

Integrating the Insurance Sector into Zimbabwe's Investment and Development Agenda: A ZIDA Perspective

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1. A New Risk Era, A New Role for Insurance

Across the globe, risk is rising—and insurance has become the new language of investment confidence.

- The global protection gap is widening
Economic risks remain largely uninsured. The global protection gap across crop insurance, natural disasters, life, and health now exceeds US\$1 trillion—a wake-up call for investors and policymakers.
- Africa remains underinsured
The continent accounts for only 0.9% of global premiums, with penetration at 3.5%. This highlights Africa's untapped insurance potential.
- Zimbabwe's coverage lag is a growth opportunity
Insurance penetration in Zimbabwe is just 2% of GDP, despite a dynamic and expanding market.
- Risk cover is now non-negotiable for investors
Investors increasingly demand risk cover as a prerequisite for bankable, long-term projects.
- The global gap is an investment frontier
What looks like vulnerability is in fact the largest untapped growth frontier for insurance globally. Zimbabwe must position itself boldly within this opportunity.

2. What Investors Are Telling Us: Risks They Need Managed

ZIDA's engagements with global and regional investors reveal three consistent risk concerns:

- Currency and convertibility risk – Predictable, frictionless repatriation of profits, dividends, and capital.
- Policy and regulatory predictability – Policy shifts elevate political-risk profiles, driving demand for specialised cover.
- Compliance clarity and due diligence standards – Clear, predictable regulatory processes are essential to meet international underwriting, compliance, and ESG requirements.

These insights show where Zimbabwe's insurance sector can innovate to derisk investment and deepen investor confidence.

3. ZIDA Reforms: Enabling Insurable, Bankable Investment

At ZIDA, our mission is to make Zimbabwe not just a destination for capital, but a place where that capital is protected, resilient, and primed for inclusive growth.

- Faster, transparent investment licensing – The One-Stop Investment Services Centre has cut licence turnaround from 30 days to 5 days via the Single Window Portal.
- Strengthening investor trust – The Investor Grievance Response Mechanism ensures structured, responsive dialogue that builds confidence.

- Project preparation aligned to underwriting standards – ZIDA supports investors in building bankable projects with risk assessments, guarantees, and proper insurance structuring.

These reforms directly enhance project insurability, reduce policy risk, and nurture an ecosystem where insurance and investment grow together.

4. ZIDA's Engagement with the Insurance Industry

As investment activity grows, so too does engagement between ZIDA and the insurance sector.

- Insuring foreign direct investors
- Participation in ZIDA service-provider schedules
- Opportunities in international promotion events
- Policy dialogue on strengthening insurance uptake

These conversations signal a maturing partnership between the investment community and the insurance industry.

5. Unlocking High-Value Opportunities in Insurance & Risk Finance

- Credit Insurance for Trade & Investment
 - Essential for enabling trade finance and export competitiveness.
 - Strengthening domestic credit-insurance capacity can unlock trade, support SMEs, and deepen regional value chains.
- Carbon-Credit Insurance for Climate Finance
 - Emerging globally as a key risk-transfer tool for carbon markets.
 - Introducing such products in Zimbabwe can attract climate-finance investors into forestry and renewable energy.
- Parametric Insurance
 - Fast-payout, data-driven insurance for drought, infrastructure delays, and business interruption.
 - Strengthens agricultural resilience, energy stability, and infrastructure bankability.

6. Building an Investable Insurance Ecosystem in Zimbabwe

- Domestic long-term capital can unlock infrastructure – Insurance and pension funds can channel capital into infrastructure, energy, and PPPs.
- Reinsurance capacity is critical – Attracting international reinsurers strengthens underwriting for large, complex projects.
- Regional and continental integration matters – ZIDA supports SADC, COMESA, and AfCFTA opportunities for cross-border insurance ecosystems.
- Victoria Falls International Financial Services Centre as a hub – Anchoring innovative insurance structures and attracting international risk capital.
- Insurance as catalytic capital – Mobilised effectively, insurance derisks investment, supports project finance, and drives transformation.
- Unlocking insurance capital through policy alignment – Structured dialogue between ZIDA, regulators, insurers, and stakeholders is essential to align insurance with national development priorities.

Closing Note

ZIDA stands ready to partner with insurers, reinsurers, policymakers, and investors to convert risk cover into real economic growth. Insurance is not just protection—it is catalytic capital for Zimbabwe's transformation.