FOREWORD

During my visit to Zimbabwe in January 2010, the Government requested the African Development Bank (AfDB) to prepare a major report on the state of infrastructure in the country. The Bank accepted this request, cognizant of the fact that policy actions and investment in infrastructure have important roles to play in the development of continental trade and in promoting economic linkages within Africa. The Bank recognizes that poor infrastructure is a critical barrier to accelerating growth and poverty reduction in Africa. Studies have shown that increasing the stock of infrastructure by one percent can add up to one percent to gross domestic product. Infrastructure is considered a key component of the investment climate by reducing the costs of doing business and enabling people to access markets. It is a precondition for private sector development and a key enabler of integration of regional sub-regional markets for intra-African trade, and positioning of a competitive Africa in world markets. Investments in infrastructure are critical to advances in agriculture and fundamental to human development, including the delivery of health and education services to poor people. Infrastructure is an enormous untapped potential for the creation of productive employment. In recognition of these facts, the development of Africa’s infrastructure and economic integration are key components of the strategic direction being pursued by the Bank. In this regard, besides various normal lending and non-lending instruments offered by the Bank to its regional member countries, the AfDB leads on several key continental infrastructure initiatives. It has a mandate from the African Union to implement the infrastructure component of the New Partnership for Africa’s Development (NEPAD), and it hosts the secretariats of the Infrastructure Consortium for Africa and of the African Water Facility.

Shortly after its formation in February 2009, Zimbabwe’s Inclusive Government (IG) approached the Bank to assist and advising on re-engagement with the international community. Within this context, the Bank has been providing technical assistance and capacity building support to Zimbabwe aimed at improving economic governance and effectiveness of public service delivery. The Bank sought to deepen and broaden its analytical knowledge base, which has been depleted during the decade-long economic and political crisis, by undertaking economic and sector work in areas deemed as critical for enhancing competitiveness and public sector effectiveness. This Flagship Report, entitled “Infrastructure and Growth in Zimbabwe”, is part of such analytical work designed to enable the Bank to strengthen its knowledge base in Zimbabwe’s infrastructure sector. The Report serves four purposes by providing: (i) the Government with a master plan for rehabilitation of infrastructure assets and recovery in infrastructure services in Zimbabwe in the decade ahead; (ii) the underlying framework for a major conference scheduled for March 2011 on infrastructure development and related investment opportunities, which would be attended by Government officials, international and domestic private investors, and the donor community; (iii) a game plan for re-engagement with the international community in the field of infrastructure in the event that the Government moves ahead with arrears clearance in 2011-12; and (iv) a platform from which a strategy for possible AfDB and other donor operations in Zimbabwe can be drawn up.

The focus of this Report is on the services associated with transport, electric power, information and communication technologies (ICT), and water and sanitation in Zimbabwe. The Report provides a detailed assessment of the current status of the infrastructure and services in these four sectors in the country and their role within the Southern Africa region. It sets achievable objectives for Zimbabwe’s infrastructure by 2020, and lays out an action program for achieving these objectives.
that includes policy and institutional reform, capital expenditure programs for rehabilitation and new capacity, and increased resource allocations for maintenance of these facilities. It provides options for financing the proposed program, identifies the specific areas where there is a role for private investment, and discusses improvements in the operating environment that will be required to attract this investment.

The Report is important for several reasons. First, it provides the Government, the donor community and the private sector with a detailed assessment of infrastructure investment opportunities in Zimbabwe. Second, it proposes an Action Plan to develop these opportunities, and in so doing, helps fill the gap created by the absence of master plans for the development of the four sectors. Third, it can be used to inform and support the Government’s dialogue with donors and the business community about further development of these sectors. Increased coordination within this partnership can improve the alignment of investments with the national objectives, as set out in Zimbabwe’s Medium Term Plan, currently under preparation, and regional priorities for infrastructure development within the Southern African Development Community (SADC). In this way, the Report can contribute to the overall efficiency of the development process in Zimbabwe.

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