ZIMBABWE

ZERA
ZIMBABWE ENERGY REGULATORY AUTHORITY
For sustainable energy

PERFORMANCE CONTRACT

THE MINISTER OF ENERGY AND POWER DEVELOPMENT

AND

THE BOARD CHAIRPERSON OF THE ZIMBABWE ENERGY REGULATORY AUTHORITY

2026



This Performance Contract (herein after referred to as "the Contract") is entered into by and between the Government of Zimbabwe (herein after referred to as "GoZ") through its Ministry of Energy and Power Development (together with its assignees and successors) and the Chairperson of the Board of Directors of the Zimbabwe Energy Regulatory Authority (herein after referred to as "the Board"), a State Enterprise/ Parastatal (together with its assignees and successors) bearing in mind that:

- GoZ is committed to ensuring that public offices are well managed and are cost effective in delivering efficient and quality service to the public;
- This Contract represents a basis for continuous improvement as GoZ aspires to address the needs and expectations of the citizens towards realising Vision 2030.
- This Contract guides the programmes and management priorities of the SEP for the budget year.

PART I

VISION:
Regulator that promotes universal access to sustainable energy by 2030.

MISSION:
ZERA regulates the Zimbabwean energy market cost effectively, through incentive regulation and in a fair and transparent manner to achieve sustainable energy.

TERMS OF REFERENCE/ MANDATE:
ZERA derives its mandate from the following primary and secondary Acts of Parliament: -
Constitution of Zimbabwe Amendment (No. 20) Act, 2013; and
Energy Regulatory Authority Act, 2011 [Chapter 13:23].

OVERALL FUNCTIONS:

The functions of the Zimbabwe Energy Regulatory Authority (ZERA) are outlined in the Energy Regulatory Authority Act [Chapter 13:23], Part II, section 4(1) and these are: -

a. To regulate the procurement, production, transportation, transmission, distribution, importation, and exportation of energy derived from any energy source;
b. To create, promote and preserve an efficient energy industry market for the provision of sufficient energy for domestic and industrial use;
c. To promote the procurement, production, transportation, transmission, and distribution of energy in accordance with public demand and recognised international standards;
d. To promote coordination and integration in the importation, exportation, and pooling of energy from any energy source in the SADC and COMESA region;
e. To exercise licensing and regulatory functions in respect of the energy industry;
f. To ensure that prices charged by licensees are fair to consumers in light of the need for prices to be sufficient to allow licensees to finance their activities and obtain reasonable earnings for their efficient operations;
g. To maintain and promote effective competition within the energy industry;
h. To promote and encourage the expansion of the energy industry and the advancement of technology relating thereto;
i. To promote, identify and encourage the employment and development of sources of renewable energy;
j. To represent Zimbabwe internationally in matters relating to the energy industry;
k. To advise the Minister on all matters relating to the energy industry;
l. To advise and educate consumers and licensees regarding the efficient use of energy;
m. To ensure the maximization of access to energy by consumers that is affordable and environmentally sustainable;
n. To establish appropriate consumer rights and obligations regarding the provision of energy services;
o. To establish or approve operating codes for safety, security, reliability, quality standards and any other sector related codes and standards for the energy industry or any sector thereof;
p. To arbitrate and mediate disputes among and between licensees and consumers;
q. To assess, promote studies of and advise the Minister and licensees on the environmental impact of energy projects before licensing; and

r. To undertake such other things which it considers is necessary_or convenient for the better carrying out of or giving effect to the functions of the Authority.

PROGRAMMES

1) Governance and Administration; and
2) Energy Regulation and Market Development.

OUTCOMES

1) Improved Governance and Administration

OUTPUTS

1) NDS2 aligned Strategic plan implemented;
2) Performance Contracts signed;
3) Performance Contracts monitoring and review reports produced;
4) Statutory reports produced; and
5) Policies developed and submitted.

PART I1

OBLIGATIONS AND COMMITMENTS OF THE BOARD

The Board undertakes to do the following;

1) Implement the Corporate Governance Framework;
2) Sign Performance Contracts with Board members and senior management;
3) Ensure the development and implementation of a Results Based Strategic Plan of the SEP;
4) Review and Monitor Performance Contracts;
5) Approve Board Charters and codes of ethics;

6) Monitor and evaluate public entity employees' compliance to code of ethics;
7) Produce reports on statutory and demand meetings; and
8) Submit to the Minister any such developed Policies (where applicable).

PART II

The Board is accountable for the performance of ZERA. It is further committed to completing the **outputs** that will contribute to the achievement of the **outcome** contained in the Performance Contract Matrix below. The Board is also committed to Service Delivery Standards, Management of Resources and Organizational Development, and dealing with Cross-cutting National Priorities also contained in the Performance Contract Matrix and explained in detail in the addendum attached.

The Board shall submit quarterly and annual performance reports as well as demand reports to the line Minister and other Government Agencies in the prescribed format as per the provisions of this Performance Contract Matrix.

This performance contract will run for twelve (12) months from the 1st day of January 2026 to the 31st December 2026.

Non -Commercial Board Chair

PERFORMANCE CONTRACT MATRIX

Please note that the last three (3) columns (Actual Performance, Raw Score and Weighted Score) are to be completed when rating performance, at the end of the performance cycle, while all other columns have to be completed at the beginning of the performance cycle.

	PERFORMANCE AREA/ CATEGORY	Measurement Unit	Weightage	Performance Previous Year	Performance Target For Budget Year	Allowable Variance	Actual Performance	Raw score	Weighted Score (*Raw score x weight*)
A	**DELIVERY OF MANDATES/ OPERATIONS CONTAINED IN THE Agency Strategic Performance Plan**								
1	**OUTCOMES** – State all outcomes and outcome indicators contained in the Agency SPP.								
	Outcome 1: Improved Governance and Administration		**30**						
	Outcome Indicator 1: Client satisfaction index	%	**6**	78.7%	80%	+/-1%			
	Outcome Indicator 2: Employee satisfaction index	%	**6**	80%	82%	±1%			
	Outcome Indicator 3: Compliance level	%	**10**	100%	100%	0			
	Outcome Indicator 4: Revenue Collected	Number	**8**	ZWG 765 726 231	13.53% (ZWG 869 334 017)	+/-10%			
	Weight Sub Total		**30**						
2	**OUTPUTS**– State all major outputs contained in the Agency SPP								
	Output 1: NDS2 aligned Strategic plan implemented								

	PERFORMANCE AREA/ CATEGORY	Measurement Unit	Weightage	Performance Previous Year	Performance Target For Budget Year	Allowable Variance	Actual Performance	Raw score	Weighted Score (*Raw score x weight)*
	Quantity: Performance levels evaluated (Board/CEO/CDIR/DIR/Professional/non-professional levels)	Number	4	100%	1	0			
	Output 2: Performance Contracts signed								
	Quantity: *(Board, CEO, and 4 Directors., CAE, CS – 8 contracts)*	Number	4	100%	8	0			
	Output 3: Performance Contracts Monitoring and review reports produced *CEO rating report (quarterly x4)* *Board rating report (biannually – x2)* *CEO's Operations report (quarterly x4) Total number of reports – 10.*								
	Quantity	Number	4	100%	10	0			
	Output 4: Statutory Reports Produced *(Annual Budget; Strategic Plan - 2*								
	Quantity	Number	4	100%	2	0			
	Output 5: Policies developed and submitted								
	Quantity (2 *energy related policy recommendations)*	Number	4	100%	2	0			

	PERFORMANCE AREA/ CATEGORY	Measurement Unit	Weightage	Performance Previous Year	Performance Target For Budget Year	Allowable Variance	Actual Performance	Raw score	Weighted Score (*Raw score x weight*)
	Weight Sub Total		**20**						
	GOVERNANCE								
	i) Review of Board Charter *Timeous review of Board Charter*	Number	**4**	100%	1	0			
	ii) Implementation of Corporate Governance framework								
	• Strategic planning and reviews *Strategic planning meeting by end of September 2026* *Midyear Strategic planning review by June 2026.* *Performance business review quarterly.*	Number	**4**	100%	2	0			
	• Signing of performance contracts with Board members and Senior Management *(Board, CEO, and 4 Directors, CAE, CS. Total - 8)*	Number	**3**		8	0			
	• Policies submitted to the Minister *(2 policies related to governance of the Authority)*	Number	**3**	1	2	0			
	• Statutory and demand reports *(Annual Plan; Annual Report) – 2*	Number	**3**	4	2	0			

	PERFORMANCE AREA/ CATEGORY	Measurement Unit	Weightage	Performance Previous Year	Performance Target For Budget Year	Allowable Variance	Actual Performance	Raw score	Weighted Score (*Raw score x weight*)
	• Monitoring and evaluating public entity employees' compliance to Code of Ethics *(Development/ review of Code of Ethics, Evaluate employee compliance to code of ethics and integrity quarterly, Tip off anonymous reports, Integrity Committee update reports). Total number of reports – 4).*	Number	**3**	100%	4	0			
	Weights Sub total		**20**						
C	**MANAGEMENT OF ORGANIZATIONAL RESOURCES**								
	1. Financial Management		**10**						
	• Strategic allocation of resources in line with planned programmes/ projects (*Programme Ratio (30:70 Ratio c.f. Public Entities Corporate Governance Act [PECOGA]).* *(50:50 staff cost to revenue ratio approved for the period 2026).*	%	**5**	+57% (ZWG219.69m)	ZWG 913 544 017	+/-10%			
	• Managing within the budget *(Expenditure within approved budgets. Avoidance of negative expenditure variance.* *Avoiding gearing of the Authority (High debt to equity ratio).*	%	**3**	+11.04%	ZWG 913 544 017	+/-10%			

	PERFORMANCE AREA/ CATEGORY	Measurement Unit	Weightage	Performance Previous Year	Performance Target For Budget Year	Allowable Variance	Actual Performance	Raw score	Weighted Score (*Raw score x weight*)
	• Mobilization of alternative resources (outside budget/ Treasury) *(Other sources of revenue generation. Calculation will be the additional amount targeted in the year).*	Number	**2**	USD6.1m	US$2.5m	+/-0			
	2. Organizational Capacity		**10**						
	• Inclusive programming and cross-cutting issues/policies *(Diversity - Disability (1% of staff), Gender mainstreaming (50%), Youth (5%))*	%	**3**	88%	100%	0			
	• Skills Development (Training and Capacity Building) *(100% compliance to training and development plan).*	Number	**3**	205	110	+/-5%			
	• Internal Process Efficiency Measures *(ISO 9001 certification)*	%	**2**	100%	100%	0			
	• E-Government Flagships (IT Infrastructure and operating systems) *Number of Systems (Data management Systems)*	Number	**2**	4	2	0			
	Weights Sub Total		**20**						
D	**Programmes and Projects**								
	• NDS2 Programmes/ projects achievement level	%	**5**	100%	100%	0			

	PERFORMANCE AREA/ CATEGORY	Measurement Unit	Weightage	Performance Previous Year	Performance Target For Budget Year	Allowable Variance	Actual Performance	Raw score	Weighted Score (*Raw score x weight*)
	(Promoting access to clean energy for all (gas)- 20%, Renovation of the ZERA regional offices – 30%, (GIS, SAP, automation of processes) – 10%, Research projects - 10% , mini-grid solarization 30%).								
	• Projects for Commissioning *(ZERA Head Office 25% and the Bulawayo Regional Office – 25%, Provincial Mini grid Solarization (4) – 40%, Victoria Chitepo Hospital 5% and Gwanda Provincial Hospital 5%)* *10% for each mini-grid in at least 4 Provinces out of 8 rural provinces).*	Number	**3**	125%	8	0			
	• Disposal of idle assets (Assets for disposal report 30%, Disposal Committee's consideration of reports 50%, Disposal by sell/ transfer *etc* 20%)	%	**2**	112%	100%	0			
	Weights Sub Total		**10**						

The Board Chairperson hereby undertakes to achieve the results specified in this Contract.

STATE ENTERPRISE/ PARASTATAL: ZIMBABWE ENERGY REGULATORY AUTHORITY

Board Chairperson

DR. ENG. FARAI MAVHIYA-BHIZA	FMavhiya	16/03/2026
Name	Signature	Date

MINISTER OF ENERGY AND POWER DEVELOPMENT

HONOURABLE JULY MOYO	J Y Moyo	16/3/26
Name	Signature	Date

Rating Scale

RATING	DESCRIPTION
6	Clearly Exceeds Set Targets – beyond variance
5	Performance Above Set Targets – but within variance
4	Met All Agreed Set Targets
3	Performance Below Set Targets – but within variance
2	Performance Below Set Targets – below variance but at least 50% of target
1	Performance below target, below variance and below 50% of target (Unsatisfactory Performance)

AGREED RATINGS *(Please use the Rating scale for guidance in allocating raw scores)*

SECTION	HEADING	RATING
A1	**Outcomes**	
A2	**Outputs**	
B	**Governance**	
C	**Management of Organizational Resources**	
D	**Programmes and projects**	
TOTAL		

Final Score

Board Chairperson

Name Signature Date

Minister of Energy and Power Development

Name Signature Date

ADDENDUM TO PARTS A, B, C AND D OF THE RESULTS MATRIX

The **following** are the specific explanations for each target:

A1. OUTCOMES

Outcome 1: Improved Governance and Administration

- Client satisfaction index
  - % Clients' satisfaction with the Authority' services, which is an average of level of satisfaction (Annual survey as conducted by an independent consultant).

- Employee satisfaction index
  - % Employee satisfaction with the Authority' services, which is an average of level of satisfaction (Annual survey as conducted by an independent consultant).

- Percentage Compliance level
  - A) Statutory Audits – [20%]
  - B. Statutory Reports – [20%]
  - i. Quarterly Financial Reports -30%
  - ii. Procurement Plan - 40%
  - iii. Quarterly Procurement Reports -30%

A2. OUTPUTS

- **Output 1: NDS2 aligned Strategic plan implemented**
  - Performance levels evaluated (Board/CEO/CDIR/DIR/Professional/non-professional levels).

- **Output 2: Performance Contracts signed**
  - *(Board, CEO, and 4 Directors., CAE, CS – 8 contracts).*

- **Output 3: Performance Contracts Monitoring and review reports produced**
  - CEO rating report (quarterly x4)
  - Board rating report (biannually – x2)
  - CEO's Operations report (quarterly x4) Total number of reports – 10.

- **Output 4: Statutory reports produced**
  - *(Annual report, Budget, Audited Financial Statements, Half Yearly Financial Statements, Management Accounts (4), Annual Procurement Plan.) Total number of reports - 9.*

- **Output 5: Policies developed and submitted**
  - (2 *energy related policy recommendations)*

B. GOVERNANCE

1. Review of Board Charter

- Timeous review of Board Charter.

2. Implementation of Corporate Governance Framework

- **Strategic planning and reviews**
  - Strategic planning meeting by end of September 2026.
  - Midyear Strategic planning review by June 2026.
  - Performance business review quarterly.

- **Signing of performance contracts with Board members and Senior Management**
  - Signing to be done at the beginning of each year.
  - Board, CEO and 4 Directors, CAE, CS total (8).

- **Policies submitted to the Minister**
  - 2 policies related to governance of the Authority.

- **Statutory and demand reports**
  - *(Strategic Plan, Annual Plan, Annual Report, Annual Budget) – 4.*

- **Monitoring and evaluating public entity employees' compliance with the Code of Ethics**
  - *(Development/review of Code of Ethics, evaluate employee compliance to code of ethics and integrity quarterly, tip-off anonymous reports, Integrity Committee update reports). Total number of reports – 4.*

C. MANAGEMENT OF ORGANIZATIONAL RESOURCES

1. Financial Management

- **Strategic allocation of resources in line with planned programmes/ projects**
  - Programme Ratio (30:70 Ratio c.f. Public Entities Corporate Governance Act [PECOGA]).
  - 50:50 staff cost to revenue ratio approved for the period 2026.

- **Managing within the budget**
  - Expenditure within approved budgets.
  - Avoidance of negative expenditure variance.
  - Avoiding gearing of the Authority (High debt to equity ratio).

- **Mobilization of alternative resources (outside budget/ treasury)**
  - This refers to raising revenue/ funds apart from the Regulator's own revenue streams. ZERA has targeted to raise USD2.5 million of total revenue from own revenue generating activities that are outside normal revenue streams for year 2026.

2. ORGANIZATIONAL CAPACITY

- **Inclusive programming and cross-cutting issues/ policies**
  - Diversity disability (1% of staff).
  - Gender mainstreaming (50%).
  - Youth (5%).

- **Skills development (training and capacity building)**
  - 100% compliance to training and development plan.

- **Internal process efficiency measures**
  - ISO 9001 certification

- **E-government flagships (IT infrastructure and operating systems).**
  - Number of Systems (Data management system).

- **Employee satisfaction**

- Employee engagement survey.

D. PROGRAMMES AND PROJECTS

1. **NDS2 programmes/ projects achievement levels**
   - *(Promoting access to clean energy for all (gas) - 20%, Renovation of the ZERA regional offices – 30%, (GIS, SAP, automation of processes – 10%, Research projects - 10% , mini-grid solarization 30%).*

2. **Projects for commissioning**
   - *(ZERA Head Office 25%, the Bulawayo Regional Office – 25%, Provincial Mini-grid Solarization (4) – 40%, Victoria Chitepo Hospital 5% and Gwanda Provincial Hospital 5%)*
   - *10% for each mini-grid in at least 4 provinces out of 8 rural provinces.*

3. **Disposal of idle assets**
   - (Assets for disposal report 30%, Disposal Committee's consideration of reports 50%, Disposal by sell/ transfer *etc* 20%).