-disaggregated data to inform policy and investment decisions.

53. It is essential to note that the fund has developed a pipeline of 50 potential projects. The potential projects were identified through a call for proposals from companies with viable project ideas. The selection criteria focused on projects in solar, hydro, biomass, renewable energy mini-grids, or any other renewable energy technologies that are financially and technically feasible. Additionally, these projects must incorporate environmental and social sustainability into their renewable energy initiatives.

54. Currently, only 30% of the applicants are women-led enterprises. The fund aims to increase this percentage to at least 50%, recognizing that gender diversity is crucial for fostering innovation and socio-economic development. However, achieving this goal is challenging due to existing social, economic, and cultural norms, as well as gaps in business and leadership skills that prevent women entrepreneurs from accessing the necessary resources and support to establish and operate successful businesses. These obstacles include limited access to funding, mentorship opportunities, and networks, all of which are vital for the success of any business venture. Addressing these issues is fundamental to creating a more equitable entrepreneurial landscape, which is a priority for the JP.

55. Youth inclusion is another fundamental element of the programme, particularly through capacity-building initiatives designed to equip young entrepreneurs and small and medium enterprises (SMEs) with technical and financial skills in the renewable energy sector. The training provided at ZESA's technical centre is an example of skills development aimed at enhancing youth participation in the energy sector. The training covered key areas, including project development

and finance insights, financial modeling and business planning, and networking and presentations. The primary objectives were to enhance participants' ability to develop and present bankable business plans, strengthen their knowledge of financial modelling and project finance, and foster partnerships and awareness of renewable energy funding opportunities.

56. The Leave No One Behind (LNOB) principle is embedded in the programme's design by emphasising renewable energy solutions for underserved communities, including rural areas that face energy poverty. However, challenges in community engagement due to delays in programme implementation have meant that direct beneficiaries—particularly women, youth, and marginalized communities—are yet to fully experience the intended impacts. It's important to highlight that the REF primarily targets structured and formal small and medium-sized enterprises (SMEs). This focus may limit its reach to rural and informal SMEs, particularly those led by women and youth. Regulatory barriers could hinder the full integration of informal enterprises, especially considering the much-needed efforts to identify and formalize these SMEs as part of a broader investment readiness initiative under the JP. The Government of Zimbabwe is also promoting a policy-driven transformation of informal SMEs.

Progress and results to date (Finding 4)

i. Due diligence process for setting up the fund

57. 18. The Joint Programme (JP) encountered significant delays, primarily due to the late formal integration of UNCDF, the only UN agency with the mandate and capability to manage private sector funds, issue loans, and provide guarantees. While discussions with UNCDF commenced in May 2022, its formal engagement was contingent upon donor approval of the revised Programme Document (PRODOC) and the subsequent first funding transfer on 15 February 2023. This structural prerequisite meant that UNCDF was not operationally responsible for the nearly two-year gap between the programme's official start in 2021 and its financial activation in 2023. The need to reconfigure programme governance and financial flows at this stage introduced substantial bureaucratic and administrative lags, particularly in obtaining multi-level donor and board approvals before financial structuring could proceed.

58. A critical bottleneck in financial structuring arose from UNCDF's due diligence process,

which, by design, is dependent on the responsiveness of the entities being assessed. In the case of the REF, prolonged delays were attributable to OMIG's slow provision of essential financial and organizational information. Despite UNCDF's weekly follow-ups—on which all PUNOs were copied—OMIG's delayed responses systematically obstructed progress. This dependency dynamic highlights a broader structural issue in investment-oriented programming: due diligence is not a unilateral process but rather an iterative exchange where the speed of one party significantly constrains the agility of the entire system.

59. Further exacerbating delays, UNCDF's financial structuring and disbursement processes were sequentially constrained by external dependencies. Although the term sheet was finalized in October 2022, OMIG's approval of the loan was only granted five months after IDIC's approval (8 November 2023), with the agreement officially signed on 1 May 2024. These extended negotiation timelines highlight the necessity of pre-defined service level agreements (SLAs) between financial intermediaries and implementing partners to prevent ad-hoc, reactive approval cycles that risk derailing programmatic milestones.

60. Another structural inefficiency arose from the Conditions Precedent (CPs) required for fund disbursement, which are obligatory and dictated by IDIC. The responsibility for meeting these CPs lay entirely with OMIG, and until they were fulfilled, UNCDF was procedurally unable to process disbursements. For example, one of the fundamental CPs—the board approval for OMIG to accept the UNCDF loan—took an additional one month to secure. Such delays underscore a recurring challenge in blended finance models: while investment frameworks introduce necessary safeguards, excessive procedural layering without concurrent timeline alignment creates systemic inefficiencies that impede operational agility.

61. A final delay factor was the Know Your Customer (KYC) verification process, which, while a regulatory necessity, became an additional choke point. Following the agreement signing, OMIG required additional time to complete all KYC requirements, despite UNCDF's weekly follow-ups. Given that UNCDF's compliance officer must approve KYC before any disbursement can proceed, delays at this stage further prolonged fund flow timelines. This underscores the need for pre-emptive engagement in KYC processes at an earlier stage to ensure financial structuring aligns with programmatic timelines.

62. Importantly, UNCDF's internal restructuring had no substantive impact on its ability to

execute investments. The funding transfer to UNCDF was received in February 2023, and Committee approval for financial structuring was granted in October 2023—a timeline consistent with standard UNCDF investment protocols. However, the interplay between financial structuring, partner responsiveness, compliance layering, and external procedural dependencies collectively pushed back the programme's ability to mobilize capital, deploy investments, and generate early-stage impact.

ii. Key achievements

63. Despite significant delays in operationalizing the Zimbabwe Joint SDG Fund Programme, several key milestones have been reached, particularly in financial structuring, governance establishment, and capacity-building initiatives.

1. Renewable Energy Fund (REF) established: The REF was successfully set up, with Old Mutual selected as the fund manager following an extensive due diligence process led by UNCDF. The fund has been structured as a blended financing mechanism, integrating catalytic capital from the UNSDG (US$8 million), Old Mutual (US$8 million), and the Zimbabwean government (US$1 million).

2. First disbursement and project pipeline development: The first tranche of US$3 million has been disbursed, with additional disbursements contingent on private sector co-financing. The fund has developed a pipeline of 50 potential projects, with 17 currently under evaluation for financing. The government's prescribed asset status approval remains a bottleneck, affecting the pace of private sector participation.

To ensure that funded projects generate both financial viability and measurable social impact, the REF integrates a dual-criteria selection framework, which includes social impact weighting in project evaluation. Moving forward, the thrust is to ensure that renewable energy projects are evaluated using a reasonable impact-financial viability ratio (e.g. 40/60), where projects must demonstrate clear benefits in job creation, energy access for underserved communities, or gender inclusion. Projects must meet predefined social impact Key Performance Indicators (KPIs), such as the number of jobs created, women-led businesses supported, or MW of clean energy provided to low-income households, to access additional funding tranches. Further, the REF may consider lower interest rates or extended repayment periods for projects that exceed social impact targets, incentivizing businesses to prioritize inclusive growth.

3. Capacity building and technical training initiatives: Recognizing early delays in financial disbursement, the programme pivoted toward capacity building to ensure progress. The JP facilitated renewable energy training for SMEs, youth, and women entrepreneurs, conducted at ZESA's technical centre. Further, the JP facilitated financial literacy and investment readiness training for renewable energy project developers, aiming to enhance project bankability.

4. High-level stakeholder engagement and policy alignment: The JP successfully engaged UN agencies, government ministries, and private sector actors to align strategies for scaling renewable energy solutions. The UN Resident Coordinator and Zimbabwean government leadership actively supported efforts to accelerate fund implementation and resolve bureaucratic bottlenecks.

64. Table 2 summarizes the results for all applicable indicators.

Table 2: Targets and results for applicable indicators

Targets vs. Results Review.xlsx

Robustness of indicators (Finding 5)

65. Our review of the program's performance indicators led to a series of suggested improvements aimed at ensuring they are SMART—Specific, Measurable, Achievable, Relevant, and Time-bound. While some indicators were already robust, others required tweaks to better capture nuances in financing and beneficiary impact. This exercise was critical because clear and well-defined indicators form the backbone of effective performance monitoring and enable stakeholders to make informed decisions. In tandem with these refinements, comprehensive Performance Indicator Reference Sheets (PIRS) were developed, providing detailed definitions, measurement methods, and data sources. This documentation is critical as it standardizes the evaluation process and ensures consistency in tracking progress across different aspects of the program. The document embedded below outlines proposed enhancements to the indicators and the reference sheets for the JP moving forward.

Robustness of Indicators and related

Robustness of the targets (Finding 6)

66. The observations and recommendations in this robustness check were derived through a systematic process involving a detailed review of the Programme Document, Loan Agreement, programme and financial reports to identify target discrepancies and funding structures. We engaged with key stakeholders, including the UN family, Old Mutual and the Ministry of Energy and Power Development, to understand the rationale behind target setting and implementation challenges. Performance analysis was conducted to assess matching fund effectiveness, beneficiary outreach, and financial stability, while benchmarking against global best practices and socio-economic trends helped evaluate target feasibility and sustainability. Through collaborative discussions, we explored ways to reconcile target inconsistencies, enhance private sector leverage, and establish a structured approach for annual target revisions, ensuring the recommendations are data-driven, practical, and aligned with the programme's financial and operational realities. The document embedded below synthesizes the main observations and recommendations.

JP targets assessment.docx

Management efficiency and governance (Finding 7)

i. Governance and coordination mechanisms

67. The Zimbabwe Joint SDG Fund Programme operates as a multi-stakeholder initiative involving UN agencies, government ministries, private sector partners, and a steering committee. This governance framework is designed to provide strategic oversight, ensure efficient decision-making, and uphold financial accountability. However, coordination challenges, delays in fund disbursement, and inefficiencies in reporting and decision-making have hindered programme execution.

68. The governance structure includes a steering committee composed of representatives from

the government, UN agencies, and development partners, providing high-level strategic guidance. The Steering Committee provides strategic oversight and aligns the JP's activities with national policies and the UN Sustainable Development Cooperation Framework (UNSDCF 2022-2026), ensuring that the program supports Zimbabwe's development priorities and the Sustainable Development Goals (SDGs). The committee also ensures adherence to principles of gender equality and inclusivity, focusing on the promotion of women and youth empowerment throughout the implementation process. The Participating UN Organizations (PUNOs) coordinate with the JP to implement activities efficiently and support Old Mutual, the Renewable Energy Fund (REF) manager, to achieve financial sustainability and inclusive growth.

69. A technical coordination team led by the Programme Coordinator is responsible for day-to-day programme management, while Old Mutual serves as the fund manager under the oversight of UNCDF. Despite this structured framework, early implementation faced significant coordination challenges. The steering committee was not fully functional at the beginning of the programme, holding its first formal meeting only after fund disbursement had already begun on 18 June 2024. This delayed engagement limited its ability to provide early strategic direction, troubleshoot implementation issues, and enhance inter-agency coordination. Additionally, UNCDF, the key financial structuring partner, was integrated later in the programme, necessitating modifications to the financial framework and contributing to delays in fund operationalization.

70. Over time, coordination has improved through regular technical committee meetings and structured reporting frameworks. However, early-stage misalignment among stakeholders resulted in inefficiencies in fund structuring and financial approvals. While mechanisms have been introduced to streamline decision-making, further efforts are needed to enhance governance efficiency.

71. Old Mutual has set up a REF investment committee whose responsibility is to approve all investments or disposal of investments by the Fund. It reviews potential investments, ensures compliance with the investment strategy, and monitors the performance of portfolio companies. However, there has not been a direct interaction between the JP steering committee and the Old Mutual investment committee, especially in the evaluation and selection of potential projects for funding. There is a need for improvement in engagements and communication with technical members of the JP joining the investment committee to offer support in the selection of

bankable and technically sound projects.

ii. Programme implementation and decision-making bottlenecks

72. The execution quality of the JP has been characterized by efficient coordination among the PUNOs, Old Mutual, and various stakeholders. Old Mutual, serving as the fund manager for the REF, has implemented a diligent process for fund disbursement and project identification, despite initial delays in operationalizing the fund due to an extensive due diligence process. UNCDF led this process, which involved regulatory compliance checks, financial risk assessments, and operational audits to ensure that Old Mutual could manage fund disbursements and monitor investments. While this level of scrutiny ensured accountability and transparency, it significantly delayed the programme's implementation. The due diligence phase lasted over ten months, delaying fund disbursement and restricting early engagement with target beneficiaries. Additionally, Old Mutual did not initially receive technical assistance, which could have expedited investment structuring and improved programme efficiency.

73. The programme's multi-agency implementation model—led by UNESCO as coordinator, with UNDP focusing on capacity building, UN Women on gender inclusion, and UNCDF on financial structuring—required strong collaboration. However, early in the implementation phase, gaps in communication and misalignment in roles and responsibilities led to inefficiencies. The late integration of UNCDF required adjustments to the financial framework, which slowed progress. There was also limited early engagement between Old Mutual and UN agencies, delaying fund disbursement. Furthermore, the lack of direct communication with project beneficiaries hindered the identification of investment-ready projects.

74. As the programme advanced, regular coordination meetings and structured reporting mechanisms were introduced to improve alignment between UN agencies and the fund manager. While these measures have addressed some inefficiencies, real-time decision-making and cross-agency collaboration require further strengthening to optimize programme outcomes.

iii. Reporting and monitoring mechanisms

75. The programme's monitoring and evaluation (M&E) framework is designed to track financial leverage, gender inclusion, and renewable energy project implementation. However, several inefficiencies have emerged, particularly in the early stages. The programme initially

prioritized financial structuring over the development of a robust impact measurement system, leading to delays in setting up effective monitoring mechanisms. As a result, real-time data on project beneficiaries has remained limited, with most impact assessments still at the planning stage rather than being based on tangible outcomes.

76. Another challenge has been the inconsistency in reporting cycles. While UN agencies submit periodic reports, stakeholders have highlighted the need for more frequent updates on progress and performance reviews to facilitate timely decision-making. In response to these challenges, the programme is now developing a comprehensive impact tracking framework that integrates financial, social, and environmental indicators. Additionally, efforts have been made to strengthen coordination between UN agencies and Old Mutual to enhance data-sharing processes and financial oversight. Knowledge management initiatives, such as case studies and best practice documentation, are also being implemented to inform future programme iterations and improve efficiency.

iv. Stakeholder communication and engagement

77. The programme has established mechanisms for stakeholder consultations, technical coordination, and policy dialogue. Notable successes in stakeholder engagement include government support for the Renewable Energy Fund, with a US$1 million commitment and policy alignment efforts. The private sector, particularly Old Mutual, has played a central role in fund management, while inter-agency collaboration between UNDP, UN Women, and UNCDF has contributed to capacity-building, gender inclusion, and investment structuring efforts.

78. Despite these achievements, challenges remain in ensuring effective stakeholder engagement. Direct communication with project beneficiaries has been limited, as financial disbursement delays have restricted outreach efforts. Many small and medium-sized enterprises (SMEs) and community stakeholders have not been fully engaged, which has slowed the identification and implementation of investment-ready projects. Additionally, there is a need for stronger advocacy with government regulators to address ongoing policy challenges, particularly the pending approval of prescribed asset status for Old Mutual, which remains a key barrier to attracting private sector investments.

Risk Management (Finding 8)

Overview of the risk management framework

79. The Zimbabwe Joint SDG Fund Programme incorporates a multi-tiered risk management approach, with risk mitigation frameworks embedded in the programme document, UNCDF's financial structuring, and Old Mutual's investment governance mechanisms. The programme has identified several key risks, including financial, regulatory, operational, and contextual risks, and has developed corresponding mitigation strategies.

80. Despite these established frameworks, emerging risks related to regulatory delays, private sector participation, and macroeconomic instability continue to pose significant challenges. The programme's ability to adapt to these risks will determine its effectiveness in scaling impact and ensuring long-term sustainability.

Key risks and emerging challenges

i. Regulatory and compliance risks

81. *Prescribed asset status approval*: The REF is awaiting prescribed asset status from the Insurance and Pensions Commission (IPEC), a designation required to enable pension funds and institutional investors to allocate capital to the fund. This delay has slowed the mobilization of additional private-sector investment.

82. *Exchange control and foreign currency regulations:* The fund must navigate compliance with the Reserve Bank of Zimbabwe (RBZ) exchange control policies, which govern the repatriation of foreign currency earnings and capital investments, affecting investor confidence in USD-based returns.

83. *Renewable energy licensing requirements:* The Zimbabwe Energy Regulatory Authority (ZERA) requires Independent Power Producers (IPPs) to obtain licenses and regulatory approvals, adding layers of compliance for funded projects.

Proposed and ongoing policy adjustments:

84. High-level engagement with the UN Resident Coordinator and Zimbabwean government officials to accelerate regulatory approvals.

85. Government engagement with IPEC and the Ministry of Finance to accelerate approval, unlocking larger-scale institutional investments. High-level engagement with the UN Resident Coordinator and Zimbabwean government officials to accelerate the process.

86. Advocacy efforts with the RBZ to introduce investment-friendly foreign exchange policies that allow REF-backed projects to retain a higher percentage of USD revenue for debt servicing and operational sustainability.

87. Discussions with the Ministry of Energy and Power Development (MoEPD) and ZERA must include potential tax incentives, tariff adjustments, and streamlined licensing for renewable energy projects.

ii. Financial and investment risks

88. *Slow private sector uptake:* While the first $3 million disbursement was matched by private sector co-financing, achieving larger-scale investments remains uncertain without further regulatory approvals.

89. *Risk of unviable projects:* The pipeline of 50 potential renewable energy projects includes 17 under evaluation, but not all may meet financial viability criteria, leading to potential underutilization of funds.

Mitigation strategies:

90. Providing technical assistance to project developers to enhance the bankability of renewable energy projects.

91. Expanding the pipeline of projects to diversify risk and ensure fund utilization.

92. Enhancing financial literacy and investment-readiness training for SMEs and women-led businesses.

iii. Operational and governance risks

93. *Delays in Steering Committee functionality*: The steering committee was only formally convened after fund disbursement had begun, reducing its ability to guide early-stage implementation.

94. *Coordination gaps between UN Agencies and Old Mutual*: The absence of early technical support for Old Mutual resulted in slow initial fund deployment.

Mitigation strategies:

95. Strengthening inter-agency coordination through regular technical committee meetings and structured reporting mechanisms.

96. Providing targeted technical support to Old Mutual to improve investment structuring and fund governance.

iv. Macroeconomic and contextual risks

97. *Currency and market volatility:* Zimbabwe's economic environment, including currency fluctuations and inflationary pressures, presents risks for long-term financial sustainability.

98. *Liquidity challenges:* There is limited liquidity in the market to meet the needs for hard currency for the projects

99. *Geopolitical and policy uncertainty:* While the government is supportive of renewable energy investments, policy shifts or administrative delays could impact programme execution.

Mitigation strategies:

100. Structuring the fund to prioritize investments with USD-based returns, ensuring financial stability.

101. Establishing contingency plans for macroeconomic disruptions, including diversified investment strategies to manage risks associated with economic fluctuations.

102. Securing liquidity lines through the disbursing bank to ensure that the projects are fully funded and have access to hard cash for their operations.

103. Hedging currency risk with Exchange Traded Funds (EFTs) to protect the investors' funds from currency volatilities.

104. Additionally, investment diversification across multiple asset classes and geographies will be considered to reduce exposure to single-market risks. A diversified investment approach is key to fund longevity.

v. Inclusivity and Social Risks

105. Ensuring the active participation of women and youth in the JP activities was recognized as a challenge, given historical disparities and gender biases in the energy sector.

Mitigation strategies:

106. Targeted recruitment strategies, gender-responsive selection processes, and capacity-building activities that specifically promote inclusivity are being prioritized. Training and SME investment-readiness opportunities are being tailored to ensure that women and youth have equitable access to resources and participation in renewable energy projects.

107. While the programme has demonstrated adaptability in addressing operational delays and financial structuring challenges, certain risks—particularly regulatory delays and financial leverage constraints—remain unresolved. The Zimbabwe Joint SDG Fund Programme has established robust risk management frameworks, but regulatory bottlenecks, financial risks, and operational inefficiencies continue to pose challenges.

Sustainability of the Zimbabwe Joint SDG Fund Programme (Finding 9)

i. Financial Sustainability

108. The Zimbabwe Joint SDG Fund Programme is structured to ensure long-term financial viability, particularly through the Renewable Energy Fund (REF), which is designed as an evergreen fund. Key financial sustainability mechanisms include:

109. *Blended financing model*: The programme combines UN catalytic funding ($8 million from

UNSDG), private sector investment ($8 million from Old Mutual), and government contributions ($1 million) to create a self-sustaining investment vehicle.

110. *Private sector co-financing:* The REF aims to mobilize additional private sector investment, with early results showing a 1:1 co-financing match for the first $3 million disbursement. However, full scalability remains dependent on regulatory approvals, particularly the prescribed asset status for Old Mutual.

111. *USD-based returns*: To mitigate risks associated with Zimbabwe's macroeconomic instability, the fund prioritizes renewable energy projects that generate returns in USD, ensuring investment security and long-term financial viability.

Challenges to financial sustainability:

112. Delayed prescribed asset status approval, limiting pension fund investments and restricting fund expansion.

113. Uncertain private sector commitment, as long-term investor confidence is contingent on a stable regulatory and financial environment. No additional private sector commitments for REF have been secured, except for Old Mutual. This is due to the absence of clear de-risking mechanisms, such as guarantees and tax incentives, which discourages long-term participation from the private sector.

114. Potential underutilization of funds if the pipeline of viable renewable energy projects remains limited.

ii. Institutional and stakeholder ownership

115. The sustainability of the programme depends on strong stakeholder buy-in, institutional integration, and policy alignment. Key elements include:

Government commitment: The Ministry of Energy and the Ministry of Finance have expressed strong support, committing $1 million and integrating the REF into Zimbabwe's Renewable Energy Plan.

UN agency collaboration: The UN Resident Coordinator, UNESCO, UNDP, UN Women, and

UNCDF continue to provide strategic oversight, ensuring institutional sustainability beyond the programme's lifecycle.

Private sector engagement: Old Mutual, as the fund manager, plays a central role in sustaining investment flows, while ongoing technical support from UNCDF enhances private sector participation.

Challenges to institutional sustainability:

116. Limited direct engagement with target beneficiaries (SMEs, youth, and women entrepreneurs), as financial disbursements have been delayed.

117. Risk of policy shifts that could impact long-term government support and regulatory stability.

118. Dependency on UN agencies for governance support, requiring a transition strategy for full local ownership.

iii. Scalability and replicability

119. The programme has been positioned as a pilot model for accelerating SDG investments through private sector engagement, with potential for expansion across Zimbabwe and other African countries. Key factors supporting scalability include:

- Global recognition: The UNSDG views the REF as a model for future blended finance initiatives, with potential replication in other developing countries.
- Lessons learned for future programmes: Stakeholders have emphasized the need for documenting best practices and challenges, particularly regarding regulatory engagement and fund structuring.
- Expansion into other sectors: While the current focus is on renewable energy, the REF model could be adapted for financing other SDG-aligned sectors, such as agriculture and infrastructure.

Scalability challenges:

120. Lack of the prescribed asset status for REF remain a barrier to broader investment mobilization, particularly in attracting more private sector funding.

121. Limited technical capacity among project developers restricts the pipeline of viable investment opportunities.

122. Macroeconomic risks, including currency fluctuations and inflation, could impact investor confidence.

123. Given the potential success of the REF model in catalyzing renewable energy investments, a structured roadmap must be developed to scale the model across African regional investment partnerships. The attached road map is proposed for adoption.

Proposed roadmap
for scaling the REF mo

iv. Environmental and social sustainability

124. The programme aligns with Zimbabwe's National Development Strategy 1 (NDS1) by promoting environmental sustainability through investments in renewable energy projects. By supporting solar, wind, and hydro energy initiatives, the programme will contribute to the reduction of greenhouse gas emissions and advances the transition to a low-carbon economy.

125. Beyond environmental impact, the programme integrates social sustainability by ensuring inclusive participation. Special emphasis has been placed on women and youth in the renewable energy value chain, promoting access to financing, training, and leadership roles. By embedding gender equality and social inclusion within its framework, the programme fosters equitable economic opportunities and strengthens community resilience.

Conclusions

126. [C1] The Zimbabwe Joint SDG Fund Programme represents an ambitious effort to accelerate the adoption of renewable energy through innovative financing, capacity-building, and inclusive policy interventions. At its core, the programme is anchored in a robust Theory of Change (Finding 1) that envisions a sequence of interventions—from creating a conducive financing environment to building institutional and community capacity (with a strong emphasis on women

and youth)—to achieve widespread renewable energy uptake. This foundational logic is closely aligned with Zimbabwe's national development strategies and multiple Sustainable Development Goals (SDGs), including those related to gender equality, clean energy, economic growth, and climate action. While the programme demonstrates substantial strengths in design and intent, the evaluation identifies several operational and structural challenges that must be addressed to ensure long-term impact.

127. [C2] One of the programme's most commendable achievements is its multi-stakeholder design. Involving UN agencies (such as UNDP, UN Women, UNESCO, and UNCDF), government bodies, and private sector partners like Old Mutual, the programme has successfully mobilized a diverse array of expertise and resources (Finding 2). This integrated approach has facilitated broad-based stakeholder buy-in and has reinforced alignment with both national policies and international frameworks. The programme's design has enabled it to tap into existing institutional frameworks, thereby increasing its legitimacy. However, the evaluation reveals that early-stage coordination issues—stemming from delays in establishing functional governance structures (Finding 5)—hampered decision-making and the timely mobilization of resources. These early misalignments underscore the critical need for agile coordination mechanisms in complex, multi-agency initiatives.

128. [C3] The establishment of the Renewable Energy Fund (REF) stands out as a pioneering element of the programme. Designed as an evergreen fund that leverages donor capital in combination with private sector investment, the REF has been pivotal in de-risking early-stage renewable energy projects (Finding 4). This blended financing model has filled a crucial market gap by providing the necessary capital to initiate bankable projects. Nevertheless, challenges to long-term financial sustainability have emerged. The evaluation highlights a significant gap in structured follow-on financing mechanisms (Finding 5), raising concerns about the REF's ability to maintain momentum once initial capital is deployed. In addition, external factors such as currency fluctuations, inflation, and broader macroeconomic uncertainties further compound these financial risks, emphasizing the need for a more resilient and adaptive financial structure.

129. [C4] The programme's deliberate focus on gender-responsive development is another key strength. By implementing gender-sensitive financing mechanisms, tailored capacity-building initiatives, and collecting gender-disaggregated data, the programme has made commendable

progress in promoting the inclusion of women in renewable energy projects (Finding 6). These efforts are critical in a sector that has traditionally been dominated by male participants. However, the evaluation also notes that entrenched socio-economic barriers persist. Factors such as limited access to credit, insufficient technical training, and prevailing cultural norms continue to restrict the full participation of women and other marginalized groups (Finding 7). Although the programme has succeeded in mobilizing support for women-led initiatives, overcoming these deep-seated challenges will require ongoing, sustained efforts that address the root causes of inequality.

130. [C5] Delayed implementation has emerged as a significant theme in the evaluation. The programme experienced notable delays in fund disbursement and project execution due to prolonged due diligence processes and regulatory hurdles (Finding 4). Such delays were compounded by early-stage governance inefficiencies, including the belated activation of the steering committee and other coordination mechanisms (Finding 5). These delays not only slowed the rollout of critical interventions but also limited early engagement with intended beneficiaries, thereby reducing the programme's initial impact. The delayed implementation has had a cascading effect on project timelines, reinforcing the notion that even well-designed interventions can falter without efficient operational management and agile decision-making processes.

131. [C6] Governance challenges further underscore the importance of establishing clear roles, robust communication channels, and real-time performance tracking systems. The evaluation emphasizes that the absence of these mechanisms has led to missed opportunities for timely intervention adjustments. Moreover, the slow pace of implementation has affected stakeholders' confidence, highlighting the need for enhanced internal processes and better risk management practices.

132. [C7] A critical area for reflection is the programme's approach to risk management and impact measurement. The evaluation finds that the absence of a robust, real-time impact measurement framework has limited the ability to monitor both financial and social outcomes effectively (Finding 8). This gap in systematic tracking hinders the programme's capacity for adaptive learning—a key component for iterative improvement in dynamic environments. Without timely and accurate data, stakeholders find it challenging to assess progress, quantify outcomes, or modify strategies in response to emerging risks, such as regulatory changes or economic

volatility.

133. [C8] The evaluation underscores that the development of comprehensive, SMART performance indicators is essential for driving adaptive management. Although the programme has achieved some success in setting up initial impact tracking mechanisms, there remains a significant opportunity to deepen and broaden these efforts to capture long-term, systemic changes. This gap in risk management and impact evaluation represents both a challenge and an opportunity for future interventions.

134. In summary, the Zimbabwe Joint SDG Fund Programme offers a compelling example of integrated development practice, combining innovative financing, multi-stakeholder collaboration, and gender-responsive programming to drive sustainable change. The programme's Theory of Change has provided a clear roadmap for achieving renewable energy uptake, and its alignment with national and international priorities has garnered wide support. However, the evaluation reveals that the pathway to long-term success is fraught with challenges.

135. Key issues include delayed implementation emanating from the late onboarding of UNCDF, prolonged due diligence, regulatory hurdles, and early governance inefficiencies that combined to slow the programme's initial progress and limited beneficiary engagement. While the REF has successfully mobilized initial capital, the lack of structured follow-on financing and external macroeconomic risks pose significant challenges to sustaining investments over the long term. Despite proactive gender-responsive measures, deep-rooted socio-economic challenges continue to hinder full inclusivity, indicating that policy intentions must be matched with sustained structural interventions. The absence of a comprehensive, real-time impact measurement framework hampers adaptive learning and the ability to make data-driven adjustments in a rapidly changing environment.

136. These reflections suggest that while the programme has set a strong foundation for transformative change, its long-term impact will depend on addressing these operational and structural challenges. The lessons learned from this initiative are instructive for future development efforts, both within Zimbabwe and in similar contexts worldwide. By reinforcing efficient operational practices, enhancing financial resilience, and deepening the commitment to social inclusivity, future interventions can build on this model to drive even more significant and sustainable change.

Lessons learned and best practices

137. Table 3 summarizes the key positive and negative insights gained from two years of implementation experience, along with effective methods and procedures to achieve the desired outcomes.

Table 3: Lessons learned and best practices

Lessons learned (Compelling insights)	**Best practices**
Regulatory bottlenecks delay investment mobilization: Slow approvals for prescribed asset status delayed fund expansion and private sector participation. Policy agility is crucial to ensure timely financial flows and accelerate project implementation.	*Transforming bureaucracy into a competitive advantage:* High-level government engagement and regulatory streamlining can fast-track financial instruments and attract investment. Effective coordination mechanisms between stakeholders reduces unnecessary delays.
Due diligence vs. implementation speed: While rigorous risk assessments are necessary, overly lengthy processes delayed financial flows, limiting early impact. A balance is needed between financial security and implementation efficiency.	*Blended finance models work—when matched with investor confidence:* The combination of public, private, and donor funds proved viable but requires tailored investor engagement strategies, clear de-risking mechanisms, and policy consistency to sustain long-term participation.
Private sector engagement requires scalable confidence: While private sector participation was secured for the first disbursement, long-term investor confidence remains contingent on regulatory approvals (e.g., prescribed asset status) and	*Capacity-building as a parallel track, not a side note*: While financial flows were delayed, strategic upskilling ensured readiness among SMEs, youth, and women entrepreneurs. Proactive training programs can bridge

clearer risk mitigation strategies. Sustained engagement mechanisms are essential for scaling investments beyond initial commitments.	investment gaps by enhancing project bankability.
Inclusivity is a commitment, not an outcome: Gender and youth participation require intentional, sustained engagement beyond policy statements. Social and cultural barriers must be addressed through targeted policies, financial incentives, and mentorship programs.	*Gender-responsive investment must be embedded in financial systems:* Instead of treating gender inclusion as an add-on, financial institutions must integrate gender-responsive investment criteria into their funding models. Structured incentives, such as preferential loan terms for women-led businesses, should be institutionalized to drive systemic change.
Monitoring without immediate impact metrics delays decision-making Financial structuring overshadowed early impact tracking. Clear socio-economic KPIs should be embedded from the start to enable timely decision-making and course correction.	*Balancing financial returns with social impact is key to sustainable investments:* The Renewable Energy Fund (REF) showed that investment selection criteria must balance commercial viability with broader development goals. Financial returns attract private capital, ensuring measurable social and environmental impact, such as job creation, energy access, and gender inclusion, and strengthening long-term sustainability. Future funds should integrate impact-based performance metrics alongside financial indicators, ensuring investments contribute meaningfully to both economic growth and social transformation.

Tailored recommendations

138. The recommendations, detailed in Tables 4, 5 and 6, draw from the findings to guide short, medium, and long-term decisions that can transform the project and ensure that the JP achieves its full potential.

Table 4: Short-term (0-6 months) recommendations

Recommendation	Responsibility	Based on the conclusion	Rationale
Secure a one- to two-year no-cost extension to allow corrective adjustments and fully implement planned activities.	Steering Committee, UNESCO, Donor Agencies	Conclusion 5 (Delayed Implementation): Early delays have adversely affected stakeholder engagement and overall project momentum.	Finding 4 indicates significant implementation delays have occurred, and extending the timeframe provides the necessary space to address these issues and achieve planned outcomes.
Fast-track prescribed asset status approval by establishing a joint task force involving government regulators, the fund manager, and UN agencies.	Government regulators, Fund Manager, UN Agencies	Conclusion 5 (Delayed Implementation & Governance): Regulatory delays have significantly hindered timely fund mobilization and project rollout.	Findings 4 & 5 show that lengthy regulatory approvals and due diligence processes have contributed to delayed implementation; fast-tracking these approvals is essential to overcome these bottlenecks.
Establish a structured quarterly reporting mechanism that integrates financial, social, and environmental data.	Fund Manager, UN Agencies, Steering Committee	Conclusion 6 (Impact Measurement & Adaptive Learning): Insufficient real-time data impedes adaptive management and timely decision-making.	Finding 8 reveals that the lack of a robust monitoring framework prevents timely adjustments; a structured reporting mechanism will enhance transparency and evidence-based management.
Accelerate renewable energy project development with targeted outreach and capacity-building. Establish a rapid-response team for technical assistance to help project developers refine proposals and enhance bankability (investment readiness)	Fund Manager, UNDP, Ministry of Energy, UNCDF, UNESCO	Conclusion 3 (Financial Sustainability) & Conclusion 2 (Multi-Stakeholder Collaboration): A robust project pipeline is critical for maintaining momentum and ensuring sustainable investment. Conclusion 5 (Operational Efficiency): Technical bottlenecks and lengthy due diligence processes have delayed project readiness.	Finding emphasizes the need for SME investment readiness to ensure full fund utilization and impact. A rapid-response team will provide timely assistance and speed up project development.
Implement a comprehensive risk management framework, including contingency planning for macroeconomic volatility.	Fund Manager, UN Agencies, Steering Committee	Conclusion 6 (Risk Management & Adaptive Learning): The absence of robust risk monitoring hampers the programme's ability to adjust to external shocks.	Finding 8 indicates that without proactive risk management, the JP is vulnerable to regulatory and macroeconomic disruptions; a comprehensive framework will help safeguard financial flows and ensure resilience.

Table 5: Medium-Term (6–18 Months) recommendations

Recommendation	Responsibility	Based on the conclusion	Rationale
Refine investment selection criteria to balance financial returns with social and environmental impact by incorporating sustainability KPIs. Use a dual-criteria framework that includes social impact weighting, evaluating renewable energy projects on a 40/60 impact-financial viability ratio. Projects should demonstrate benefits in job creation, energy access for underserved communities, or gender inclusion. Consider lower interest rates or extended repayment periods for projects that exceed social impact targets to encourage inclusive growth.	Fund Manager, UN Agencies, Steering Committee	Conclusion 3 (Financial Sustainability) & Conclusion 6 (Impact Measurement): Clear, measurable criteria are essential to assess both financial and social returns.	Finding 4 demonstrates that insufficient performance metrics hinder effective impact measurement; refining selection criteria will ensure strategic alignment and measurable outcomes.
Strengthen policy engagement with government and regulatory bodies to streamline investment regulations and reduce bureaucratic delays.	Ministry of Finance, UN Agencies, Regulatory Bodies (MoEPD, ZERA, others)	Conclusion 5 (Delayed Implementation & Governance): Overcoming regulatory hurdles is critical to expedite fund disbursement and programme execution.	Finding 4 reveals that regulatory bottlenecks have been a significant barrier; stronger policy engagement will mitigate these delays and improve operational efficiency.
Formal recognition of REF-backed projects as priority infrastructure investments under the Zimbabwe Investment and Development Agency (ZIDA) framework.	Ministry of Energy and Power Development, UN, Ministry of Finance	Conclusion 7 (Sustainability): Formal recognition can accelerate project approvals and improve investment attractiveness.	Conclusion 7 emphasizes that integrating REF projects into national priority frameworks can yield tax benefits and expedite regulatory approvals.
Invest in an integrated monitoring and evaluation system for real-time data on financial performance, social outcomes, and environmental impact. The REF should implement an impact investment dashboard to track: 1. Social return on investment (SROI): Measuring each project's contributions to employment, gender equality, and energy access versus financial returns. 2. Equitable fund distribution: A tracker ensuring at least 50% of REF funds support SMEs, youth-led, and women-led ventures in renewable energy. 3. Blended finance efficiency: Reporting the private capital leveraged per $1 of REF funding, balancing financial sustainability and social impact.	UN Agencies, Fund Manager, Steering Committee	Conclusion 6 (Impact Measurement & Adaptive Learning): Robust data systems are crucial for adaptive management and evidence-based decision-making.	Finding 8 and Conclusion 6 indicate that real-time M&E will enable timely adjustments to strategies, thereby enhancing programme effectiveness.

Table 6: Long-Term (18+ Months) recommendations

Recommendation	Responsibility	Based on the conclusion	Rationale
Institutionalize the Renewable Energy Fund (REF) model within Zimbabwe's broader SDG financing strategy to ensure a transition to full national ownership.	Ministry of Finance, UN Agencies, National Institutions	Conclusion 7 (Sustainability & Institutionalization): National ownership is critical for long-term programme success.	Finding 4 demonstrates that institutionalizing the REF will reduce donor dependency and build sustainable, locally driven financing mechanisms.
Align national energy policies with regional SADC energy market regulations.	Ministry of Energy and Power Development, UN, Ministry of Finance	Conclusion 7 (Sustainability): Alignment with regional frameworks is essential for cross-border investment and market integration.	Conclusion 7 and supporting findings indicate that regional policy harmonization will enhance investor confidence and support long-term sector growth.
Advocate for renewable energy tax relief schemes and de-risking mechanisms.	Ministry of Energy and Power Development, UN, Ministry of Finance	Conclusion 7 (Sustainability): Reducing financial risk is key to attracting and maintaining investment in the REF.	Conclusion 7 shows that tax incentives and de-risking measures will lower the investment risk, thereby improving the financial attractiveness of renewable energy projects.
Scale the REF model to other sectors (e.g., agriculture, infrastructure) by documenting best practices and replicable processes.	UN Agencies, Fund Manager, Ministry of Industry	Conclusion 2 (Multi-Stakeholder Collaboration) & Conclusion 7 (Sustainability): Expanding the model can broaden impact and foster cross-sector replication.	Finding 4 highlights that scaling the model will leverage lessons learned, enabling replication and diversification across sectors.
Develop a regional knowledge-sharing platform to disseminate the REF model and associated innovations across African countries.	UNESCO, UNDP, Regional Development Agencies	Conclusion 7 (Sustainability): A regional platform will promote integration and extend the programme's impact beyond Zimbabwe.	Conclusion 7 suggests that sharing best practices regionally will enhance the impact of the REF model and foster broader collaboration among African countries.
Establish a clear sustainability and exit strategy for UN agencies with defined timelines for transitioning responsibilities to national institutions.	UNESCO, Steering Committee, National Government	Conclusion 7 (Sustainability): A planned transition is crucial for ensuring long-term national ownership and programme continuity.	Conclusion 7 stresses that a well-defined exit strategy will build national capacity and ensure that the programme remains sustainable after UN involvement ends.
Diversify financing sources by exploring alternative instruments such as green bonds and climate finance mechanisms.	Fund Manager, UN Agencies, Ministry of Finance	Conclusion 3 (Financial Sustainability) & Conclusion 7 (Sustainability): Diversification is necessary to reduce external dependency and enhance resilience.	Finding 4 shows that alternative financing instruments can increase the REF's resilience and support long-term financial stability.
Enhance integrated risk management strategies by establishing robust contingency plans for macroeconomic disruptions and currency fluctuations. Robust monitoring of risks is critical	Fund Manager, UN Agencies, Steering Committee	Conclusion 5 (Operational Efficiency) & Conclusion 6 (Risk Management): Proactive risk management is vital to safeguard investments against external shocks.	Finding 6 underscores that robust risk management measures will help mitigate macroeconomic risks and ensure the continuity of the programme over the long term.

Annexes

Annex 1: Terms of Reference

UNESCO SDG MTR SOW.docx

Annex 2: Inception reports (embeds additional details on methodology, evaluation matrix, and interview guides)

Inception Report for the MTE - Final- 0703.

Annex 3: Desk review list

Updated list of documents reviewed.(

Annex 4: Stakeholders contacted during the evaluation

List of persons Interviewed.docx

Annex 5: Evaluation matrix

Evaluation matrix MTE.docx

Annex 6: Evaluators' Biodata

Evaluation Team Bio.docx

Annex 7: Evaluation Raw Data

MTE Interview meeting notes.docx

Annex 8: Detailed review of the theory of change

Detailed review of
the ToC.docx