



BULAWAYO STUDENT ACCOMMODATION COMPLEX (BSAC)

PROJECT MID-TERM REVIEW REPORT



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Infrastructure Projects Department: Division 2.2

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Project Name	Bulawayo Students Accommodation Complex	
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PROJECT TEAM

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Terms of Reference

The broad terms of reference for the team, considering that the project was already approved by the IDBZ Board under the USSAP, shall be;

Mid-Term Review of the BSAC Project involving a detailed review of all project components for continuous appraisal of the project. The review scope will include all developments from initial project approval through implementation up to 31 December 2021. As per Bank Policy and Guidelines, a Mid-Term Review Report shall be produced and submitted to LIC and Board for approval.

Acronyms

BCC	Bulawayo City Council
BOQs	Bills of Quantities
BOT	Built-Operate-Transfer
BSAC	Bulawayo Student Accommodation Complex
BUSE	Bindura University of Science and Technology
BURO	Bulawayo Regional Office
CUT	Chinhoyi University of Technology
ECM	External Communication Mechanism
EMA	Environmental Management Agency
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESSMS	Environmental and Social Sustainability Management System
GDP	Gross Domestic Product
IDBZ	Infrastructure Development Bank of Zimbabwe
IRR	Internal Rate of Return
LADS	Liquidated and Ascertained Damages
LSU	Lupane State University
NDS1	National Development Strategy 1
NPV	Net Present Value
MIPF	Motor Industry Pension Fund
MoFED	Ministry of Finance and Economic Development
MRA	Matsheumhlope Residents Association
NUST	National University of Science and Technology
OMLACZ	Old Mutual Life Assurance Company of Zimbabwe

PAR	Project Appraisal Report
POGM	Policies, Operations Guidelines Manual
PPDPA	Public Procurement and Disposal of Public Assets Act [Chapter 22:23]
PRAZ	Procurement Regulatory Authority of Zimbabwe
RMCF	Resource Mobilisation and Climate Finance Unit
ROE	Return on Equity
SPOC	Special Procurement Oversight Committee
TCZ	Theological College of Zimbabwe
USD	United States Dollars
USSAP	University Students and Staff Accommodation Programme
UZ	University of Zimbabwe
ZETDC	Zimbabwe Electricity Transmission and Distribution Company
Zimcampus	Zimcampus Properties (Pvt) Ltd
ZWL	Zimbabwe Dollar

PROJECT INFORMATION TABLE

Project Title	Bulawayo Student Accommodation Complex (BSAC)		
Project Location	Matsheumhlope, Bulawayo		
Sector	Housing		
Implementation Model	Off-Campus Student Accommodation		
Implementing Agent	Zimcampus Properties (Pvt) Ltd		
Main Contractor	Hualong Construction (Pvt) Ltd		
Consultant	Diagraphis Architects		
Project Manager	IDBZ		
Funders (as at 31/10/2021 Nineth Capital Call)			
Funder	ZWL	USD (Equivalent)	%
IDBZ	28,117,900	1,451,449	7.58%
MIPF	150,033,327	3,663,663	19.15%
OMLAC	391,036,923	9,021,244	47.14%
ZW Nominees	125,166,707	4,999,976	26.13%
Total	694,354,857	19,136,331	100%
<i>Capital calls are paid in ZWL and converted to USD at the official interbank rate</i>			
USSAP Board Approval Date	7 March 2017		
Date of Tender	25 July 2017		
Date of Award	29 August 2017		
Planned Commencement Date	18 September 2017		
Site Handover	19 July 2018		
ESIA Approval Date	11 February 2019		
Actual Commencement Date	14 February 2019		
Original Expected Completion Date	13 February 2020		
Revised Completion Date	30 June 2021		
Current Planned Completion Date	30 April 2022		
Estimated Project Implementation Period	38 Months		
Project Implementation Time at Appraisal	30 Months		
Completion Time Overrun	8 months (per Appraisal Stage Estimate)		
Project Cost Analysis			
Project Appraisal Report Cost	USD12,080,814		
Revised Cost due to changes in designs	USD12,399,518		
Revised Cost with Footbridge	USD13,099,518		
Actual Project Cost as at 31/12/2021	ZWL686,059,915 equivalent to USD10,900,000		
Completion Progress as at 31/12/21	85%		
Forecasted Cost to Completion with footbridge	USD16,900,000 (ZWL2,035,066,176) *		
Forecasted Cost increase to Completion with Footbridge	USD3,800,482 (29%) *		
Forecasted Cost increase to Completion- No footbridge	USD3,100,482 (23.7%) *		

*NB. (i) Forecasted project costs to completion are converted at the interbank rate of 108.666 as at 31/12/2021

(ii) Forecasted project costs to completion will continuously be monitored and adjusted accordingly.

EXECUTIVE SUMMARY

The Bulawayo Student Accommodation Complex (BSAC) was approved as part of the projects under the University Student and Staff Accommodation Programme (USSAP). The Mid-Term Review will serve as a mid-term appraisal for BSAC project whose appraisal findings will assist the Bank to glean lessons for application in future projects of similar nature as approved under USSAP and other Bank projects.

This mid-term review is being carried out in compliance with the Bank's Policies, Operations Guidelines and Manuals (POGM), Chapter 7, Section 7.6. The Mid-Term Review entails the supervision review, assessment, and evaluation of all aspects of the project activities, which include:

- i. Evaluating the conformity of project implementation with project objectives and description at appraisal.
- ii. Identifying constraints impeding project implementation.
- iii. Gleaning lessons learnt; and
- iv. Formulating recommendations for the alleviation of constraints or the reformulation of the project.

Terms of Reference

The Mid-Term Review Report Team's Terms of References were in two major parts;

- (i) To review the implementation progress and assess its effectiveness and efficiency in meeting the expected project outcomes and most importantly the project implementation in terms of **time, quality, and cost**.
- (ii) To undertake a re-appraisal of the project considering the changes in the economic operating environment vis-à-vis the intended project outputs at appraisal.

The high-level outputs of for the Bulawayo Student Accommodation, at PAR were;

- Construction of 3(three) blocks of 4 (four) storey halls of residence yielding 516 rooms and housing 1,476 beds.
- Provision of external works to include guard house, landscaping, and security fence,
- Provision of water, sewer, roads, and electricity through extension of existing nearby services,
- Proposed hostels to cover 24,495m² of space.

Mid-Term Review Summary

The re-designed Bulawayo Student Accommodation Complex (BSAC) project scope involves the construction of

- 3(three) blocks of 4 (four) storey halls of residence yielding 516 rooms and housing 1,476 beds.
- Commercial centre on the ground floor (incorporating service block)
- Sewer reticulation and pump station
- Internal paving and landscaping
- Foot bridge over the Bulawayo-Gwanda Highway.

BSAC was approved under the USSAP (the Programme) whose high-level objective was to increase the number of properly accommodated students by 22% or 6,552 students based on 2016 Needs Assessment figures. The figures are broken down as shown in Table 1.

State University	Current Enrolment	Existing Hostel Capacity	Shortfall	% Shortfall Current	USSAP Intervention	% Shortfall with USSAP
NUST	7,938	182	7,756	98%	1,476	78.5%
LSU	2,901	700	2,201	76%	1,200	34.5%
BUSE	7,049	398	6,651	94%	1,300	75.9%
UZ	10,425	4,200	6,225	60%	1,500	45.3%
CUT	6,009	117	5,892	98%	1,476	73.5%
Total	34,322	5,597	28,725	84%	6,552	64.6%

Table 1: Demand for University Accommodation, and USSAP Intervention, 2016

Source: USSAP, Project Appraisal Report, February 2017

At PAR stage, the BSAC project was referred to as NUST and the target market then was NUST students. The target market was later broadened to include all tertiary students in Bulawayo and the project was subsequently renamed to BSAC. The broadened approach followed realisation that all tertiary institutions in Bulawayo were in dire need of student accommodation due to acute shortage of on-campus student accommodation. The re-designed student facility ended up with a bed capacity of 1,032 and 3,820.5 square metres of commercial space to make up revenue for the reduction in bed capacity.

The project cost at Appraisal was USD12,080,814 and was subsequently adjusted to USD12,399,518 due to changes in foundation from strip to piling foundation. This was necessitated by the discovery of a disused mine on the site. BCC included an additional development permit condition of construction of a fly-over footbridge over the Bulawayo-Beitbridge national highway. This resulted in a further project cost adjustment to USD 13,099,518. The project scope change and footbridge requirement resulted in a cost increase of 8.4% on the appraisal cost. Other project design and scope changes included a reconfigured kitchen and electricity sub-station and new onsite sewer pump works. The total project disbursements as at 31/12/2021 stood at USD10,900,000. The project cost to completion without footbridge is forecasted to be USD16,200,000 representing an aggregate cost increase of 23.7%. The project cost to completion with footbridge is forecasted to close at USD16,900,000 representing an aggregate cost increase of 29%. Apart from the scope and design changes, inflationary pressures occasioned by the unstable economic environment have

also significantly contributed to the cost increases. Project construction commenced in February 2019 and was expected to be completed in 30 months. Currently, the project is now expected to be completed by April 2022. The 8 months delay in project completion is mainly attributed to the 2020 and 2021 Covid-19 induced work stoppages and contractor’s in-house inefficiencies which heavily affected work progress. Otherwise, the project would have been completed within the 30-months as projected at Appraisal stage.

According to the Project Consultant’s Quarterly Progress Report dated 30 September 2021, the Construction Programme progress status and expected completion date, is summarised in Table 2 below: -

Block	Overall Progress	Comments	Completion
B1	75% complete	Concrete works complete and roof being erected	March 2022
B2	10% complete	Foundations done. Brickwork in progress	April 2022
B3	97% complete	Working on snags	November 2021

Table 2: Project Progress Status and Completion Target

Blocks B1 and B2 are at an advanced stage of completion with work now concentrated on Block 2 whose construction started in quarter 4 of 2021. Full project completion is planned for April 2022 with project handover and commissioning in May 2022

Project Re-appraisal Summary

The Mid-Term Review incorporates a re-appraisal of the project considering the changes in project scope and the related costs. Due to project redesign, the project will now yield 1,032 beds instead of 1,476 as at Project Appraisal stage. However, the reduction in bed capacity is equally compensated by the inclusion of 3,820.5m² of commercial space on the ground floor. Table 3. below shows the re-assessed project viability, based on two cost scenarios (“with footbridge and “without footbridge) against two operating scenarios (with bunk beds and without bunk beds).

Scenario	Project Cost	With Bunk Beds		Without Bunk Beds	
		NPV	IRR	NPV	IRR
With Footbridge	16.9million	-1.6m	6.6%	-3.4m	4.7%
No Footbridge	16.2 million	-1.1m	6.5%	-3.1m	4.3%

Table 3: Summary Financial Viability and Cash Available to IDBZ

Table 3. above shows that the project viability position has worsened due to the cost escalations of 29%. The increase is attributed to inflationary pressures in both the ZWL and USD terms.

The rental is still assumed at USD85.00 per student per month. There is a marginal NPV improvement from -USD1.6 million to -USD1.1 million on the “with bunk beds” scenario should the project avoid the pedestrian footbridge cost. The NPVs for the “without bunk beds” scenario are -USD3.1million without the footbridge and -USD 3.4m with the footbridge. At Appraisal stage, NPV was positive at USD0.5 million, and IRR stood at 10.65% using the “with bunk beds” scenario. The project financial viability has been negatively affected by adverse economic performance which induced wide cost escalations.

Socio-Economic Viability

Apart from the assessed financial viability at Project Appraisal stage, the project is still expected to meet the following positive socio-economic impacts as envisaged:

- i) Improvement in the students’ welfare due to provision of decent accommodation and related amenities.
- ii) Creation of employment for men, women, and the youths both during construction and project operation stages. To date approximately 240 jobs have been created during construction.
- iii) Protection and empowerment especially for girls and students with disabilities. The project design considers the requirements of people living with disabilities.
- iv) Enhanced national economic performance from payment of levies and taxes to City of Bulawayo and ZIMRA.

Summary Findings, Lessons Learnt and Recommendations

Table 4. below is a summary of the lessons learnt arising from the Mid-Term Review analysis. It is hoped that these lessons will assist in handling future projects from project development, structuring through to implementation.

Project Component	Main Findings	Lesson Learnt/Recommendations
Technical		
Designs	<p>Major variations in designs resulting in</p> <ul style="list-style-type: none"> • changes in the foundation from strip to pile increasing costs by USD200,000. • Client specific design requirements for supermarket in Block B2 increasing costs by USD28,000. • Redesign of kitchen and dining hall into restaurant and take-away model to meet private operators' requirements, resulting in increased costs by USD15,000. 	<ol style="list-style-type: none"> i. Enhanced peer review at PAR stage, by Project Manager/Consultant of designs to assist in design “blind-spots”. ii. Site selection and designs must be based on thorough site investigations and geological surveys to consider the soil and geological conditions to inform project designs at project preparation stage. iii. Cost considerations to be made in settling for a specific design option while striking a balance on quality, viability, and cost.
Scope	<p>The following project scope changes during implementation resulted in cost increase:</p> <ul style="list-style-type: none"> • Transformer size increased from 315kVa to 500kVa to cater for redesigned kitchen, resulting in cost increase of USD33,000. • Requirement for footbridge to cross over main highway, increasing costs by USD700,000. • Need for an on-site sewer pump station to connect to available bulk sewer line. 	<ol style="list-style-type: none"> i. Need for local authorities to provide detailed project conditions prior to construction. ii. Detailed site investigation for availability and proximity of bulk services (water, sewer, solid waste management etc) during project appraisal.
Project Schedule	<ol style="list-style-type: none"> i. A Project Gantt chart which indicated scheduling of activities and timelines was available. However, no other detailed plan capturing other aspects of implementation monitoring like ESMP, project disbursement arrangements and monitoring arrangements was done. 	<p>All projects to have a detailed Project Implementation Monitoring and Supervision Plans prior to project implementation.</p>

	ii. Due to Covid-19 pandemic related work stoppages, the project will be implemented in 38 months. The original implementation period was 30 months.	
Phased Construction Approach	i. Construction approach was phased across the 3 blocks starting with B3, then B1 and finally B2. This resulted in efficient utilisation of manpower and shorter implementation timeframe for subsequent phases as workers passed the learning curve.	i. Potentially well experienced skilled manpower now available, as core staff, for other similar projects in the region. However, this advantage is being negated by the current economic environment where skilled and experienced labour is opting for employment elsewhere where labour payments are in USD.
Project Management	<p>i. The Board and management structure manned by senior Bank employs helps the Bank to monitor real time project progress.</p> <p>ii. IDBZ provides project management services through senior staff seconded to Zimcampus. However, there is no formal Project Consultant and Secretarial services contract with Zimcampus (Pvt) Ltd.</p>	<p>i. Formalize Project Steering Committee idea across other projects within the Bank.</p> <p>ii. Consider a formal project management services arrangement with a fee structure for the remaining BSAC works.</p> <p>iii. Adopt formal project management arrangements for all future projects where the Bank plays this role.</p>
Financial		
Accounting and Disbursements	The Bank manages the disbursements through a Shared Purchase Agreement which is line with the requirements of the PPDPA Act.	The use of the shared purchase agreements assists the Bank to track actual project cost against projections.
Funding	The IDBZ provided a Standby Overdraft facility of ZWL24 million. This provided bridging finance in between capital subscriptions to keep the project going. The funding also earned the bank interest income.	Apply the Standby Overdraft facility approach on all future projects to maintain project implementation traction.
Funding Model and Implementing Agency	The project was set-up as an SPV with IDBZ owning 100% of the ordinary shares. Other private investors provide funding through participating preference shares. The IDBZ shareholding has been reduced significantly as the Bank's strategy of increasing private sector funding of infrastructure projects.	Apply this funding model in all qualifying future projects as it amplifies the Bank's catalytic role in infrastructure funding.

Legal		
Land Ownership	Land is directly owned by the SPV through the appropriate title deed. This gives comfort to funders.	Project Land to be registered in the name of the SPV prior to implementation, for all future projects.
ESIA and Gender		
Gender Mainstreaming issues during project implementation	<ul style="list-style-type: none"> Although the Main Contractor has a SHE Policy as part of the signed agreement, no specific contractual modalities are in place to operationalise and enforce this. 	i. Engagement of SHE Officer and submission of Quarterly Environmental Reports, by the Contractor, to be part of all future construction contracts.
Resource Efficiency and Pollution Prevention	This is used to determine the project's carbon and environmental footprints and depends on availability of records on resource use (Fuel, electricity, water, gravel, river, and pit sand). In this contract, the contractor is not obligated to maintain records of the resources used on site as this is not specified in the Construction Contract	All future contracts to include this aspect to enable the Bank to account for the carbon footprint of its development initiatives
Project Design	Speaks directly to the issue of gender equality as it factors in key gender and disability considerations.	The gender issues were well articulated at project appraisal stage. One of the key objectives of the project is to provide appropriate accommodation to the girl child.
Employment creation and Gender Policy	Employment data disaggregated by gender and age shows very few women as employed and specifically in managerial roles. The maximum number of women employed to date is six (6) with one (1) in managerial position. The local construction industry is generally male dominated. On the other hand, the contractor is not contractually obliged to employ a certain minimum number of women.	Future contracts to specify minimum gender considerations by IDBZ contractors and/or consultants, in line with the Bank's Gender Policy.
Sexual Harassment Policy	No policy in place with the Contractor's representatives on site referring all issues to their Head Office.	Sexual harassment policy issues to be incorporated in all future construction contracts.
Procurement		

Materials	Key materials were pre-purchased to mitigate material availability risk and price escalations.	Major cost savings resulted from this approach. This needs to be formalised in future contracts.
Procurement Guidelines and Procedures	<ol style="list-style-type: none"> 1) Procurement proceedings were based on the IDBZ Procurement Policy Manual March 2016; Procedures - Procurement And Employment Of Consultants By Borrowers Under IDBZ-Funded Projects, March 2016; Procedures - Procurement Procedures For Goods, Works, And Non-Consulting Services Under IDBZ- Funded Projects /Budgets 2) Contract Administration during construction complied with the Public Procurement and Disposal of Public Assets (PPDPA) Act [Chapter 22:23] and the PPDPA Regulations (S.I. 5 of 2018). 	Value for Money was achieved through ICB
Implementation Arrangements		
Implementing Agent	The project is being implemented through a registered SPV; Zimcampus Properties (Pvt) Ltd with a separate board.	The project structure approach allows for ease of inclusion of private investors.
Company Registration	Zimcampus was registered through Companies Act (Chapter 24:03) which has since been repealed and replaced with Companies and Other Business Entities Act (Chapter 24:31) which provides for mandatory re-registration before 23/02/2023	Zimcampus to pursue re-registration before the cut-off date.
Risk		
Risk Register and Risk Matrix	A detailed project risk assessment was done at PAR stage, identifying all pertinent risks and the mitigants.	All projects should have a risk register and risk matrix at Appraisal which should be updated before project implementation

Table 4: Summary Findings, Lessons Learnt and Recommendations

Mid-Term Review Report Preparation Process-Challenges and Lessons Learnt

This BSAC Mid-Term Review assignment was the first of its nature in the Bank. It is important to reflect on the process to ensure efficiency and effectiveness in the process itself and the quality of lessons learnt and recommendations. This will assist in knowledge generation and continuous improvement in the Bank's processes. Table 5. below is a summary of the assignment process and suggested recommendations for consideration in future Mid-Term Review work.

Finding	Recommendation
The Project Team approach was very useful in that it allowed all aspects of the project to be reviewed.	Maintain
Availability of information, especially detailed Quarterly Supervision Reports	Ensure that the Bank's Project Quarterly Progress Reporting framework is applied to all projects
Responsiveness to information requests	Management should determine and enforce standard timelines for information provision among all project participants
Document review meetings with peer reviewers resulted in a quicker way to resolve any outstanding issues raised.	Maintain project team and Peer Reviewer meetings to effectively resolve issues

Table 5: Challenges and lessons Learnt in the Mid Term Review Process

1. BACKGROUND

The Bulawayo Student Accommodation (BSAC) project was approved by the IDBZ Board of Directors on 17 March 2017 under the University Student and Staff Accommodation Programme (USSAP) as an off-campus programme that was to be implemented under a JV arrangement with Gorbe Investments (Pvt) Ltd, the landowner, and the IDBZ. The project was expected to be funded through a debt and equity structure. The Bank subsequently decided to outrightly purchase the land which became part of the Bank's equity contribution into Zimcampus Properties (Pvt) Ltd. The project scope of work at Appraisal involved the construction of the following: -

- i. 5 (five) Blocks of 3 (three) storey halls of residence yielding 761 rooms accommodating 1,476 students,
- ii. Service Block,
- iii. Caretaker's Residence, and
- iv. External Works consisting of a Guard House, Water and Sewer Reticulation, Landscaping and Car Park/Paved Areas.

There were changes to the scope of the project at the behest of the City of Bulawayo (BCC). These changes came after the building plans had been submitted for approval in terms of the Model Building By-Laws and in compliance with the land use, which was designated as commercial whilst the proposed project was residential. For BCC to grant a special consent for the incorporation of student accommodation, the Bank amended the project scope and design to incorporate:-

- i. 3,820.50m² of commercial space on the ground floor (incorporating a service block):
- ii. 3 (three) blocks of 4 (four) storey blocks yielding 516 rooms instead of 748 rooms
- iii. Sewer reticulation and pump station.
- iv. Internal road works.
- v. Foot bridge over the Bulawayo-Gwanda Highway.

The revised scope of work was repriced resulting in an increase on the contract sum to USD12,399,517.51 (inclusive of VAT and 5% contingency) and consummated through an Addendum dated 28th August 2018, for Variation in Scope of Works, to the Main Agreement. The foot bridge was kept outside the scope of works. The comparative project outputs at project redesign are highlighted in Table 6. below;

	At Appraisal	At Implementation	Comments
Number of Blocks of Hostels	5 (five) 3-storey blocks	3 (three) 4-storey blocks	Reduced due to change in design to include commercial space on ground floor.
Number of Beds	1,476	1,032	Reduced due to project re-design
Commercial centre Area (m ²)	None	3,820.5m ²	Add-on as a condition for development permit and land use reservation. Commercial space addition compensated the revenue lost due to reduction in residential space.
Pump House	1	1	To cater for sewer disposal since the nearest sewer outfall is up-gradient.
Pedestrian Footbridge	None	1	Add-on as development permit condition
Number of Jobs created	Permanent – 80 Temporary – 400	Approximately 241 total workers employed at any given time	Specific break-down not available.
Wages and Salaries Rate per month	Permanent – USD600 Temporary – USD350	Information not readily available.	Contract did not specify this information provision.

Table 6: Expected Outputs (Project Construction/Implementation)

2. STATUS OF PHYSICAL IMPLEMENTATION

The three (3) blocks of four (4) storey buildings incorporating the commercial zone on the ground floors are referred to as B1, B2 and B3. Table 7. below summarises the BSAC overall completion status:

Block	Overall Progress	Comments	Expected Completion Date
B1	75% complete	Concrete works complete and roof being erected.	March 2022
B2	10% complete	Foundations done. Brickwork in progress.	April 2022

B3	97% complete	Working on snags.	November 2021
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Table 7: Summary of Completion Status as at 30/09/21

2.1. Progress Analysis:

2.1.1 **Block B1** – The building structure is complete, and finishes are now in progress. Finishes to B1 are expected to be swift as the workers have now passed the learning curve. Since most works in B3 are complete, workers have been moved to B1. Detailed progress report is shown in Table 8.

Section	Comments
Ground Floor	Alterations to the layout (variations) are at about 75% complete. Finishes are starting from the top floors going down.
First	All brickwork complete. Plaster complete. Floor screeds complete. Electrical first fix complete, second fix in progress. Skimming to the rooms is also complete. Plumbing works are lagging because of material supply challenges. However, the plumbing subcontractor has started laying the pipes.
Second Floor	All brickwork and plaster are 100% complete. Skimming in progress. Floor screeds complete. Plumbing still lagging but now making steady progress.
Third Floor	All wet trades complete except for floor screeds to the passages. Skimming to the rooms still in progress.
Roof	Erection of the trusses is 100% complete. Outstanding are gutters and downpipes. Also, still outstanding is waterproofing to the roof slabs even though payment has now been made.
Painting	Painting not yet started however, paint has now been paid for and delivery is awaited shortly.
Plumbing	Plumbing work is now making steady progress although supply of materials is still an issue.
Electricals	Cast-in pipework in place. Second fix to the rooms now in progress.
Balustrades	With most of the work in B3 now complete, welders have moved to B1 which is also making steady progress.
Lift	The lift was delivered to site at the same time as the one for B3 and installation awaits finalisation of builder's works.

Table 8: Block B1 Outstanding Works as of 30 September 2021

2.1.2 **Block B2** – Work on B2 started on the 21st of August 2021. The contractor's construction programme shows that Block B2 will be completed in April 2022. Whilst this is achievable, it should be noted that it will require great and consistent effort from the contractor

to meet the programme. To date, the contractor has not shown the kind of organisation and consistency required to achieve this as evidenced by the off-track implementation timeline.

Progress to date appears fair but is already noticeably behind programme. Efforts are being made to get the contractor to arrest the slippage early. The contractor is encouraged to stick to the programme by planning activities ahead and making procurements on time. Current issues with quantities of cement that are unavailable could have been avoided.

The contractor has made an undertaking to do own procurement of materials for Block B2 and not seek client assistance. Based on experience, the contractor’s capacity to meet this obligation is doubtful.

2.1.3 Block B3 – As reported by the contractor, the construction work is 100% complete. Finishes are in progress. However, the Consultant’s reports notes that preliminary snagging has revealed a long list of items to be attended to including addressing quality and straightness concerns. Considering the snags, the overall completion of this block is at 97%. The detailed snagging progress report is as below:

Section	Comments
Lift Area	Making good the floor and steps. Ground floor affected by the retaining wall and levels.
Ground Floor	Retaining wall still in progress. Some builder’s works on the steps. Corrections to beams required. Landscaping around the building also needed.
First Floor	Making good, cracked plaster and repainting.
Second Floor	Making good uneven plaster and painting
Third Floor	Third floor – Making good uneven plaster and painting.
Aluminium Windows and Doors	<ul style="list-style-type: none"> • Aluminium shop fronts to be completed on the ground floor. • Wooden doors warped and needing replacement
Roof	<ul style="list-style-type: none"> • Gutters need attention
Hot Water System	<ul style="list-style-type: none"> • Installation of hot water system in progress
Electrical	<ul style="list-style-type: none"> • Final fixing and touch ups on all outstanding electrical works
Balustrades/Handrailing	<ul style="list-style-type: none"> • Snagging and painting

Table 9: Block B3 Snagging and Outstanding Works

Plumbing

- After long delays, plumbing works restarted but the project is still experiencing problems with supply of materials.

2.2. Summary Schedule of Work Analysis as of 30 September 2021

S/ N	Milestone Activity	Planned Start Date	Planned Completion Date	Actual Start Date	Actual Completion Date	Completion Rate
1	GF Columns & Beams	04/04/2019	16/12/2019	04/06/2019	09/01/2020	100%
2	Concrete Slab F1	14/10/2019	01/02/2020	13/01/2020	30/03/2020	100%
3	Concrete Slab F2	24/12/2019	02/04/2020	13/06/2020	17/07/2020	100%
4	Concrete Slab F3	25/02/2020	16/06/2020	09/09/2020	23/11/2020	100%
5	Columns and Ring-beam	01/03/2020	16/06/2020	02/10/2020	23/05/2021	100%
6	Brickwork	10/03/2020	19/08/2020	12/09/2020	TBA	In progress
7	Roof trusses and covering	13/06/2020	31/05/2021	08/06/2021	TBA	100%
8	Finishes	16/03/2020	31/05/2021	03/08/2021	TBA	In progress
9	Plumbing & Electrical Fixtures	01/08/2020	30/05/2021	03/08/2021	TBA	In progress
10	Landscaping and Parking	01/11/2020	31/12/2021	TBA	TBA	TBA
11	Handover	24/12/2020	31/05/2021	TBA	TBA	TBA

Table 10: Block B1

S/ N	Milestone Activity	Planned Start Date	Planned Completion Date	Actual Start Date	Actual Completion Date	Completion Rate
1	Excavations	21/08/2021	30/09/2021	02/09/2021	20/09/2021	100%.
2	Pile Caps	21/08/2021	30/09/2021	09/09/2021	30/09/2021	100%
3	Ground beams steel fixing	21/08/2021	30/09/2021	09/09/2021	30/09/2021	100%
4	Formwork and concrete	21/08/2021	30/09/2021	27/09/2021	TBA	In progress
5	Backfilling and compaction	10/09/2021	20/09/2021	04/10/2021	TBA	In progress
6	Ground Floor Slab	15/09/2021	30/09/2021	TBA	TBA	Not yet started
7	Columns to First Floor	25/09/2021	10/10/2021	09/09/2021	TBA	In progress – starters in place.
8	First Floor Slab	15/10/2021	15/11/2021	TBA	TBA	Not yet started

Table 11: Block B2

S/ N	Milestone Activity	Planned Start Date	Planned Completion Date	Actual Start Date	Actual Completion Date	Completion Rate
1	Roof Trusses	09/03/2020	15/04/2020	10/10/2020	22/05/21	100%
2	Roof Covering	24/03/2020	14/04/2020	13/01/2020	22/05/21	100%
3	Plumbing Fittings	01/04/2019	20/05/2020	15/03/2020	TBA	50%
4	Electrical Fittings	01/04/2019	20/05/2020	13/06/2019	TBA	85%
5	Brickwork	23/04/2020	28/08/2020	01/10/2020	30/07/2021	100%
6	Windows & Glazing	16/12/2019	31/05/2021	13/02/2020	TBA	97%
7	Plaster	15/06/2020	30/05/2021	16/06/2020	TBA	99%
8	Floor Finishes	01/08/2020	30/05/2021	12/09/2020	TBA	98%
9	Doors & Ironmongery	27/04/2020	06/05/2021	14/03/21	TBA	99%
10	Painting	03/04/2020	31/05/2021	02/05/21	TBA	80%
11	Tiling	01/11/2020	31/05/2021	12/04/21	TBA	70%
12	Balustrades	03/03/2020	31/05/2021	TBA	TBA	Remedial Works in progress.
13	Lifts	27/04/2020	19/05/2021	04/02/21	TBA	Commissioned
14	Hot Water Fitouts	27/04/2020	31/05/2021	22/09/2021	TBA	25%
15	External Works	01/08/2020	24/12/2021	06/09/2021	TBA	55%
16	Handover	24/12/2020	31/05/2021	TBA	TBA	TBA

Table 12: Block B3

2.2.1 External Works

i. Substation

The fit-out of the substation is complete and awaits commissioning by ZETDC. Payment for the connection charges is in progress.

ii. Sewer Reticulation and Disposal System

The project is situated in an area where the sewer disposal system is septic tank based. However, given the anticipated volumes of sewage from the complex, it was necessary to pump raw sewage to the nearest municipal sewer reticulation system. The sewage disposal system therefore involves collector mains from the 3 blocks into a holding tank and pumping uphill to connect into a municipal manhole and drain by gravity into the city system. The internal reticulation system is about 95% complete. Excavations for the sump/ holding tank are complete and steel fixing is in progress. Interruptions have been experienced due to delays in supply of steel. Efforts are being put in place to ensure the concrete is completed before the

onset of the rains. The facility cannot be opened before the sewage disposal system is fully in place.

NB. Completion of the holding tank and the pumping main are key to the operation of the facility. This is expected to be fully in place by project completion in April 2022

iii. Water Supply Mains

Work is expected to start in October 2021.

iv. Flyover Pedestrian Bridge

Final design was approved. Progress on the timing of works and tendering is under discussion. The footbridge construction is expected to cost USD700,000 (Seven Hundred Thousand United States Dollars)

3. FINANCIAL REVIEW

3.1. Disbursements

At Appraisal stage, the project costing was broken down per specific components, covering Design and Planning, P & Gs, External Works, Measured Works, Furnishing, Provisional and Prime costs, Contingencies and VAT. The expectation was that actual disbursements accounting would have been broken down in the same manner for ease of comparison. However, the subsequent project accounting did not maintain this breakdown. All disbursements to date are captured as a composite figure. Comparison, at the project component level, against the Appraisal cost was therefore not possible due to the unavailability of component disaggregated data. Table 13. below shows the cost breakdown by component at Appraisal stage and that approximately 77% of the revised cost figure has been disbursed to date.

Project Component	Component Description	At Appraisal	Revised Bid Price	Disbursements to Date	% Completion Level to date	Cost to Completion with Footbridge	% Variance Cost when Complete (with footbridge)	Cost to Completion without Footbridge	% Cost Variance when complete (without Footbridge)
		Full Cost	Cost to Date						
Design & Planning	Planning & Architectural designs for Hostels and ancillary facilities, civil works, mechanical, electrical works. Preparation of all project implementation documents (tender, specifications, BOQs etc)	1,053,000							
P&Gs	Site overheads, site establishment, offices, communication facilities, statutory obligations (insurance, bonds, inspection fees etc), plant and equipment maintenance, site security.	260,000							
Measured Works	Excavations of foundations, concreting, formwork, reinforcement fixing, brickwork, plastering, carpentry, joinery & ironmpngery, metal work (frames & balustrading) flooring, plumbing, drainage, painting and glazing	6,999,880							
External Works	Guard house, furniture, landscaping, carpark, water and sewer onsite reticulation, stormwater drainage	726,108							
	Pump Station	0							
	Crossover Bridge (<i>provisional cost</i>)	0							
Provisional & Prime Costs	Electrical installation, allowance for profit, subcontractor and specialist services	965,827							
Subtotal		10,004,815							
Contingencies (5%)		500,241							
Subtotal		10,505,056							
VAT (15%)		1,575,758							
Grand Costs		12,080,814	13,099,518	10,900,000	85%	16,900,000	29.0%	16,200,000	23.7%

Table 13: Project Costs Breakdown by Component

The actual disbursements by project component are important in providing data, based on actual information on the ground, which becomes part of the assumptions for use in future projects. This will assist the project developers to come up with refined project assumptions, costs, and budgets.

3.2. Financial Viability Appraisal

The Mid-Term Review incorporates a re-appraisal of the project considering the changes in project scope and the related costs. Table 14. below shows the comparative summary capacity, rental per student per month and total project implementation cost, whilst Table 15. shows the resultant financial viability appraisal. The financial viability has been assessed from two scenarios, (1) without bunk beds and (2) with bunk beds.

3.2.1 Project Capacity and Cost

Table 14. shows the comparative analysis of the project capacity and rental levels per student at Appraisal stage and at Mid-Term Review stage.

Variable	At Appraisal	At Mid-Term Review
Number of Rooms	738	516
Number of Students (No bunkbeds)	1,476	1,032
Number of Students (with bunkbeds)	2,952	2,064
Rental per room/per month	USD85	USD90
Forecasted Cost	USD12,1 million	USD16,9 million

Table 14: Project Re-appraisal Summary Capacity and Cost

3.2.2 Summary Financial Viability Appraisal

Table 15. shows the comparative summary financial viability indicators at Appraisal stage and Mid-Term Review stage.

Scenarios	PAR	Mid-Term Review stage			
	With Bunking	With Bunk Beds		Without Bunk Beds	
	No Footbridge	Footbridge	No Footbridge	Footbridge	No Footbridge
Project Cost	USD12.1m	USD16.9m	USD16.2m	USD16.9m	USD16.2m
NPV	USD0.5 m	-USD1.6m	-USD1.1m	-USD3.4m	-USD3.1m
IRR	10.65%	6.5%	6.6%	4.3%	4.7%
@NPV of Zero					
Rental per Student (USD)	USD90	USD105	USD101	USD138	USD133
ZWL Equiv. @108.7:1	ZWL9,780	ZWL11,409	ZWL10,975	ZWL14,996	ZWL14,453

Table 15: Mid-Term Summary Financial Viability Indicators (Refer to Financial Model for more detail)

At Appraisal stage, the project was marginally viable at an NPV of USD0.5 million and an IRR of 10.65% (against a ROE of 9%). Due to increase in project costs, the project is recording negative NPV for both scenarios. However, there is a marginal NPV improvement from -USD1.6 million to -USD1.1 million on the “with bunk beds” scenario should the project not incur the pedestrian footbridge cost. To achieve a zero/break-even NPV and IRR, the rental per student, on the ‘with bunk beds’ and ‘without footbridge’ scenarios, should be USD105 or ZWL11,409 at the December 2021 interbank rate of 1USD:ZWL108.660. Currently, students are paying between USD50 and USD60 per head for the off-campus accommodation provided by residents.

Issues for Zimcampus Board consideration to Improve Project Viability and Returns

- Pursue the replacement of the footbridge (expected cost of USD700,000) with a cheaper or no bridge alternative with discussion and concurrence of Bulawayo City Council and the Ministry of Transport and Infrastructure Development.
- Fully optimise the use of the available commercial space on the complex such that more revenues from commercial activities can cross subsidise any underperformance on the student accommodation side.
- Pursue the original waiver to use bunk beds for the first ten (10) years of operation at USD105 per head per month.

4. ORGANISATION AND MANAGEMENT

4.1. Project Ownership and Board Composition

The project is owned and is being implemented through a Special Purpose Vehicle (SPV), Zimcampus Properties (Pvt) Ltd which is duly incorporated under the Companies Act [Chapter 24:03]. The company was registered on 23 March 2017 under registration number 2015/2017. It should be noted that Zimcampus will need to meet the requirements of the new Companies and Business Entities Act [Chapter 24:31]. The Bank is represented by Messrs Norbert Mutasa as a Director on the SPV Board (with Daniel Makono as an alternate). Eng. Suckson Makwasha, Manager-BURO and Kudakwashe Kuzamba, Chief Management Accountant are Managing Director and Finance Director of the company respectively on secondment from the IDBZ. IDBZ also provides the company secretarial services. The other shareholders are ZW Nominees (Pvt) Ltd, Old Mutual Life Assurance Company of Zimbabwe (OMLACZ) and Motor Industry Pension Fund (MIPF) (“Pension Funds”). A Shareholders Agreement as well as a Preference Share Subscription Agreement dated 30 January 2019 are in place. The Bank’s shareholding is expected to close at 5% should the Bank not make any further contributions to future capital calls. The Pension Funds’ contribution will in that scenario close at 95%. The current Board composition is highlighted in Table 16. below;

Name	Position	Shareholder
Ntabeni-Bhebhe Faith	Non-executive Director (Chairperson)	OMLACZ
Musoso Davis	Non-executive director	OMLACZ
Dariri David	Non-executive director	OMLACZ

Manhika Raymond	Non-executive director	MIPF
Lalla Rishay	Non-executive director	ZWM
Mutasa Norbert	Non-executive director	IDBZ

Table 16: Zimcampus Properties (Pvt) Ltd Board Composition

The Board has been meeting on a quarterly basis to review progress and give direction to the Company. Operations on the ground are managed through monthly steering committee meetings. The steering committee comprises representatives from the Main Contractor, Lead Consultant and Zimcampus. It is responsible more for the day-to-day management of the project. In the Project Consultant's Quarterly Report of 30 September 2021, a decline in the frequency of the meetings was noted. The Consultant indicated that the reduced frequency of steering committee meetings might have affected project implementation progress.

4.2. Management

Finance Director : Kudakwashe Kuzamba, (IDBZ, Chief Management Accountant) on secondment by the IDBZ.

Managing Director : Eng. Suckson Makwasha, (IDBZ, Manager-BURO) on secondment from the IDBZ

4.3 Other Services

Other Service providers include: -

Bankers : IDBZ

Auditors : Baker Tilly

Board Secretariat : IDBZ

4.4 Quarterly Environmental and Social/Gender Monitoring Services

The Bank is providing quarterly environmental and social/gender monitoring services to Zimcampus (Pvt) Ltd. There is no service level agreement for this service.

4.5 Project Implementation Arrangements

The Client, Zimcampus Properties (Pvt) Ltd has contracts in place with various services providers to facilitate project implementation. The services providers and their role are highlighted in Table 17.

Name	Role	Agreements In Place
Hualong Construction (Pvt) Ltd	Main Contractor for construction works	"Fixed Sum" Construction Contract
Diagraphis Architects	Main Consultant responsible for all designs (structural, mechanical)	Consultancy Agreement
Eng. Meluleki Maphosa	Project Management	Project Consultancy Contract
OLD Mutual	Management of Facility including selection and onboarding of tenants	Operating and Maintenance Agreement under consideration

Table 17: Project Implementation Arrangements

4.6 Funding Structure

4.6.1 Comparative Contribution Level as at 31/12/21

All funding is through equity as guided by the Shareholders Agreement. Table 18. below shows the comparative contribution levels at Appraisal stage and position as at 31/12/2021 based on the 9th Capital Call.

Item	At Appraisal March 2016		As at 31/12/2021		Funder
	Cost USD	%	Cost (USD)	%	
Land, Project Preparation, and Implementation	2,251,718	15.7%	845,840	7.76%	IDBZ
Implementation					Private Investors
• Consultancy	1,053,000				
• Construction	9,986,540				
• Furnishings	<u>2,094,274</u>				
Sub-total	12,080,814	84,3%	10,054,160	92,24%	
Total	14,332,492	100.0%	10,900,000	100.0%	

Table 18: Project Cost and Funding

The IDBZ equity level has gone down from estimated 15.7% at Appraisal stage to the current 7.76% due to nonparticipation in the last four (4) Capital Calls.

4.6.2 Comparative Contribution at Project Completion

Shareholder	As of 31 December 2021,		At Project Completion	
	Contribution (USD)	Percentage	Contribution (USD)	Percentage
IDBZ	845,840	7.76%	845,840	5%
MIPF	2,063,370	18.93	16,054,160	95%
OMLACZ	5,078,31	46.59%		
ZWM Nominees	2,913,570	26.73%		
TOTAL	10,900,000	100%	16,900,000	100%

Table 19: IDBZ Shareholding at Project Completion

The Bank's shareholding will reduce from 15.7% to 5% at project completion. This is in line with the Bank's thrust of playing a catalytic role and crowding in private investment in infrastructure finance. The resultant shareholding is shown in Table 19. above.

5. COMPLIANCE STATUS (Environmental and Social, Gender, Legal and Other)

5.1 Environmental and Social Impact Assessment (ESIA)

In terms of the Environmental Management Act (Chapter 20:27), and the Bank's Environmental and Social Sustainability Management System (ESSMS), BSAC project is a prescribed activity. Prescribed activities require ESIA certificates to be in place prior to commencement of construction works. The project ESIA certificate should remain valid for the duration of the construction phase. During this period, quarterly environmental and social monitoring reports are required. The following observations were made:

- i. Project construction works started on 14 February 2019 after issuance of ESIA certification by the Environmental Management Agency (EMA) on 11 February 2019.
- ii. A total of 10 quarterly environmental monitoring reports were supposed to have been prepared and submitted to EMA by August 2021. Seven were done and submitted. The last five (5) being consistently observed.
- iii. The ESIA certificate issued on 11 February 2019 expired on 10 February 2021. A renewal certificate was under process at the time of report writing. The renewal fees have been paid to EMA. The project needs to always have a valid certificate till its decommissioning. Absence of a valid certificate leads to penalties and an increase in the project cost.
- iv. The Bank held 2 meetings with members of the Matsheumhlope Residents Association (MRA) to enhance the project's social sustainability. The MRA represents the community around the BSAC project. Although this is not a legal requirement, such meetings help to keep stakeholders updated and afford them an opportunity to seek clarifications on project related issues affecting them.

5.2. Bank Gender, HIV and Sexual Harassment Policy

The project is generally compliant with these Bank policies although this was not a requirement in the contract. The following have been observed during project implementation to date: -

- i. Cases of sexual harassment were recorded and reported.
- ii. Out of a total of 214 employees, a maximum of six (6) were women.
- iii. Women participating in decision making, with one woman (Quantity Surveyor) in the management team. This is attributed to the fact that the industry is generally male dominated in Zimbabwe.

- iv. Project design considers gender requirements for the disabled.

See Appendix IV, for Detailed Gender analysis

5.3. Legal and Corporate Governance Compliance

The Construction Agreement between IDBZ and Hualong Construction (Pvt) Ltd dated 17 August 2017 and novated in favour of Zimcampus Properties (Pvt) Ltd in 2018 is in place. The First Addendum dated 28 August 2018 amending the “Fixed Lump Sum” contract price from USD9,337,164 to USD12,399,518 is also in place. Extension of the construction contract expiry date to 31 December 2021 was approved by the Zimcampus Board in March 2021. The project adheres to all corporate governance issues with Board meetings being held at least quarterly. Contract management issues are also being handled appropriately.

5.4. Procurement

- 5.4.1 IDBZ was not a Procuring Entity at the commencement of procurement activities for BSAC in September 2016 as defined by the Procurement Act [Chapter 22:14], which was repealed on 1 January 2018 and simultaneously replaced by the Public Procurement and Disposal of Public Assets Act [Chapter 22:23] (the PPDPA Act). This meant that the IDBZ was not regulated by the then State Procurement Board (SPB), which was replaced by the Procurement Regulatory of Zimbabwe (PRAZ) after the promulgation of the PPDPA Act and PPDPA Regulations.
- 5.4.2 In 2015 the Bank outsourced the services of an independent procurement consultant with international experience (the Consultant) to review its procurement policy and procedures to meet international best practice.
- 5.4.3 The Bank adopted the new procurement policy and procedures in 2016 with the assistance of the Consultant and a law firm, Kantor & Immerman Legal Practitioners (Pvt) Ltd.
- 5.4.4 The IDBZ created a centralised procurement function, the Procurement Secretariat which had the sole responsibility for conducting all procurement activities of the Bank, and reporting to the Procurement Committee for procurement activities above a set threshold that was reviewed from time to time.
- 5.4.5 The Procurement Secretariat was later transformed into the Procurement Management Unit in 2018, after the promulgation of the Public Procurement and Disposal of Public Assets Act [Chapter 22:23] which effectively made the IDBZ a Procuring Entity.
- 5.4.6 The IDBZ was responsible for undertaking the procurement activities for the BSAC project.
- 5.4.7 A Consultancy Services contract for architectural, engineering design and construction supervision was signed on 17 October 2016.

- 5.4.8 A General Procurement Notice (GPN) was published for BSAC on 17 May 2017, paving way for commencement of the procurement proceedings for Works on 18 June 2017.
- 5.4.9 The procurement of Consultancy Services was carried out in accordance with the IDBZ’s “Procurement Policy Manual”, dated March 2016 as amended from time to time; the “Procedures - Procurement And Employment Of Consultants By Borrowers Under IDBZ-Funded Projects,” March 2016; and the Bank’s Standard Solicitation Documents.
- 5.4.10 Works were procured competitively through International Competitive Bidding (ICB) in accordance with the Procurement Policy Manual, March 2016; the “Procedures - Procurement Procedures For Goods, Works, And Non-Consulting Services Under IDBZ- Funded Projects /Budgets”, March 2016; and the Bank’s “Standard Bidding Documents Procurement of Works”, March 2016.
- 5.4.11 The Contract for Works was signed on 4 September 2017.
- 5.4.12 Contract administration activities after 2018 falls under the purview of the PPDPA Act and PPDPA Regulations.

5.5. Accounting and Audit

All accounting and audit arrangements are in place. The project accountant produces monthly management accounts and final accounts as required. The 2020 independent auditors report is in place. However, the accounting system should capture all disbursements as per the project components as envisaged at Appraisal stage.

6. GENERAL COMMENTS/CONCLUSIONS AND RECOMMENDATIONS

6.1. Issues for further consideration

The Mid-Term Review report has highlighted certain key aspects that need further consideration as shown in Table 20.

Issue	By Whom
Proposed arrangement by Old Mutual for the Property and lease management services	Zimcampus
Consider entering a remuneration-based arrangement for the project management services provided by the Bank to Zimcampus Properties (Pvt) Ltd	IDBZ
Negotiate and obtain formal agreement from BCC for waiver of the Pedestrian Footbridge requirement. Safety issues to be alternatively addressed through speed humps, Pedestrian Crossing and Traffic Lights	Zimcampus

Invitation of IDBZ Implementation Monitoring and Evaluation officer(s) to Board meetings of all IDBZ Investee companies to give guidance on issues regarding compliance with IDBZ project implementation requirements.	IDBZ
Accounting of project costs broken down by project component in line with the Project Appraisal Report requirements	Zimcampus Accountant
Re-registration of company in line with the new Companies and Business Entities Act	Zimcampus Accountant
Signed off Implementation Plan for Block B2 with clear milestones and dates	Project Consultant and Hualong
Consider a remuneration-based contract, in favour of the Bank, for ESIA and other services offered by the Bank to Zimcampus	IDBZ and Zimcampus Board

Table 20: Issues for further consideration

6.2. Commendable Standard Set by BSAC Project

- i. Pre-purchase of materials to lock in value. However, indicative timelines for purchase and delivery of materials should be incorporated into project contracts so that they are binding. Further, this ensures accountability and practical minimisation of delays after site establishment and ancillary costs;
- ii. Opening of a special account for the project for ease of administration and accountability of project funds;
- iii. Constitution of an SPV with separate legal identity for management and administration of the project;
- iv. Generally, timeous consummation of fundamental project contracts;
- v. Registration of land for the project in the name of the SPV for investor comfort.
- vi. Catalytic role played by the IDBZ by crowding in private investors in infrastructure funding.
- vii. Deepening of capital markets through provision of an investment assets for local pension funds.

6.3. Lessons Learnt and Recommendations

Refer to Table 4. under Executive Summary

APPENDICES

APPENDIX I BSAC Technical Review

1.0 Project Scope and Design

- i. A variation in the foundation designs was effected. The foundation was changed from strip foundation to pile foundation due to the soil types encountered during project implementation. This led to a USD200,000 increase in cost.
- ii. There were differences in the alignment of the mechanical, water, sewer, and drainage drawings. This led to changes being effected during implementation to enable coherence of all the works.
- iii. The number of beds were initially planned at 1476 however it was changed to 1032.
- iv. Block B2 supermarket area was re-designed to suit prospective client's requirements. A cost of USD28,000 is expected to be incurred due to this change.
- v. There was a re-measure of the kitchen area on B1 to accommodate Fast foods outlets.
- vi. A 500kVa transformer in lieu of the original 315kVa will be installed to cater for the increased kitchen loads.
- vii. Gutters changing from PVC to Galvanized - no cost implication.
- viii. Plastering cost was reduced since the outside was not plastered. Resulting in a cost saving of USD39,700
- ix. A Pedestrian footbridge will be constructed across Bulawayo-Gwanda Rd, with an estimated cost of USD738,000

The total cost of scope and design changes is approximately USD803,532.44

2.0 Project Schedule

According to the inception report, the project was supposed to commence on the 18th of September 2017 and run for 12 months up to the 18th of September 2018. The actual commencement date was the 14th of February 2019.

Completion of the project has been delayed significantly and the overall progress is at 85% as of 31 December 2021.

3.0 Project cost

The Original Contract Sum was USD 9,337,164.34

At inception, the Sum was adjusted to USD12,399,517.51 (*without foot bridge costs*)

The Revised Contract Sum at the end of Q2 of 2021 was USD13,610,897.23

As of 31 December 2021, USD 10.9million had been used for the project

It is expected that about USD6.0m is required to complete the project including the cross-over bridge, consultant fees and government tax.

4.0 Challenges

The following challenges were encountered on the project: -

- i. Delays in finalising foundation designs and ground floor designs.
- ii. In 2020 and 2021 the project was affected by the Covid-19 pandemic disruptions and restrictions on operations.
- iii. Shortage of foreign currency to import materials.
- iv. Continuous load shedding
- v. Shortage of water for construction: two boreholes were drilled but dried up between July and Oct of 2019, dry spell affected entire Bulawayo and surrounding areas
- vi. Shortage of skilled manpower. High skilled labour turnover due to poor remuneration
- vii. Unavailability of fuel in local currency.
- viii. The disparity between the RBZ official rate and the market determined exchange rate. Due to this disparity, the contractor is claiming 30%.

5.0 Lessons Learnt

S/N	Area	Learning Point	By Whom	Comments
1	Site Selection and Preliminary Investigations	All aspects of the site must be exhaustively investigated and examined in detail and a risk matrix done for each site.	Appointed consultants	Advantages and disadvantages of each site must be carefully analysed, and the best site selected. This may not always be possible, but site selection must precede project approval. At the very least a short list of possible sites must be available.
2	Preliminary Design	Must follow detailed site investigations report – site survey, soils investigations, services, environment, accessibility etc.	Consultants	At this stage a stop/ go decision needs to be made. More time is needed for project design and planning to ensure that all issues are addressed exhaustively from the onset.
3	Procurement of Materials	Most contractors if not all, need support in executing their contracts due to the harsh economic environment. They struggle to raise the capital required to purchase the materials required to execute the works. Therefore, client involvement in the procurement of materials is important and must be included in the contract right at the onset of the project concept.	Client	There are huge advantages to go this route in that savings can be made and the pace and quality of construction can be controlled. A procurement system that does not take away the contractor's contractual responsibility must be put in place.
4	Payments	Currency of payment in terms of the contract Clause 16.4 is US\$ but contractor is being paid ZWL\$ in compliance with the country's laws. The contractor's costs and expenses on materials and consumables are incurred in US\$ and then converted to ZWL\$ at the market determined exchange rate and not the RBZ official rate. For example, a BOQ rate of US\$1 will be translated to ZWL\$115 at the RBZ official rate instead of ZWL\$180 at market determined exchange rate. There is therefore a loss position already, considering that most of the contractors' expenses are incurred at the market determined exchange rate.	Client	The prevailing financial legal system makes it difficult for contractors to remain viable. A way that does not break the law but adequately and fairly compensates the contractor needs to be established and implemented.
5	Escalations	This is a Fixed Sum Contract which does not allow for escalations but in hindsight it was not the most appropriate type of contract in the circumstances. The contract was awarded before the design for foundations was finalised. Ordinarily foundations are re-measurable items which means no one is sure about the cost until they are finished. Several other unknowns were in the BOQ including Provisional Sums. Given the planned duration of the project, a Fixed Sum Contract posed difficulties.	Report to be submitted by QS	A strict definition of a "Fixed Sum Contract" is one that does not allow for escalations or fluctuations. The contractor carries all the risk of price escalation that may arise. The contractor also stands to benefit if the eventual cost is lower than the agreed price. In the case of BSAC there were many variables that were not fully defined to make it an ideal Fixed Sum Contract. The lesson learnt is that careful consideration must be made in the choice of contract considering design complexity, duration of the project, availability of cash and materials and most importantly the stability of the economy. It would be unfair to expect the contractor to retain the rates agreed in 2017 into the post Covid-19 era. Going forward, care must be taken to protect client interests and compensate the contractor fairly.
6	Stakeholder Engagement	Stakeholders need to be engaged early into the project so that their views/ concerns are addressed early in the project preparation process. This engagement must also be a continuous process.	IDBZ/ Appointed Consultant	Involve the Bank's Communications Unit. Engagement of local political leadership will enhance the profile of each project in the area.
7	Key Project Success Factors	It is important to establish the project key success factors at the beginning. It is important to note that these may not coincide with design objectives.	External Project Manager	Key issues must be identified and must influence the design and site selection.

8	Contract Documents	Standard Solicitation Documents used for this engagement were those of created by IDBZ. Situation has since changed with the coming into force of the Public Procurement and Disposal of Public Assets Act/Regulations in 2018. IDBZ is now using Standard Solicitation Documents provided by PRAZ in compliance with the PPDPA Act.	IDBZ/ Consultants	The issue has since been resolved and future contracts have a standard template for contracts.
9	Project Planning	Adequate time needs to be allocated to project planning to ensure that all aspects are addressed before it goes out to tender.	IDBZ/ External Project Consultant	Planning is critical on a project of this scale. Any omission has significant financial and time implications.
10	Project Consultant	To oversee the implementation of the project a Project Management Consultant is necessary.	IDBZ	Engaging a consultant early in the process assists in planning, design, and evaluation of bids to ensure that the implementation process has less challenges.
11	Advance Payment	Advance payment is an instrument at the disposal of the client to assist contractors to overcome financial challenges on a project. However, if it is not carefully considered, it can lead to further challenges in management and recovery.	IDBZ/ Consultants	In this economic environment handing over cash to a contractor is not advisable as there is a very high possibility that it may not be spent for the intended purposes. Instead of cash, it is advisable to pay for purchases and other costs on behalf of the contractor. These costs are recoverable through monthly payment certificates.
12	Design Reviews	Design reviews are an accepted way for peers to review each other's designs to ensure optimization of design and enhance value for money. It is a standard which every professional must accept. This instrument (even though it comes at a cost) gives the client the assurance that the design is fit for purpose.	IDBZ	For BSAC engineering designs would have benefitted from a peer review. This would have drawn attention to the issues which affected the project: <ol style="list-style-type: none"> 1. Foundation design. 2. Misalignment of engineering designs and architectural drawings. 3. Ceiling height for the supermarket. 4. Sewage disposal. 5. Provision of facilities such as a student lounge.
13	Strategic Partners	In modern construction economics it is critical for the client to have strategic partners who supply strategic materials for the project at concessionary prices.	IDBZ	IDBZ could negotiate partnerships with cement, brick, steel, quarry, and river sand suppliers who will agree to supply these products at fixed prices for the benefit of the project.
14	Contractor Site Management	The contractor promised a site management structure at tendering stage. This would have been typical of a large construction site. This structure has not been set up hence many of the problems that the project has experienced. The structure was not priced into the BOQ as well.	IDBZ	In future the BOQ must detail and cost the structure that is deemed sufficient to deliver the project. For example, Contracts Manager, SHE Officer, Site Clerk etc. If these people are not in place payment is withheld.
15	External Consultants	External design consultants should be contracted based on their professional standard contracts. Architects, engineers, and quantity surveyors have standard professional contracts.	IDBZ	Using standard professional contracts enables easier management. These contracts would make it easier to hold consultants accountable for their actions and decisions.

APPENDIX II Legal Review and Appraisal

A. DOCUMENTS REVIEWED

The following documents were provided to facilitate this exercise:

A1.Zimcampus Deed of transfer

A2.Minutes of meetings of the Zimcampus Board of Directors

A3.Zimcampus P/L statutory documents

A4.Consultant's inception report dated November 2018

A5.Shareholders' Agreement between IDBZ, ZWM Nominees, Old Mutual Life Assurance Company of Zimbabwe Limited, Motor Industry Pension Fund and Zimcampus Properties P/L.

A6.BSAC Construction Contract – Hualong and Addendums

A7.Consultancy Agreement with Diagraphis Architects and Addendums

A8.Minutes of Zimcampus Board Meetings dated 24th January 2020, 26th May 2020, 30th June 2020, 14th September 2020, 26th February 2021, and 23rd April 2021.

B. DETAILED APPRAISAL

C1. Contractual issues

Sources consulted: BSAC Construction contract with Hualong and Addendums

It is commendable that contracts with critical service providers, such as Hualong for construction of the complex, were in place before commencement of works. This is a critical reference point in governing the relationship between the client and the contractor.

As a learning curve, future contracts, particularly for projects of such a large scale, should cater for specific requirements of the Bank, such as: -

- Reporting requirements of gender, environmental and climate change mitigatory measures to meet GCF demands;
- Expectations on the employment of locals and gender sensitivity in hiring labour;
- Frequency and form of reporting as well as the reporting structure;
- Turnaround times for critical approvals such as requests for variations.

C2. Project preparation

Sources consulted: Consultant's Inception Report dated November 2018 Zimcampus Board Meeting Minutes dated 18.12.2020

The importance of adequate project preparation cannot be overemphasised. Project preparation informs even the type of contracts entered. In this project, Zimcampus entered into a Fixed Lump-Sum Contract, which ordinarily is premised on adequate preparation so that there are minimal variations, if any during project implementation. However, considering that issues indicating inadequate preparation arose at project inception (i.e., need for soil testing and changing planned foundations, no supply for

water and electricity to be used for construction, plant and equipment, delays waiting for delivery of construction material) it is possible that an alternative type of contract like an EPC contract, would have been more efficient. This would have also reduced costs like those arising from delayed project implementation.

C3. Zimcampus Board composition

Sources consulted: Zimcampus CR14 dated 09.08.2019

Two issues arise from a review of the CR14:

- i. Directors were appointed by each Shareholder in terms of the Shareholder's Agreement.
- ii. The Board is composed of five (5) Directors, only one being female. Gender equity in Board representation even in private entities remains topical and critical, particularly for a project of this nature where it is of paramount importance that the needs of both male and female students are equally represented and met.

C4. Zimcampus re-registration

Zimcampus Properties P/L was incorporated in 2017 under registration number 2057/2017 in terms of the Companies Act [Chapter 24:03]. This Act has since been repealed and replaced in its entirety by the Companies and Other Business Entities Act [Chapter 24:31]. Section 303 thereof provides for mandatory re-registration of all pre-existing entities on or before the 23rd of February 2023. Failure to register may result in the company being considered defunct and all its assets accruing to the State. There is need to ensure timeous registration to avoid this undesirable outcome.

C5. Zimcampus Shareholders and Preference Share Subscription Agreement

**Sources: Zimcampus Shareholders Agreement signed January 2019
Preference Share Subscription Agreement signed January 2019
Zimcampus Board Meeting Minutes dated 26 February 2021**

The conclusion of shareholders agreements at project inception to clearly govern the relationship between Zimcampus shareholders is commendable.

It is noted from Minutes of Board meetings that some of the Shareholders failed or neglected to pay their Subscription Amounts timeously. One of the conditions precedents to the Preference Share Subscription Agreement should have been payment in full of the Subscription Amount, especially in consideration of the hyper inflationary environment in which the project is being implemented. Although clause 5.2 of the Agreement is a punitive provision, the interest charged on late payments may not compensate the project adequately for the value lost over time.

D. **COMMENDABLE STANDARDS SET IN THE BSAC PROJECT**

7. Pre-purchase of materials to lock in value. However, indicative timelines for purchase and delivery of materials should be incorporated into project contracts so that they are binding. Further, this ensures accountability and avoidance, as far as practicable of delays after site establishment and ancillary costs;
8. Opening of a special account for the project for ease of administration and accountability for project funds;
9. Constitution of a SPV with separate legal identity for management and administration of the project;
10. Timeous consummation of fundamental project contracts;
11. Registration of land for the project in the name of the SPV for investor comfort.

E. **AREAS OF IMPROVEMENT**

E1. Project preparation.

A thorough project preparation exercise for this project should have detected issues of ground conditions which would have informed designs. Further, adequate preparation would have ensured that necessary approvals were in place before commencement of works.

E2. Employment

IDBZ expectations regarding gender mainstreaming, employment of locals and reporting to be clearly articulated in contracts to facilitate monitoring and compliance with the Bank's requirements.

E3. Appointment of a Project Implementation Team

Such team should be constituted by people with adequate and diverse skills so that all aspects of a project, such as technical, cost monitoring, budgets, compliance with regulatory and contractual issues, environmental impact mitigation strategies, inter alia, are properly monitored and addressed timeously. Such a team should also be mandated to produce comprehensive reports to form a record for the project and contribute to the Bank's library.

E4. Environmental and gender issues

Expectations on mitigation of environmental and social impacts to be included in construction contracts, as well as obligations on reporting of complaints and effectiveness of redress mechanisms, setting specific reporting structures and intervals. Client must demand compliance to reporting requirements as per Contract. Up to date records of fuel and electricity consumption as well as natural materials used enable the Bank to track the project's carbon and environmental footprints.

APPENDIX III ESIA Review and Appraisal

1.0 Introduction

In terms of Section 97 of the Environmental Management Act (Chapter 20:27), infrastructure projects such the Bulawayo Students Accommodation and Commercial Complex (BSAC) are listed in the First Schedule of the Act as “prescribed activities”. These are projects which *must not* be implemented unless in each case:

The Director-General (of the Environmental Management Agency) has issued a certificate in respect of the project in terms of section *one hundred*, following the submission of an environmental impact assessment report in terms of section *ninety-nine*, and the certificate remains valid; and

(c) any conditions imposed by the Director-General regarding the issue of the certificate are complied with.

Further to the above, Section 13 (2) of Statutory Instrument 7 of 2007- Environmental Management (Environmental Impact Assessment and Ecosystems Protection) Regulations, 2007 states that

“The developer shall submit a quarterly environmental monitoring report on any issues raised in the Environmental Impact Assessment report or any other issues that arise as a result of the implementation of the project”

This environmental and social reappraisal covers the performance of the project vis-a-vis the above statutory requirements. It also evaluates the project’s overall compliance with the Environmental and Social Management Plan (ESMP) and, finally against key performance standards defined in the Bank’s Environmental and Social Sustainability Management System (ESSMS).

1.1 Compliance with environmental requirements

1.1.1 ESIA studies and ESIA Certification

BSAC was subjected to a detailed ESIA study as required in terms of the Environmental Management Act (Chapter 20:27). The construction contract between the Bank and Hualong Construction (Pvt) Ltd was signed on the 4th of September 2017. However, it was not until July 2018 that the ESIA study commenced with the ESIA certificate subsequently being issued on 11 February 2019, 6 months after commencement of the ESIA process. Experience to date has shown that there is always a long lag time between submission of an ESIA study and issuance of an ESIA certificate by the Environmental Management Agency (EMA). It is therefore critical that ESIA studies for Bank projects should commence early in the project cycle to avoid delays in project implementation. The Bank’s Environmental and Social Sustainability Management System (ESSMS) calls for the integration of the conventional project cycle with the ESIA cycle (Figure1). This integration helps to ensure that ESIA studies are undertaken early in the project cycle hence reducing the risk of project delays.

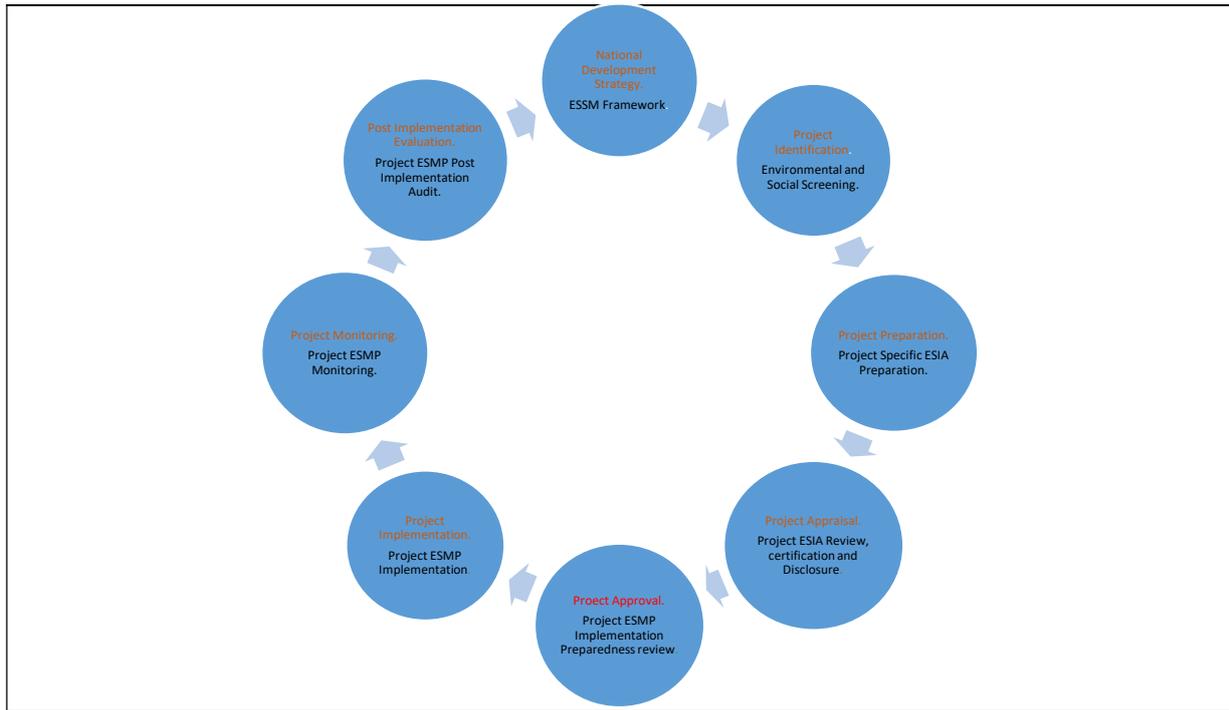


Figure 1 integration of the conventional project implementation cycle with the project ESIA cycle

The Bank needs to abide with the approach presented in figure 1 as it helps to ensure that ESIA certificates are obtained ahead of the project construction phase. This ensures that there is no mismatch between the project ESIA cycle and the conventional project cycle which may result in the ESIA study phase spilling into the project implementation phase.

1.1.2 ESIA certificate to remain valid for the duration of the construction period

Section 101 (1) of the Environmental Management Act (Chapter 20:27) indicates that an ESIA certificate is valid for 2 years from date of issue. The BSAC ESIA certificate was issued on 11 February 2019 and expired on 10 February 2021. A valid ESIA certificate for the project is under process with the requisite fees having been paid.

1.1.3 Submission of quarterly environmental reports to EMA

Submission of quarterly environmental reports for projects under implementation is provided for under Section 13 (2) of SI 7 of 2007. Under this section, the developer is required to “submit a quarterly environmental monitoring report on any issues raised in the environmental impact assessment report or any other issues that arise as a result of the implementation of the project”. Quarterly reports ensure that negative impacts associated with a project continue to be effectively mitigated while positive impacts are enhanced. They also enable reporting of new impacts not accounted for in the ESIA study. Environmental and social sustainability of projects can only be achieved where there is effective monitoring of project impacts. Table 1.1 below shows submission of quarterly environmental reports from the time the project was certified by EMA.

Date	Report Due	Status		Remarks/ Issues noted
		Submitted	Not submitted	
11 February 2019	N/A	N/A	N/A	ESIA certificate for the project issued
31 March 2019	First quarter report 2019		X	It was not yet clear who was responsible for preparation of the quarterly reports. Initially assumed the Contractor would be producing the reports
June 2019	Second quarter report 2019			Project generally complied with ESMP requirements
September 2019	Third quarter report 2019			The construction phase environmental, social and gender issues for the project are being managed in line with the ESMP recommendations
December 2019	Fourth quarter report 2019			Non collection of refuse from site Sanitation challenges arising from inadequate water supply to ablution facilities. A pressure tank was recommended to address this problem
March 2020	First quarter report 2020			Waste collection challenge. Bulawayo City Council (BCC) not providing regular refuse collection service because the waste collection receptacles on site were not compatible with what BCC required. Loss of recreational facility. The project displaced a community football pitch. There is need to compensate for the loss
June 2020	Second quarter report 2020			No issues of concern were noted except that like all other institutions, the contractor battled to comply with Covid requirements while at the same time working on the site
September 2020	Third quarter report 2020			Water supply challenges impacting site hygiene. Contractor supplementing water needs through bulk water purchase Community concerns with the football pitch lost to the project
December 2020	Fourth quarter report 2020		X	It was prepared and shared with the Bulawayo Office. Not sure why it was not submitted to EMA. A copy of this report is available
10 February 2021	ESIA Certificate expires			
March 2021	First quarter report 2021		X	
June 2021	Second quarter report 2021			Satisfactory implementation of ESMP issues by the contractor
September 2021	Third quarter report 2021			
December 2021	Fourth quarter report 2021			

Table 1.1 Quarterly environmental reports submission to EMA

The project generally complied with the quarterly environmental reports' submission requirement. There was also broad compliance with the project ESMP.

1.1.4 Project Implementation vis-a-vis the Bank's Key Environmental and Social Performance Standards

IDBZ adopted the International Finance Corporation's (IFC) environmental and social safeguards standards as the basis for entrenching sustainability in its projects. Table 1.2 evaluates the performance of BSAC against the applicable performance standards.

Performance Standard	BSAC Performance	Remarks
Assessment and Management of Environmental and Social Risks and Impacts	An ESIA study which accounted for both environmental and social risks was undertaken and certified by EMA	Project complied with the requirements of this standard
Resource Efficiency and Pollution Prevention	This standard is assessed against a project's use of resources which include water, electricity, and fuel (diesel and petrol). Determination of the project's carbon footprint depends on availability of statistics on fossil fuels consumed since commencement of work on site. Determination of the ecological footprint also requires data on how much gravel was excavated and used on the project. Unfortunately, the contractor does not have statistics regarding consumption of any of these resources. Pollution to air cannot be avoided since construction vehicles and equipment all rely on fossil fuels. However, there were no cases of water or land pollution that were recorded.	The Contractor is not obligated to maintain records of the resources used on site. Future contracts should require contractors to record resource consumption.
Community Health, Safety and Security	Community safety was guaranteed by ensuring that the construction site is not accessible to the public. It is fenced and gated hence public access is controlled. No health and security issues involving the public have been recorded to date.	The project complied with the requirement
Land Acquisition and Involuntary Resettlement	The Bank acquired land formally through a deed of purchase from a private owner. All due processes for acquiring the piece of land were followed. Documented evidence is available. No settlements were displaced by the project, although a community football pitch was displaced	The project complied with the requirement
Biodiversity Conservation and Sustainable Management of Living Natural Resources	The objective of this standard is to protect and conserve biodiversity and to maintain the benefits from ecosystem services. At the time of implementing the project, most of the site was already cleared. The clearing that took place can hardly be considered significant enough to cause biodiversity losses.	Project did not entail extensive land clearing; the site had already lost most of its natural characteristics at the time of implementing the project. It was already being used as a football pitch
Indigenous Peoples	There are no indigenous People in and around the project site	N/A
Cultural Heritage	A cultural heritage assessment of the site was done. It did not find any evidence of heritage resources. There were no chance findings during excavations for the foundations either.	By undertaking a cultural heritage assessment, the project complied with the requirements of the standard

Table 1.2 BSAC Performance against key IFC Performance Standards

1.1.5 Stakeholders Buy-in

The stakeholder consultation process for BSAC undertaken as part of the ESIA process was a protracted process due to objections raised by residents. Two issues were at the centre of the objections

- i. The project was not acceptable as the residents thought it would result in the value of properties going down by bringing in hundreds of students in the area
- ii. The project entailed taking over a football pitch used for recreation by the community

Although the Bulawayo City Council eventually gave its blessings for the project to proceed, the local community remained largely opposed to the project. To get the buy-in of stakeholders, the Bank held two (2) meetings with members of the Matsheumhlope Residents Association. The Bank also engaged neighbouring institutional stakeholders namely the Theological College of Zimbabwe (TCZ) and Masiyepambili Primary School. The engagements helped to ease tensions and to make the project more acceptable to the local stakeholders. The Bank should strive to ensure that for all its projects, it maintains good relations with the local people. This helps to enhance the social sustainability of projects. The continued stakeholder engagement during project implementation has resulted in more buy-in. The project has gone to the extent of preparing a new football pitch at Matsheumhlope Social Club to replace the one that was at the project site.

APPENDIX IV Gender Review and Appraisal

1.0 Introduction

In recent years, there has been a phenomenal increase in the number of universities in Zimbabwe and a rapid growth in enrolment by the universities. This has resulted in services and accommodation demands that outstrip infrastructure and service capacity. The Bulawayo Students Accommodation Complex (BSAC) project is part of the Bank's contribution towards addressing the prevailing challenges of decent and affordable accommodation for tertiary and university students.

Research has shown that at times, students living in rented accommodation live under risky and unhygienic conditions. The students' accommodation project is therefore a welcome development as it brings in convenience, security and influences students' growth and behaviour. Students' accommodation also influences students' study performance. Students in residence are surrounded by people with similar goals. This atmosphere has a positive effect on students. Distractions are less especially for girls, and commutation times and expenses are reduced. For the BSAC project, accommodation will be given on a 55:45 basis, 55% to female students and 45% to male students, as a deliberate effort to alleviate the plight of female students, given the plethora of challenges currently faced.

The BSAC project is in line with the Bank's Gender Policy of 'Ensuring that the projects that the Bank is involved in, mainstream gender and promote equality and equity in access to opportunities for men, women, and socially excluded groups, including those with disability. It is also in line with the National Gender Policy (2017) which calls for gender justice, equality, integration, inclusiveness, and shared responsibility for sustainable development in Zimbabwe.

The project is also aligned to the 2013 Constitution of Zimbabwe, which is anchored on a firm foundation for pursuing gender equality and equity in Zimbabwe. It dovetails with the implementation of Zimbabwe Agenda 2030 on Sustainable Development Goals that recognises gender equality as a fundamental right and a driver of progress across all the development goals. This is also in line with the African Union Agenda 2063, which aims to achieve "full gender equality in all spheres of life" through removing "all forms of gender discrimination in the social, cultural, economic, and political spheres," building a gender-just society in which all men and women enjoy equality and equity and participate as equal partners in the development process of the country.

2.0 Relevance of Project Development Objective

Issues of inclusion, protection and empowerment are critical to the gender discourse in general and particularly to the Bank's Gender Policy. These are clearly outlined in the USSAP project appraisal document of 2016. The BSAC project's outcomes include increased access to

affordable and decent accommodation, clean water, sanitation services, electricity, and commercial infrastructure for at least 1,032 students. The positive impacts of the project include:

- i) Improvement in the students' standard of living,
- ii) Creation of employment for men and women and the youths,
- iii) Protection and empowerment especially for the girls and students living with disability and,
- iv) Enhanced national economic performance from payment of levies and taxes to the local authority and Zimbabwe Revenue Authority (ZIMRA).

The Environment and Social Impact Assessment had a clear gender objective which was to undertake a comprehensive stakeholder process and an assessment of institutional context and capacities of key players to involve all relevant stakeholders in the decision-making process related to the environment, social and gender aspects of the project.

3.0 Relevance of the Design

An analysis of the Design of the project, shows that the project design is very relevant to the rights and needs of the target group as well as to the local community. The Bank is building a multi-purpose student residential and business complex. The complex is expected to accommodate 1,032 students at full capacity in a bid to ease the pressure on student accommodation for tertiary students in and around Bulawayo. Three blocks with four storeys each are being developed. The base floor of each block is assigned for business purposes and the rest of the three stories for students' convenience inclusive of a dining hall designed to accommodate 450 students. A dining hall will be serviced by the kitchen and shall be safe, secure, and clean.

The project design factored in key gender and disability considerations. All the blocks are wheelchair accessible with the use of lifts on the upper floors. Access to the accommodation areas of the buildings will be controlled with digital identification locks on all access doors for entry to ensure student safety. The site will be secured with a perimeter fence and sufficient lighting at night. A guard house will be established on site to ensure efficient security is always maintained. Wardens/caretakers shall monitor student activities and attend to any arising security needs.

The rooms are 15m² and accommodate 2 occupants per room. Each student will have a built-in study area with desk and chair, cupboards, bookshelves, drawers for secure storage for personal belongings as well as ample natural lighting and ventilation. Typical single rooms will have the same fittings on 10.4 square metres. Rooms for students with disability will have suitable and convenient structures. Durable construction and simple design make the units safe, clean, and comfortable. Shared ablutions have ample showers, toilets and sinks to accommodate the numbers of students using the facilities at any given time. Laundromats will require tokens to

run washers and dryers and will be installed with fast industrial equipment. These details highlight incorporation of key stakeholders, e.g., the students' demands raised during stakeholder consultations.

The project will also avail a shopping mall, doctors' rooms, and a pharmacy for use by students and open for access by other members of the community. With the world going digital, the Facilities will provide Wi-Fi and phone shops to meet the students' needs.

4.0 Anticipated Benefits of the Project

The anticipated benefits of the project have the potential to empower and transform both female and male students, and the local community. The project will support the empowerment of the local community through generation of employment opportunities, increased number of rate payers, increased market for goods and services demanded by students and generation of foreign currency from rentals by foreign students, all being some of the major upside benefits. Improved access to quality accommodation will also make tertiary institutions in Zimbabwe more competitive in relation to other centres of excellence regionally and internationally. Increase in property value after the completion of the complex as well a decrease in crime rates will all benefit the local community.

4.1 Highlights of Progress Findings

• **Employment creation:** When the BSAC project was developed, it was anticipated that it was going to benefit the local community through the employment of women and the youth, as well as men. However, the employment of women has been a key challenge. The maximum number of women employed by the project has been 6:

- 1 Quantity Surveyor
- 2 graduate trainee Engineers, and
- 3 cooks to cook food for the workforce.

The Contractor highlighted that, women were not responding to the job adverts for casual workers and that generally they were finding it difficult to find skilled labor due to payment of salaries in local currency. The Bank's Gender Policy provides for the creation of a congenial work environment which enables women and men to work together in an equitable, effective, and mutually respectful manner. The Contractor was encouraged to think of strategies that would attract women to seek for employment in the male dominated sector, for example, identify tasks which can be done by women. Tasks such as tiling of floors, plastering, brick work, could be easily done by women.

There is need to maximize employment of locals, offer competitive wages, create safe working conditions, allow workers to express themselves through works council, and allow equal employment opportunity for women and men.

- **Women’s participation in decision making:** One woman, the Quantity surveyor, is part of the 5-member management team of the Contractor. The Bank acknowledges that women’s participation in leadership and decision-making is both a national and global challenge as evidenced by the few numbers of women in those positions. The Bank’s Gender Policy therefore aims to promote gender equality and women’s empowerment within its institutional framework, operations and in projects developed, financed, and implemented by the Bank. The Bank therefore recommends the employment of more females for both casual labour and decision-making positions taking cognisance of the specific nuances of the industry. The construction industry in Zimbabwe is generally male dominated.
- **Sexual harassment in the workplace:** one female employee indicated that she had been sexually harassed by one of the males in management. However, she had not reported the case as she was not aware of whom to report to, neither was she aware of the existence of a Sexual Harassment Policy. There was also a case of a female casual worker whose contract was terminated because she was ‘caught several times being intimate to the male employees during lunch time’. The site manager could not confirm if the company had a Gender Policy or a Sexual Harassment Policy. All issues to do with policies were referred to the Contractor’s HQ. Unfortunately, gender issues were not incorporated into the Contractor’s contract and hence it became difficult to hold the contractor accountable to gender considerations.
- **Ablution facilities:** At the onset of the project implementation, there were no designated ablution facilities for female workers. Currently, there are now separate ablution facilities for both men and women, and they are clearly labelled. The female toilet is always locked to ensure that the male employees do not get access and invade the female employees’ privacy.
- **Stakeholders’ engagement:** In August 2019, stakeholders were engaged in line with the Bank’s External Communication Mechanism (ECM) requirements as outlined in the Environmental and Social Sustainability Management System (ESSMS). The engaged stakeholders included Matsheumhlope Residents Association (MRA), Theological College of Zimbabwe (TCZ) through Dr Motsi, the Principal, Headmaster Masiyepambili Primary School, and Bulawayo Provincial Manager – Environmental Management Agency. The residents rejected the project because they felt it would increase burden on the sewer system. In addition, the presence of students would lead to immorality, and they felt that the project would be equivalent to a brothel. The Residents also stated that the project would lead to traffic congestion and poses a challenge for students (especially NUST) that must cross the busy Bulawayo-Gwanda highway. The residents’ fear of the

project was concluded to be less factual but more politically influenced hence their concerns could not be considered.

- **Provision of lighting:** There is good lighting on the site and the site is neatly maintained which helps in increasing safety and security issues for both men and women, and especially women.

5.0 Progress towards implementation of the Project's Gender and Social Components of the ESMP

5.1 Gender and Social Components Monitored in the ESMP

Social Issue / Risk	Mitigation Measure	Implementation Status	Site Observation
Employment	Employment of locals and women encouraged	Continuous	<p>-There is a total of 214 employees of which six are women (2 Trainee Engineers and 1 Quantity Surveyor and 3 cooks). Although this figure falls far below the requirements of the Bank's Gender policy, it is important to note that the construction sector is generally male dominated.</p> <p>-About 10 per cent of the employees are local. This is because the Contractor had his own staff complement, which he brought from Harare.</p> <p>The Project therefore falls short in terms of employment of women and locals.</p>
HIV and AIDS	HIV and AIDS sensitization sessions for workers	Not implemented	<ul style="list-style-type: none"> ▪ Site is close to a university and sensitisation sessions will need to be done for the workers. Project monitoring recommendations included the engagement of the District AIDS Council to provide the necessary support to this initiative. ▪ It is difficult to enforce implementation of Labour Relations (HIV and AIDS) Regulations, 1998 (S.I. 202 of 1998) which provides that companies should put in place internal HIV and AIDS education and awareness program for workers, because this was not included in the signed contract.
Disability friendly facilities	<ul style="list-style-type: none"> ▪ Provision of disabled toilets and lifts to floors above ground level 	<ul style="list-style-type: none"> ▪ Included in designs and under construction. 	Lift shafts under construction
Stakeholders' relations	<ul style="list-style-type: none"> ▪ Regularly engage key stakeholders, both men and women, to update them about the project and to encourage ownership. This will allay their fears. 	Continuous	-ZIMCAMPUS has been interacting with some of its stakeholders in a very productive manner. Some community members have been allowed to take the soils from excavations for personal use. They are only asked to make sure the area is not littered with waste or left in a terrible state.

			<ul style="list-style-type: none">▪ There have been no complaints from the neighbouring community. ▪ <p>Furthermore, there has been fruitful interaction with the National University of Science and Technology (NUST). There are several classes that have been attended to at the project for learning purposes. There have been four classes of the Civil and Water Engineering, two classes of Architecture and one class of Fibre and Polymer Materials Engineering.</p> <p>-ZIMCAMPUS continues to interact with some of its stakeholders such as NUST and neighbouring community. There were no complaints from any of the stakeholders in the period under review.</p>
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6.0 Lessons Learnt that Could be Useful to Other Projects / Programmes

- It was noted that while gender is mainstreamed in the development of the ESIA terms of references and in the ESIA documents, it is glaringly absent in the final contracts signed between the Client and the Contractors. As such it becomes difficult to hold contractors accountable to critical issues such as the employment of women and marginalised groups, addressing sexual harassment, Gender-Based Violence and HIV and AIDS issues. The Bank could not get the Contractor's Gender, Sexual harassment and HIV and AIDS policies. The Contractor did not confirm whether they had these policies or not. It is therefore necessary to ensure that at contract development and negotiation stages, gender experts or Gender Focal persons are involved to ensure that gender considerations are factored into the contracts before finalisation, in line with the Bank's Gender policy and gender strategy.
- Non-adherence to the Environmental and Social Management Plan as well as Environmental and Social Monitoring Plan may lead to the project being undertaken in a manner that does not address stakeholders', gender, and disability issues. There is therefore a need to ensure adherence and monitoring of Environmental and Social Management Plan.
- Project design is such a critical element, and the Bank should ensure that gender and disability considerations are made at the Design level to avoid retrofitting recommendations.
- A few issues came from the Stakeholders engagement process and as such all projects should endeavour to engage all relevant stakeholders before project implementation to avoid hiccups later. The IDBZ Gender Policy requires prior, free, and informed consent of interested and project affected persons, including clear application of the grievance redress mechanism.

1.0 Macro-Economic Environment

1.1 Inflation Trends

Since the reintroduction of the domestic currency, inflation has been trending upwards, with annual inflation closing the year at 348.9% in December 2020 from a peak of 837.53% in July 2020. Annual inflation has been following a declining trend from 362.6% in January 2021 to 50.2% in August 2021.

In the outlook, inflation is expected to close the year between (35-53) % with m-o-m inflation stabilising around 2%. The inflation expectations are anchored on exchange rate stability and fiscal discipline. The National Development Strategy 1 (NDS1) targets a single digit inflation in the long term as shown in Table 2

Year	2020	2021	2022	2023	2024	2025	2025+
Annual Average inflation (%)	654	134.8	23.7	10.5	7.5	5.8	5

Table 1: Inflation Outlook 2021-2025 (Source 1. NDS1 page 236)

The risk of inflation remains high in the short term but is expected to recede in the long term. In the short-term major inflation drivers will be:

- Fuel price increases.
- Adjustment of administered prices.
- Continued currency depreciation.
- Increase in money supply.
- Salary increases; and
- Exchange rate movements

The country reintroduced the Zimbabwean dollar on the 24th of June 2019 through Statutory Instrument (SI) 142 of 2019. The foreign exchange rate continued to depreciate since its inception in June 2019 when the country abandoned the hard peg. The parallel market rate reached ZWL160 to the US\$ by August 2021 compared to the interbank rate of ZWL\$85.9 (IDBZ, Monitor). This has resulted in price distortions as witnessed by the 3-tier pricing systems adopted by retailers including suppliers of construction materials.

1.2 GDP Growth

Zimbabwe's GDP declined by 4.1% in 2020 and is projected to grow by 7.8%¹ in 2021 as shown in Table 3. While the COVID-19 exacerbate the country's growth prospects, infrastructure bottlenecks including lack of adequate clean water, electricity, poor transport infrastructure lack of foreign direct investment, increasing sovereign debt and elevated country risk make the country recovery path painfully protracted. In the short term, there are concerns of high inflation risk, foreign exchange rate instability and shortage of foreign currency.

Year	2020	2021	2022	2023	2024	2025	2025+
GDP growth %	-4.1	7.4%	5.5	5.2	5.2	5.0	5.0

Table 2: GDP growth Outlook 2021-2025 (Source 2. NDSI page 29)

2.0 Supply and Demand of Students' Accommodation Facilities in Zimbabwe

Zimbabwe has a total of 49 tertiary institutions. These include 21 universities, 7 polytechnics, 14 teachers' colleges and 7 industrial training centers. In 2017, enrolment at polytechnics and teachers' colleges was 23,570 and 28,610 respectively. Average enrolment statistics in universities was around 7,418.

The Ministry of Higher and Tertiary Education, Innovation, and Technology Development (MoHTEITD) projected enrolment in these tertiary institutions to increase by 10% annually through to 2023, implying a gradual increase in demand for on campus students' accommodation. The current enrolment at the National University of Science and Technology (NUST) is 11 000 from 7 938 in 2016. Currently 1010 students require on campus accommodation, however, the university can only accommodate 260 leaving the rest to look for alternative accommodation in neighboring locations. This shows that there is effective demand for students' accommodation facilities in Bulawayo.

3.0 Project Benefits

3.1 Creation of employment

In an environment of low levels of formal employment, the project comes as great relief to many unemployed youths as it is set to create 280 temporary jobs and 9 permanent jobs, while it is going to sustain 55 temporary jobs and 10 permanent jobs. This would lead to improvement in

¹ 2021 Mid-Term Budget and Economic review

aggregate demand in the local economy and the whole country in general. Through the hiring of contractors and subcontractors for raw material supplies, other sectors like transport, manufacturing (wholesale, retail), and professional services will record growth in employment figures.

3.2 Contribution to Rental Price Stability

At completion stage, the project will add 1032 units to the already existing students' accommodation facilities, in Bulawayo at a rental price of USD 80 to USD 105 per month. This will reduce the demand for off campus accommodation and subsequently push off campus rental fees down.

The lower rental price will result in increased savings by students and an increase in local demand for other goods and services due to the increased disposable incomes.

3.3 Other Benefits to Students

Other benefits include unlimited access to the library, low cost/subsidized canteen services and 24-hour access to Wi-Fi within the complex.

3.4 Capacity Building

The Bank and its partners will gain knowledge in project design, planning and management. Lessons learnt in the implementation and operation of the project would also help in future projects of the same nature within the Bank.

APPENDIX VI Risk Review and Appraisal

Risk Type	Impact of Risk	Risk Rating	Mitigation /Comment	Impact of Mitigation
Project Risk				
<p>Variation in scope</p> <p>There was variation in scope of the foundation due to the soil types encountered during project implementation. The foundation was changed from strip footings to piling.</p>	<ul style="list-style-type: none"> The variation in scope led to the increase in project cost by about 6%. 		<p>Change of scope was documented and budget revised.</p> <p><i>The Bank should ensure that for future projects, all relevant tests are carried out for early detection of gaps within the designs before they are finalised.</i></p>	
<p>Project Completion</p> <p>Completion of the project has been delayed significantly. According to the inception report, the project was supposed to commence on the 18th of September 2017 and run for 12 months up to 18 September 2018.</p> <p>Some of the major issues that contributed to the delays were:</p> <ul style="list-style-type: none"> Delays in finalising foundation designs and ground floor designs. In 2020 and 2021 the project was affected by the Covid 19 pandemic disruptions and restrictions on operations. Shortage of forex to import materials. Continuous load shedding 	<ul style="list-style-type: none"> Delays have led to cost overruns. Potential revenue has remained tied up in the project. Delays the Bank to implement new projects in the pipeline. 		<ul style="list-style-type: none"> Implementation schedule was reviewed to consider the delays. Continuous tracking and monitoring of the project to establish sources of delay to ensure implementation of relevant mitigants. Continuous engagement with fuel suppliers Over and above the generator that is in place, the contractor resorted to working during the night when electricity was available. 	

<ul style="list-style-type: none"> • Shortage of water for construction: two boreholes were drilled but dried up between July and Oct of 2019 due to dry spell which affected entire Bulawayo and surrounding areas • Shortage of skilled manpower. • Unavailability of fuel in ZWL. 			<ul style="list-style-type: none"> • Bowsing water from Council approved aquifer. <p><i>Rigorous efforts should be made to ensure that the revised timelines are adhered to curb any further cost overruns.</i></p>	
<p>Cost Overruns</p> <p>Over the past decade the operating environment has been characterised by market imbalances resulting in high inflation rates, forex shortages. This saw continuous price escalations for materials and services. Majority of suppliers of goods and services adopted a three-tier pricing (RTGS transfer, Bond Cash and USD) for their products with the ZWL prices benchmarked against the parallel market exchange rates.</p>	<ul style="list-style-type: none"> • Inadequate funding: Increase in costs beyond the budgeted amount will lead to inadequate funding for the project. • Delays in project completion owing to lack of funding. • Project unviability as costs become misaligned to projected revenues. There is a limit to how much the Bank can charge towards rentals. 		<ul style="list-style-type: none"> • Pre-purchases of materials to curb against price escalations from the onset resulted in a positive outcome. • Tracking of costs and review of budget to ensure that funding requirements are well known ahead of time hence avoiding disruptions. 	
Financial Risk				
<p>Project Funding</p> <p>The continuous surge in implementation costs increased financial burden to the shareholders posing a challenge to their capability to meet capital calls timeously. The bank has missed the last two capital calls owing to lack of funding. The project has been exposed to delays in funding resulting in a cumulative delay period of 4 months from inception to date.</p>	<ul style="list-style-type: none"> • Delayed response for capital calls by the shareholders. • Delays in project completion due to lack of funding. 		<ul style="list-style-type: none"> • The project accessed an overdraft facility to be utilised in between capital calls. • Shareholders have made a provision to call in additional investors if they fail to meet the project requirements. • The funding gap created by the Bank's failure to respond to the last two calls was 	

<p>Incidents of administrative delays in releasing payments have been cited.</p>			<p>covered by other shareholders thereby diluting the Bank's shareholding.</p> <p><i>Internal administrative processes should be improved to avoid unwarranted delays in payments.</i></p>	
<p>Governance Risk</p>				
<p>Compliance with regulations</p> <p>There were no penalties or reprimands levied against the project. All relevant licences and permits were acquired. The ESIA certificate which expired in February 2021 has been renewed.</p> <p>It should however be noted that it took a year for the project's development permits to be granted.</p>	<ul style="list-style-type: none"> • Non-compliance with regulations exposes the bank to penalties and/or suspension of the project. • Delays in project completion 		<ul style="list-style-type: none"> • Continuous monitoring of project implementation to ensure that all regulations including environmental issues are being adhered to. <p><i>Lessons should be picked on causes of delays in attaining development permits to ensure similar future projects do not suffer the same challenge.</i></p>	
<p>Policy Changes</p> <p>Following the implementation of the change in functional currency, a market-based auction system was introduced leading to an increase in the exchange rate. The rate increased from ZWL25.00 on 19 June 2020 to ZWL108.666 as of 31 December 2021.</p>	<ul style="list-style-type: none"> • Depreciation of the ZWL against the USD led to increase in project implementation costs. • The initial ZWL budget became redundant owing to change in functional currency. 		<ul style="list-style-type: none"> • Pre-purchases of materials to mitigate price escalations. • Continuous market research to establish any changes in policies affecting the project. 	

	<ul style="list-style-type: none"> The widening gap between the official and parallel market has created a funding gap as investors contribute funding using the official exchange rate whilst prices are benchmarked against the parallel rates. 			
Legal Risk				
There have not been any legal disputes encountered from inception of project to date.	<ul style="list-style-type: none"> Reputation risk Project completion delays 		<ul style="list-style-type: none"> Continuous monitoring and due diligence to ensure that there are no contractual mishaps which might lead to legal issues. 	
<p>Contract Management</p> <p>Failure to efficiently monitor and implement contracts exposes the project to missed deadlines, budget overrun, litigation issues and compliance failure ultimately leading to losses for the Bank.</p> <p>There was non-compliance to the provision of the contract on critical staff on site in line with the agreed organogram. Absence of critical staff onsite compromises on the quality or works to be delivered.</p>	<ul style="list-style-type: none"> Legal risk Reputation risk Cost overrun 		<ul style="list-style-type: none"> Robust Project Management System which can enable: <ul style="list-style-type: none"> i. prompts related to key contract covenants and timelines for efficient tracking and implementation. ii. checks and balances on all contracts throughout the project life cycle. iii. Regular reporting on contract performance to management. For future projects, the BOQ must include pricing for each critical staff on the proposed organogram. Payments for staff in the BOQ will be released only for staff who will be on site. 	
Procurement Risk				

<p>Procurement</p> <ul style="list-style-type: none"> • Procurement proceedings from solicitation to signing of contracts was facilitated by the Bank’s Procurement Secretariat using the Bank’s Procurement Policy, Procedures and Standard Solicitation Documents. • During implementation, contract administration activities were conducted in compliance with the PPDPA Act and Regulations. • The Covid 19 pandemic which led to the closure of borders resulted in a delay of imported materials. • Shortages in forex led to delays in procurement of electrical transformers, generator, lift equipment. 	<ul style="list-style-type: none"> • Delays in project completion. • Potential revenue continues to be tied up. • Cost overruns • Reputational risk because of mal practices in procurement and/or breach of public procurement regulations. 		<ul style="list-style-type: none"> • Pre-purchases of some materials to ensure that no further delays will be experienced in cases of similar events. 	
Environmental Risk				
<p>Implementation of the project in a residential area exposed the residents to environmental disturbances including but not limited to noise pollution, air pollution.</p> <p>A valid ESIA certificate is in place.</p>	<ul style="list-style-type: none"> • Penalties/sanctions 		<ul style="list-style-type: none"> • Quarterly environmental reviews were being done to ensure proper implementation of safeguards and environmental and social plans. 	
Social Risk				
<p>Threat to business for residents</p> <p>Many residents were benefiting from the shortage of student accommodation by renting out their houses. Other residents had created boarding houses solely for accommodating students. The coming in of the project presented a threat to their business.</p>	<ul style="list-style-type: none"> • Lack of buy in from the community which has potential to negatively impact on product uptake. • Reputation risk 		<ul style="list-style-type: none"> • Continuous stakeholder engagements to solicit for community buy-in. • The Bank developed a grievance redress mechanism to guide conflict resolution. 	

<p>Employment creation</p> <p>Implementation of the project raised employment expectations from the Bulawayo residents. The issue of exclusion of Bulawayo residents from employ when big projects are carried out in Bulawayo has always been a source of tension.</p> <p>Increase in traffic</p> <p>The local community within the vicinity of the project was exposed to increased pedestrian and delivery trucks traffic.</p> <p>Sexual Harassment</p> <p>The project recorded 1 case of sexual harassment between employee and manager. The matter was resolved by the contractor.</p>			<ul style="list-style-type: none"> • The contractor managed to employ some residents (<i>about 10% of total employees</i>) 	
Operational Risk				
<p>Documentation risk</p> <p>The contracts relating to the project are in place and there has not been any breach of same.</p>	<ul style="list-style-type: none"> • Legal disputes • Reputation risk 		<ul style="list-style-type: none"> • Continuous monitoring of provision of the contracts for early detection of breaches. 	
<p>Supply Risk</p> <ul style="list-style-type: none"> • Unavailability of foreign currency led to fuel shortages which contributed to disruption in the project timelines. • Late disbursements of funds to suppliers of materials and services exposed the project to delays in delivery of same. 	<ul style="list-style-type: none"> • Disruption in operations leading to delays in project completion. 		<ul style="list-style-type: none"> • Pre-purchase of fuel from a Bank engaged fuel provider minimised the challenge. 	

<p>People risk</p> <ul style="list-style-type: none"> • The workers on site demanded payments/salary in USD which led to about 70% of the workers leaving employment as they were not keen on ZWL salaries. • There were also cases of materials being stolen from the site. Materials stolen were recovered. • There were no significant safety and health issues recorded pointing to efficient safety and health provisions in place. 	<ul style="list-style-type: none"> • Delays in project completion. • Low morale compromises on quality of work. • Increase in project costs resulting from replenishment of stolen materials. 		<ul style="list-style-type: none"> • Contracts provide for a penalty charge on delays in completion caused by the contractor. • Enhanced security monitoring and checks to curb theft of materials. 	
<p>Health (Covid19 shutdown)</p> <p>The Covid 19 pandemic affected the project as contractors had to comply with the national lockdown. Whilst the lockdown has been lifted, the Covid 19 pandemic persists.</p>	<ul style="list-style-type: none"> • Delays in project completion 		<ul style="list-style-type: none"> • Contractor has ensured adherence to the Covid 19 protocols as provided for by the World Health Organisation (WHO) 	

PROJECT AT RISK RATING

Bulawayo Students Accommodation

RISK DESCRIPTION	INHERENT RISK						RESIDUAL RISK					
	Probability	Impact	Weight	Probability Score	Impact Score	Risk Score	Probability	Impact	Weight	Probability Score	Impact Score	Risk Score
Completion risk	Imminent	High	1	5	4	20	High	Moderate	1	4	3	12
Variation of scope	High	Moderate	1	4	3	12	Moderate	Low	1	3	2	6
FINANCIAL RISK												
Cost Variations	High	High	1	4	4	16	Moderate	Moderate	1	3	3	9
Project funding	Moderate	Moderate	1	3	3	9	Low	Low	1	2	2	4
Foreign currency shortages	High	Moderate	1	4	3	12	Moderate	Low	1	3	2	6
Project viability and profitability	Moderate	Moderate	1	3	3	9	Low	Low	1	2	2	4
LEGAL RISK												
Legal Issues	Low	High	1	2	4	8	Moderate	Moderate	1	3	3	9
PROCUREMENT RISK												
Procurement issues	Moderate	Moderate	1	3	3	9	Low	Low	1	2	2	4
GOVERNANCE RISK												
Compliance with regulations	Low	High	1	2	4	8	Low	Low	1	2	2	4
Policy changes	High	High	1	4	4	16	Moderate	Moderate	1	3	3	9
ENVIRONMENTAL RISK												
Compliance with EMA	Moderate	High	1	3	4	12	Low	Low	1	2	2	4
Environmental disturbances	Moderate	Moderate	1	3	3	9	Moderate	Low	1	3	2	6
SOCIAL RISK												
Local Community Buy in	Moderate	Moderate	1	3	3	9	Low	Low	1	2	2	4
Grievances	Low	Low	1	2	2	4	Low	Low	1	2	2	4
OPERATIONAL RISK												
Documentation	Low	Moderate	1	2	3	6	Low	Low	1	2	2	4
People risk	Moderate	Low	1	3	2	6	Low	Low	1	2	2	4
Supply risk	Moderate	Moderate	1	3	3	9	Low	Low	1	2	2	4
Health- (Covid 19)	Imminent	High	1	5	4	20	Moderate	Moderate	1	3	3	9
Total Risk Score						194						85
Project Risk Grading						Inherent Risk	High				Residual Risk	Moderate

PROBABILTY AND IMPACT MATRIX

Impact	Catastrophic (5)	5	10	15	20	25
	High (4)	4	8	12	16	20
	Moderate (3)	3	6	9	12	15
	Low (2)	2	4	6	8	10
	No (1)	1	2	3	4	5
		Unlikely (1)	Low (2)	Moderate (3)	High (4)	Imminent (5)
		Probability				

Individual Risk key

Colour Code	Risk Level	Score
	Minor	1 to 2
	Low	3 to 5
	Moderate	6 to 10
	High	11 to 16
	Extreme	17 to 25

TOTAL RISK SCORE KEY

(Total Risk Score / Sum of Maximum of PI)

Colour Code	Risk Level	Score
	Minor	0% to 8%
	Low	8% to 20%
	Moderate	20% to 40%
	High	40% to 64%
	Extreme	64% to 100%

APPENDIX VII List of Documents Reviewed

1. Consultant's Inception Report (November 2018)
2. Consultant's Quarterly Progress Reports (March 2019 to June 2021)
3. ESIA Quarterly Reports
4. Construction Contract
5. First Addendum to Construction Contract
6. Zimcampus Properties (Pvt) Ltd Board Minutes
7. Zimcampus Properties (Pvt) Ltd Company Documents
8. Zimcampus 2020 Audited Accounts
9. Construction Steering Committee Minutes
10. Shareholders' Agreement
11. USSAP Appraisal Report, 2017