1. Context
   Country Objectives & Indicators

2. Investment Priorities & Agri-Food Value Chains

3. Investment Cases

Presentation Outline

Accelerating Agriculture Investments in Zimbabwe
Agriculture Sector Overview & Country Indicators

Sector Challenges & Constraints

- Increasing Population
- Climate Change
- Low Agriculture Productivity
- Low Investments
- Rising Food Prices
- Low levels of value addition
- Low levels of agriculture exports

Population: 15,178,979
ZimStats, 2022

GDP: $26.22Bln
World Bank, 2022

Poverty: 63%
World Bank, 2022

Food Security: 27%
FAO, 2022
Enabling Business of Agriculture in Zimbabwe

48.36

Overall Enabling the Business of Agriculture Score (0-100) for Zimbabwe

Zimbabwe versus regional and income group averages

Country scores

- Supplying seed: 60.92
- Registering fertilizer: 5.56
- Securing water: 70.00
- Registering machinery: 44.5
- Sustaining livestock: 67.67
- Protecting plant health: 20.00
- Trading food: 9.44
- Accessing finance: 20.00

From: eba.worldbank.org
Country Development Objectives & Targets

Vision 2030
NDS1 - Upper Middle Income Country,

Vision 2030 Targets

Target 18% contribution to GDP
Treble Agriculture Trade
Halve levels of poverty
Build Inclusive and Resilient Food Systems

Presidential Rural Development 8.0

1. Presidential Climate-Proofed Input Scheme;
2. Presidential Cotton Scheme;
3. Presidential Blitz Tick Grease Scheme;
4. Presidential Rural Development Programme;
5. Presidential Community Fisheries Scheme;
6. Presidential Poultry Scheme;
7. Presidential Goat Scheme and;
8. Local Inventions and Innovations.
Agriculture Potential in Zimbabwe
Collaborative Partnerships

Hand-in-Hand Partnership Platform for Action on Inclusive Resilient and Sustainable Food Systems

Government
- Ministry of Finance
- Ministry of Industry
- Ministry of SMEs
- Farmer Unions
- Civil Society
  - International Financial Institutions (IFIs)
  - World Bank
- Bilateral & Multilateral Donors
- UN Agencies
  - UNECA, UNDP....
- Private Sector
  - Horticulture Development Council
Priority Investment Opportunities

Agriculture Investment Summary

Total Investment Requirement (Private Sector)

Investment Target $8.2B
Agriculture & Food System Transformation Agenda

Catalytic Investments (Donors/Impact Investors/Government)

Investment Facilitation & Services

One Stop Investment Services Centre (OSISC)

- Company/ Business Registration
- Tax registration
- Issuance of Investment License
- Immigration permits
- Processing of Environmental Impact Assessment (EIA)
- Connectivity to utilities like water and power, securing land
- Advisory services on any other statutory requirements

Investment Target
- Smallholder Irrigation Systems
- De-centralised Agro-Processing Centres
- Banana Packhouse
- Smallholder Aggregation

Innovation Investment Areas

- Irrigation
- Agro-Processing

Investment Cases

Investment Case 1
Smallholder Micro-Irrigation Systems
Smallholder Irrigation Systems

**INVESTMENT OUTLAY**

$743M:
- Public Sector: Borehole Drilling Rigs
- Catalytic Investment: SHF Subsidies to access solar pumps

**SMALLHOLDER FARMERS**

Total: 2.3Mil

**MICRO-REGIONS & SCALE**

7 Micro-Regions

**Implementation Modality**

Development of Communal Irrigation Schemes and Boreholes. Solar pumping and conveyancing equipment to smallholder farmers.

**DEMAND & SUPPLY**

Current Irrigation Capacity: 216,000 Hectares

**Irrigation Target**

- 350,000ha
- Communal Irrigation Schemes: 159,000ha
- Underground Boreholes: 17,500ha

**Government Support**

**Fiscal & Policy Incentives**

- **Build Own Operate and Transfer (BOOT):** Contractors may enter into contracts with state or Statutory Corporation under which he undertakes to construct infrastructure for the state or statutory corporation.
- **Tax Holiday:** Investors enjoy tax holiday for the first 5 years. Taxed at 15% for the second five years.
- **Farmers Special Deductions:** Farmers are allowed special deductions over and above the normal deductions. Examples include expenditure on fencing, clearing and stamping land, sinking boreholes, wells, aerial and geophysical surveys.

*Sustainable water extraction and management*

FAO to provide technical support in Zimbabwe.
### Investment Analysis: Smallholder Irrigation

#### Profitability Indicator
<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Outlay</td>
<td>743M</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>~26%</td>
</tr>
<tr>
<td>Internal Rate of Return (IRR)</td>
<td>~12%</td>
</tr>
<tr>
<td>Net Present Value</td>
<td>~$112.5M</td>
</tr>
</tbody>
</table>

#### Environmental Performance Indicators
<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Emissions</td>
<td>0.308 kgCO2eq/kWh</td>
</tr>
</tbody>
</table>

Use of photovoltaic plates against

#### Socio-Economic Performance Indicators
<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Farmers</td>
<td>2.3Mil</td>
</tr>
<tr>
<td>Incomes per capita</td>
<td>$814</td>
</tr>
<tr>
<td>Other Benefits to Farmers</td>
<td>Productivity</td>
</tr>
<tr>
<td>Macro-Economic Benefits</td>
<td>Food Production</td>
</tr>
</tbody>
</table>

### Optimal Investment Location

![Map showing typology classes]

- **Typology classes**
  - Pooled cross section of a revenue frontier
  - **Classes (Scores)**
    - Critical with moderate agricultural opportunities
    - Medium priority with moderate agricultural opportunities
    - Low priority
    - High priority
    - Medium priority with high agricultural opportunities
    - Low priority with high agricultural opportunities
    - High performance

- **Map legend**
  - **Colors**
    - Red: Critical with moderate agricultural opportunities
    - Green: Medium priority with high agricultural opportunities
    - Blue: Low priority
    - Yellow: High priority
  - **Locations**
    - Jalonde
    - Matarani North
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
    - Matarani East
    - Matarani Central
    - Matarani South
    - Matarani West
Investment Case 2

Tomato Processing
**Tomato Processing**

**INVESTMENT OUTLAY**

$10.2M: $850,000 per plant

Public Sector: Fiscal Enablers
Catalytic Investment: SHF Support

**SMALLHOLDER FARMERS**

Total: 160,272
13,352 Farmers benefiting per plant

**MICRO-REGIONS & SCALE**

12 enterprises implementable in 6 Micro Regions

**Implementation Modality**

Establishment of decentralised micro-tomato processing plants within high potential tomatoes processing sites.

**DEMAND & SUPPLY**

Current Supply Gap: 12,000 MT/Year

Target Market: Local & Export

Product: Paste & Purée

Commodity Prices
- Tomato Paste: $3.20/KG.

Market Structure
- 2 relatively large processors in the market.

**Government Support Fiscal & Policy Incentives**

**Processing Tax Incentive**: Reduced Tax for processing companies which exports-
- Between 20 to 15% depending on proportion of Exports

**Special Initial Allowance**: 25% of cost from year one and the next 3 years
- SMEs-100%

**Farmers Special Deductions**: Farmers are allowed special deductions over and above the normal deductions. Examples include expenditure on fencing, clearing and stamping land, sinking boreholes, wells, aerial and geophysical surveys.

**Farming Equipment Tax Rebate**: 0% VAT on all agriculture equipment
Investment Analysis: Tomato Processing Plant

**Profitability Indicator**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Outlay</td>
<td>$10.2M</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>~17.6%</td>
</tr>
<tr>
<td>Internal Rate of Return (IRR)</td>
<td>~19.7%</td>
</tr>
<tr>
<td>Net Present Value</td>
<td>~$7,105,080</td>
</tr>
</tbody>
</table>

**Environmental Performance Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Foot Print</td>
<td>390g to 1392 g CO₂e per Kg*</td>
</tr>
<tr>
<td>Water Foot Print</td>
<td>5 to 53 L*</td>
</tr>
</tbody>
</table>

**Socio-Economic Performance Indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Farmers</td>
<td>160272</td>
</tr>
<tr>
<td>Incomes/Capita</td>
<td>$82,9</td>
</tr>
<tr>
<td>Other Benefits to Farmers</td>
<td>Food Loss Reduction</td>
</tr>
<tr>
<td>Macro-Economic Benefits</td>
<td>Import Substitution</td>
</tr>
</tbody>
</table>

**Optimal Investment Location**

Sources: MapSpam, OSM, WorldPop, OCHA
Investment Case 3

Banana Packhouse
**Banana Packhouse**

### Investment Outlay

- **Total:** $550,000
- **$110,000 per Packhouse**

**Public Sector:** Fiscal Enablers

**Catalytic Investment:** SHF Support

**Total:** $550,000

### Smallholder Farmers

- **Total:** 30,325
- **6,065 Farmers benefiting per Packhouse**

### Micro-regions & Scale

- **5 enterprises implementable in 1 Micro-Region**

### Implementation Modality

Establishment of decentralised banana pack houses in smallholder banana producing communities

### Demand & Supply

- **Current Supply Gap:** 6.5% currently exported

### Target Market

- **Local & Export**

### Product

- **Fresh Banana/Dried**

### Commodity Prices

- **US$ 0.15 and US$ 0.18 per KG**

### Market Structure

- **1 relatively large centralized banana Packhouse**

### Government Support

#### Fiscal & Policy Incentives

- **Processing Tax Incentive:** Reduced Tax for processing companies which exports between 20 to 15% depending on proportion of exports

- **Special Economic Zones (SEZ):** SEZs are aimed at promoting value addition including food processors and manufactures

- **Special Initial Allowance:** 25% of cost from year one and the next 3 years

- **SMEs-100%**

- **Farmers Special Deductions:** Farmers are allowed special deductions over and above the normal deductions. Examples include expenditure on fencing, clearing and stamping land, sinking boreholes, wells, aerial and geophysical surveys.
Investment Analysis: Banana Packhouse

Profitability Indicator

- Investment Outlay: $550,000
- Gross Profit: ~28.5%
- Internal Rate of Return (IRR): ~39.7%
- Net Present Value: ~$454,572

Environmental Performance Indicators

- Carbon Footprint: 324g to 1,124g CO2e/kg of Bananas
- Water Footprint: 576 M3 per Tonne

Socio-Economic Performance Indicators

- Number of Farmers: 30,352
- Income per capita: $140
- Other Benefits to Farmers: Food Loss Reduction
- Macro-Economic Benefits: Import Substitution

Optimal Investment Location: Zimbabwe horticulture final location
KEY INVESTMENTS

1. **Intervention**
   Micro-Irrigation Systems for Smallholder Farmers

   **Cost (USD)**
   Data Collection ongoing

   **IRR (%)**
   TBA

   **NPV**
   TBA

   **Sustainability Benefits**
   - Beneficiaries: 30352
   - Income increase per capita: US$39.4
   - Emission reduction per capita: 7%

2. **Intervention**
   Banana Packhouse

   **Cost (USD)**
   US$550,000

   **IRR (%)**
   39.7%

   **NPV**
   US$454,572

   **Sustainability Benefits**
   - Beneficiaries: 30352
   - Income increase per capita: US$39.4
   - Emission reduction per capita: 12% [with use of renewable Energy]

3. **Intervention: Tomato Processing Plant**

   **Cost (USD)**
   US$10.2M

   **IRR (%)**
   19.7%

   **NPV**
   US$7,105,080

   **Sustainability Benefits**
   - Beneficiaries: 160,272
   - Income increase per capita: US$82.9
   - Emission reduction per capita: 15% [use of water conservation methods at production]