INFRASTRUCTURE DEVELOPMENT BANK OF ZIMBABWE

WANEKA PHASE I AND II HOUSING DEVELOPMENT PROJECT

PROJECT COMPLETION REPORT

IDBZ/IPD/PCR01/D2.2/112022

OCTOBER 2022

Document Control Sheet

Project Name	Waneka Phase I and II Housing Development Project	
Document Type	Project Completion Report	**Document No. IDBZ/IPD/PCR01/D2.2/112022**
Document Title	Project Completion Report for Waneka Phase I and II Housing Development Project	
Loans and Investment Committee Approval Date	11 November 2022	
Board Noting Date	01 November 2023	

TABLE OF CONTENTS

Acronyms and abbreviations

AIDS	Acquired Immunodeficiency Syndrome
CEO	Chief Executive Officer
CoH	City of Harare
DO	Development Objectives
EMA	Environmental Management Agency
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMD	Economic, Strategy and Performance Monitoring Department
FMTE	Finance Directorate
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
IDBZ	Infrastructure Development Bank of Zimbabwe
IP	Implementation Progress
IPD	Infrastructure Projects Department
IPD 1.1	Infrastructure Projects Division 1.1
IPD 2.0	Infrastructure Projects Department 2.0
IPD 2.2	Infrastructure Projects Division 2.2
LASD	Legal Advisory Services Department
LIC	Loans and Investments Committee.
MDGs	Millenium Development Goals
MoFED	Ministry of Finance and Economic Development
MoNH&PW	Ministry of National Housing and Public Works
MoNHSA	Ministry of National Housing and Social Amenities
MoU	Memorandum of Understanding
NSSA	National Social Security Authority
OHS	Occupational Health and Safety
PCR	Project Completion Report
POSB	People’s Own Savings Bank
PSIP	Public Sector Investment Programme
PSOD	Private Sector Operations Department
PPE	Personal Protective Equipment
PRMD	Procurement Management Directorate
RMCF	Resource Mobilisation and Climate Finance Directorate
SPV	Special Purpose Vehicle
STL	Salisbury Township Lands
USD	United States Dollar
ZESA	Zimbabwe Electricity Supply Authority
ZWL	Zimbabwe Dollar

I BASIC DATA

(A) Report Data

Report Date	Date of Report	**October 2022**	
	Mission Date	From: 01/06/2022	To:30/10/2022

(B) Responsible Bank Staff

1. At Project Completion

Chief Executive Officer	C. Chikaura
Acting Director-Infrastructure Projects	A. Machimbirike
Projects Coordinator	N. Nyamambi
Head- Implementation Monitoring	Eng. W. Mubaiwa
Investment Officer	A. Ngara
Technical Specialist	Eng. J. Marwisa
Technical Specialist	Eng. J. Manase

2. PCR Preparation Team

Name	**Position and Division**	
A. Radman	Chief Investment Officer (IPD2.2), **Team Leader**	
A. R. Mudzingwa	Principal Technical Officer, IPD2.2	
M. Mapepa	Principal Procurement Officer, PRMD	
J. Jabangwe	Acting Chief Investment Officer, MARO	
V. Charambira	Principal Projects Accountant, FMTE.1	
M. Nherera	Economist, ESMD	
L. Machanzi	Chief Gender Specialist, IPD2.1	
C. Tagwireyi	Chief Environmental Specialist, IPD1.1	
H. Makanha	Principal Business Development Officer, PSOD	
C. Muzenda	Principal Legal Officer, LASD	
Peer Reviewers		
D. Makono	Legal Counsel, LASD	
C. Maseva	Chief Environmental and Social Sustainability Expert, RMCF	
P. Chitsika	Chief Research and Performance Monitoring Officer, ESMD	
T. Magwaza	Chief Technical Officer, IPD2.1	
M. Nyabadza	Chief Risk Analyst, RIMD	
R. Mudala	Manager, Projects Finance Division, RMCF	
Final Review and Recommendation to LIC		
A Mashonganyika	Manager-IPD2.2	Final Review
N Chidhakwa	Director-IPD2.0	Recommendation to LIC

(C) Project Data

Project name:	Waneka Phase I and II Housing Development Project ("the Project")
Project Number:	No number at appraisal
Project type:	Construction of residential flats (*including boundary wall, offsite and onsite sewer, offsite and onsite water reticulation, electricity, access road and parking space*)
Sector	Housing
Location:	Graniteside, Mbare, Harare.
Environmental Risk Category	Not rated.

Financing Source (ZWL)	**Budget Amount (ZWL billion)**	**Disbursed Amount (ZWL billion)**	**Percentage Disbursed (%)**	**Undisbursed amount (ZWL)**	**Percentage undisbursed (%)**
Waneka Phase I					
IDBZ Loan-Construction	1,780	174,900	9,726%	Nil	0%
CoH Loan (Land)	0,202	0,202	100%	Nil	0%
TOTAL	**1,982**	**175,102 ****	**8,735%**	**NIL**	**0%**
Co-financiers and other external partners: **CoH**					
Executing and implementing agency(ies): **Waneka Properties (Pvt) Ltd**					

<u>**NB</u> The total project cost was rebased to US$1,594,268 for Annual Reporting purposes, following the dollarisation of the economy in 2009.

Financing source (US$)	**Budgeted Amount (US$)**	**Disbursed Amount (US$)**	**Percentage disbursed (%)**	**Undisbursed Amount (US$)**	**Percentage undisbursed (%)**
Waneka Phase II					
Government (MoNHSA)	9,418,000	9,031,836	95.9%	386,164	4.1%
Waneka Properties (Pvt) Ltd	1,232,000	1,232,000	100%	0	0%
TOTAL	**10,650,000**	**10,263,836**	**96.4%**	**386,164**	**3.6%**
Co-financiers and other external partners: **MoNHSA**					
Executing and implementing agency(ies): **MoNHSA and Waneka Properties (Pvt) Ltd**					

(D) Management Review and Comments

Report reviewed by	**Name**	**Date reviewed**	**Comments**
Division Manager	Alexio Mashonganyika	**24/10/2022**	Reviewed
Director-IPD2.0	Nicodimus Chidhakwa	**28/10/2022**	Cleared for LIC
LIC	LIC	**11/11/2022**	**Approved**

II PROJECT PERFORMANCE ASSESSMENT

(A) RELEVANCE

1a. Relevance of Project Development Objective

Since Independence in 1980, the Government of Zimbabwe took deliberate steps to improve the standard of living for the urban population through various initiatives. These included upgrading of slums and provision of safe drinking water and sanitation services under the auspices of United Nations Conference on Human Settlements, Habitat II and III, and the UN Millenium Development Goals (MDGs) 2015. The Government adopted a National Housing Delivery Programme initially running from 2004 to 2008 and further extending to 2012 as a policy aimed at improving housing delivery to citizens. The target was to increase the housing stock by approximately 320,000 units during that period.

Waneka Phase 1 and II Housing Development Project's main objective was to alleviate the shortage of housing by optimising land use through the provision of:

i. twelve (12) blocks of four-storey flats with six housing units on each floor, making a total of two hundred and eighty-eight (288) housing units;
ii. access roads and stormwater drainage;
iii. water and sewer reticulation;
iv. access to electricity, and;
v. clearing of dumpsite.

The Project Development Objective (DO) was relevant at the time of planning and implementation. The project was aligned to IDBZ's Housing sector focus which sought to promote housing development in Zimbabwe as well as the Bank's mandate of improving the living standards, and quality of life of citizens. It supported the Government's vision of promoting affordable housing and help reduce the backlog on the national housing waiting list.

Today, the project's objectives still speak to one of the IDBZ's current housing sector key performance indicators, being the provision of onsite and offsite infrastructure for identified housing projects.

Relevance of Project Development Objective (DO) rating The development objectives were aligned to the Bank's housing sector strategy, the national development objectives, and the beneficiary needs.	**4**

1b. Relevance of Project Development Objective in Relation to Other Projects and Bank's Development Priorities (Coherence/Alignment).

Waneka Phase I and II Housing Development Projects were the first infrastructure development projects to be undertaken by the Bank following the transformation from Zimbabwe Development Bank to the IDBZ. The projects were in line with the Bank's development priorities in the housing sector. As part of the housing sector development thrust, the Bank was also involved in the management and disbursement of Public Sector Investment Programme (PSIP) funds for Government funded projects across the country. These projects included Mbizo stands in Kwekwe, Willowvale flats in Highfields, Sunway City stands in Harare, Chikanga stands in Mutare and Parklands stands in Bulawayo, to mention a few.

DO Coherence/Alignment rating The development objectives were aligned to the Bank's housing sector strategy.	**4**

2. Relevance of Project Design

Waneka Phase I saw the construction of three (3) blocks of flats comprising a combination of 48 one-bedroomed flats and 24 two-bedroomed flats, making a total of 72 flats. However, Waneka Phase II adopted a new design of two-bedroomed flats following negative sentiments from the market to the effect that the one-bedroomed flats were not ideal for a family set up. Waneka Phase II resulted in the construction of nine (9) blocks of flats yielding a total of 216 units. The project design effectively used a reclaimed dumpsite for the construction of high-rise buildings which are more effective in utilising space as compared to horizontal expansion. The vertical expansion is in line with Government policy of densification. The design was also in line with the City of Harare's (CoH) thrust to renew and modernise Mbare which hitherto had old buildings.

Relevance of Project Design rating The project design was consistently conducive to achieving the project milestones from approval to closure. The original design remained appropriate throughout the implementation with minor project scope adjustments. However, the design did not cater for persons living with disabilities.	**3**

3. Lessons Learnt Related to Relevance

Key issues	Lessons learnt	Target audience
1. Waneka Phase I had a combination of one-bedroomed and two-bedroomed housing units. There was a lower rate of uptake of one-bedroomed flats.	There is need for thorough market analysis, beneficiary consultation/surveys and community engagement before finalising project design.	**Project Team** **LIC**
2. Social considerations such as inclusion of conveniences for physically impaired citizens, and marginalised groups such as women into the design require that the Bank seeks concessional project funding which supports social concerns as well as project viability.	Consider blended financing model to enhance project affordability and viability.	**Project Team** **LIC**
3. Flexible procurement models should be adopted in times of economic instability.	The labour-only contract employed under Waneka Phase I was highly effective under the volatile macroeconomic environment where the SPV committed to funding the procurement of materials which formed the bulk of the project cost thereby guaranteeing the successful delivery of the project.	**Project Team** **LIC**

(B) EFFECTIVENESS

1. Progress Towards the Project's Development Objective (Project Purpose)

The Project intended outcomes where (i) improved access to sustainable and inclusive housing and, (ii) increased employment opportunities through the construction of twelve (12) blocks of flats with twenty-four (24) units each and yielding a total of 288 units. The project was undertaken in two mutually exclusive phases with Phase I comprising of three blocks of flats being a mixture of one and two bedroomed flats. The total units for Phase I were 72, whilst Phase II comprised exclusively of two bedroomed flats, with larger rooms to address the beneficiaries' concerns on room sizes and number of bedrooms. All units were connected to water, sewer and electricity thus providing decent accommodation to 288 households. Additionally, the scope of works included the construction of a roundabout, access roads and stormwater drainage, boundary wall and guard house, water and sewer reticulation and electrical reticulation. The basic design concept adopted was of concrete slabs on load-bearing structure under asbestos roofing sheets. Special finishes such as built-in cupboards, tiling and carpeting were left out to enhance affordability of the units to beneficiaries. Other unanticipated outcomes included the reclamation of a dump site thereby positively contributing to environmental upgrading, improved security from the perimeter wall, and contribution towards the CoH's Mbare renewal efforts through the provision of modern infrastructure.

2. Outcome Reporting

Outcome indicators	**Baseline value** (2005)	**Most recent value (A)**	**End target (B)** (expected value at project completion)	**Progress towards target** (% realized) (A/B)	**Narrative assessment**	**Core Sector Indicator (Yes/No)**
Outcome 1: Improved access to sustainable and inclusive housing	Data not available	Phase I (2008) – 72 Phase II (2013) – 216 **Total = 288**	Phase I (2008) – 72 Phase II (2013) – 216 **Total = 288**	100	The housing units were constructed and tested for sustainability. All units are connected to electricity, water, and sewer reticulation.	**Yes**

Outcome 2: Improved employment opportunities	Data not available	Data not available	**Phase I:** Data not available **Phase II**: Data not available	Data not available	The outcome was short to medium term which lasted up to the end of the construction period.	**Yes**

3. Output Reporting

Output indicators (as per RLF)	**Most recent value (A)**	**End target (B)** (expected value at project completion)	**Progress towards target** (% realized) (A/B)	**Narrative assessment**	**Core Sector Indicator (Yes/No)**
Output 1: Blocks of Flats and flat units constructed	Phase I:3 (72) Phase II:9 (216) **Total = 12 (288)**	Phase I : 3 (72) Phase II: 9 (216) **Total=12(288)**	100%	Blocks of flats were constructed to completion.	**Yes**
Output 2: Number of units/households connected to safe drinking water and sewer services	Phase I : 72 Phase II: 216 **Total : 288**	Phase I : 72 Phase II: 216 **Total : 288**	100%	All units were connected to water and sewer services	**Yes**
Output 3: Number of units/households connected to electricity	Phase I : 72 Phase II : 216 **Total : 288**	Phase I : 72 Phase II : 216 **Total : 288**	100%	All units were connected to electricity.	**Yes**

4. Development Objective (DO) rating

Relevance of Project Development Objective (DO) rating The development objectives were aligned to the Bank's housing sector strategy, the national development objectives, and the beneficiary needs. The project achieved all the planned outputs including positive unintended environmental and security outcomes. Both project phases were delivered to the right quality as they were constructed as per design specifications and cleared for occupation by the supervising teams. The actual construction was achieved on a piece of land covering less than 2 hectares out of a total land size of 3.2151 hectares	**4**

5. Beneficiaries

Actual (A)	**Planned (B)**	**Progress towards target** (% realized) (A/B)	**% Of women**	**Category** (e.g., Farmer, student)
288 Open Market and Civil Service employees (Buyers)	288 Open Market and Civil Service employees (Buyers)	100%	30% of beneficiaries were women.	Mixed – 7% of the sales were to corporates such as POSB and MoFED, among others.

6. Unanticipated or Additional Outcomes

Description	**Type** (e.g., Gender, climate change, social, other)	**Positive or negative**	**Impact on project** (High, Medium, Low)
Outcome 1 • Reclamation of dump site • Increased waste produced by residents.	Climate change	Positive Negative	Medium Low
Outcome 2 100% male Board representation on the Waneka Properties (Pvt) Ltd Board	Gender	Negative	Low

7. Lessons Learnt Related to Effectiveness

Key issues	**Lessons learnt**	**Target audience**
Vertical development and densification	Significant number of units can be constructed on a relatively small piece of land through vertical development leading to higher densification	Project Appraisal Team, LIC
Additional works including a roundabout, boundary wall and guard house were necessitated by identification of need for the infrastructure during implementation of Waneka Phase I.	During the planning stage, there is need to intensively analyse all critical components of a project to ensure that all such components are catered for at design stage to avoid cost and scope variation.	Project Team, LIC

C. EFFICIENCY

1. Timeliness

	Planned project duration – months (A)	Actual effective implementation time – months (B)	Ratio of planned and actual implementation time (A/B)	Rating
Phase I	8	32	0.25	1.0
Phase II	18	26	0.69	2.8
Average Rating				**1.9**

Waneka Phase I delayed by 24 months due to several challenges which affected the planned activities timelines and schedule of the project. These included the hyperinflationary environment which resulted in high labour turnover of skilled artisans leaving for greener pastures among them, the 2010 Football World Cup preparations in South Africa, labour unrests and work stoppages, non-availability of materials on the market, and failure by CoH to meet SPV contractual obligations (roundabout and access road construction, etc.). These challenges occasioned project scope changes and heightened the requirement for additional project funding. On the other hand, Waneka Phase II delayed by 8 months mainly due to disbursements delays by the major financier, MoNHSA. This was because of cashflow challenges arising from mismatch between inflows into the Housing Revolving Fund, which was the source of the Ministry's funding and project disbursement requirements. Despite the overall unsatisfactory rating of **1.9**, the project was fully implemented and resulted in additional outputs such as the roundabout which greatly improved movement by motorists and controlled access to the completed project site.

2. Resource Use Efficiency

	Median % physical implementation of RLF outputs financed by all financiers (A)	Commitment rate (%) (B)	Ratio of the median percentage physical implementation and commitment rate (A/B)	Rating
Phase I	100% (92.95% IDBZ loans and 7.05% CoH)	100% (96.24% IDBZ loans 3.76% CoH)	1	4
Phase II	100% (88% MoNHSA and 12% Waneka)	100% (88% MoNHSA and 12% Waneka)	1	4
Average rating				**4**

The Bank ended up providing 96.24% financing instead of 92.95% during Waneka Phase I project, following failure by CoH to meet its bulk infrastructure obligations as required in the Land Agreement of Sale. On a rebased platform, CoH were expected to inject a total of US$112,366.67 broken down as land (US$60,000) and civil works (US$52,366.67). CoH managed to contribute the land in form of a loan to the SPV but failed to meet civil works costs which were eventually funded through a loan from the IDBZ to Waneka Properties (Pvt) Ltd. The project construction cost of ZWL175.1 billion, rebased to US$1,594,268 in 2009, was above the budgeted cost by more than 9,600%. This is attributed to the hyperinflationary environment experienced then, which saw inflation hitting the 231 million percent mark, at its peak in 2008. On the other hand, the funders met their obligations in full as envisaged under Waneka Phase II with a construction cost saving of US$386,164. Waneka Phase II project construction budget was US$9,418,000 and the actual project implementation cost was US$9,031,836.

3. Cost Benefit Analysis

NPV and IRR (at appraisal)	NPV and IRR (at completion)	Rating
US$2,514,421 and 17%	US$342,415 and 5.6%	**3**

The financial viability in terms of the NPV and IRR, was higher at appraisal than at project completion. This mismatch exists even though the actual project construction cost at implementation was lower by US$386,164. The lower financial viability indicators for the combined Waneka Phase 1 and II projects at completion are partly attributed to the lower selling price of US$55,000 per unit as compared to the estimated selling price of approximately US$65,000 at appraisal.

For Waneka Phase II, the selling price at appraisal assumed that all units would be sold on the open market, based on the assumed funding model of 100% loan from the IDBZ and Shelter Afrique. The funding model was amended to bring MoNHSA on board which ended up funding 88% of the Waneka Phase II construction, with the Bank funding 12% of the project cost through a loan to Waneka Properties (Pvt) Ltd. Both entities were paid in flat units equivalent to their percentage contribution towards construction cost. Thus, all the Phase II units were disposed at cost. Notwithstanding the foregoing, the project remained financially viable as indicated by the positive NPV and an IRR that was above the real cost of capital which was 5%, giving the project a satisfactory rating.

4. Implementation Progress (IP)

The projects took a combined 58 months to complete instead of the planned 26 months. Waneka Phase I's planning and implementation was done during a period of macro-economic instability with inflation reaching 231 million percent as in July 2008. This resulted in financial planning difficulties coupled with shortages of raw materials and high labour unrest and turnover. Resultantly, it was difficult to retain labour, making the labour only contract approach difficult to manage. Waneka Phase II was affected by delayed payments from the main financier leading to longer material procurement periods. Notwithstanding these delays, both projects were implemented successfully.

Delays in the processing of the Contractor's payments were cited as an area of concern as it affected the smooth flow of site operations. Construction works for the project were completed in December 2015.

Implementation Progress (IP) rating Although there were delays in the implementation progress, the projects were fully implemented and achieved all the outputs as set out at appraisal.	**3**

5. Lessons Learnt Related to Efficiency

Key issues	Lessons learnt	Target audience
Macro-economic instability and delays in implementation timelines.	Implementing projects during times of macro-economic instability can lead to serious completion delays and requires a proactive approach in constantly reviewing the operating environment and funding requirements.	**Project Teams** **LIC**
Failure by CoH to meet bulk infrastructure cost as per Land Sale Agreement	• Careful due diligence on ability of counterparties to meet agreed financial obligations is critical prior to project implementation. • Strong Bank support is critical to provide a fallback position in case of counterparty failure to meet financial obligations	**Project Teams, LIC**

D. SUSTAINABILITY

1. Financial Sustainability

The project achieved a positive NPV even though Phase II of the project was disposed at cost. Although Phase I made a gross loss of US$ 58,268.10 (*applying 2009 revalued figures*), the entire project realised an overall gross profit of US$190,911 on the back of Phase II gross profit of US$249,179. Both Phase I and II, when assessed from a combined perspective, were implemented in a financially sustainable manner as evidenced by positive NPV and overall gross profit position.

Rating on financial sustainability The project achieved a positive NPV and overall gross profit at completion	**3**

2. Institutional Sustainability and Strengthening of Capacities

To implement the project, the Bank partnered with the City of Harare (CoH) and formed a special purpose vehicle (SPV) joint venture company, Waneka Investments (Pvt) Ltd (Waneka Investments) under registration number 18676/2006 dated 12 October 2006. The SPV was incorporated under the now repealed Companies Act [Chapter 24:03]. The name of the SPV was later changed to Waneka Properties Pvt Ltd with effect from the 30th of July 2008. The shareholding of the SPV was and remains 70/30 in favour of the Bank. Noting that a company has separate legal identity and has perpetual existence, the project implementation structure applied is tenable. However, in terms of the new Companies and Other Business Entities Act [Chapter 24:31], all companies registered under the old Act must be re-registered before the 23rd of February 2023.

To capacitate the SPV, both shareholders advanced loans to fund the project. In terms of an agreement of sale signed between the CoH and the SPV on the 12th of November 2007, the CoH sold land known as stand 20123 STL Mbare measuring 3,2151 hectares to the SPV. This was in fulfilment of terms agreed to in a MoU dated 01 December 2006 between IDBZ and CoH whereby the land was to be transferred to the SPV to enable execution of the project, now held under Deed of Transfer Number 8715/2008. The land was sold on credit, with the purchase price payable out of proceeds from the sale of flats on completion of the project (Phase I). Subsequently, with the promulgation of Statutory Instrument 109 of 2008 (Presidential Powers Temporary Measures) (Currency Revaluation and Issue of New Currency) Regulations, the loan was devalued to ZWL0.02 and therefore became insignificant in the books of the SPV.

The Phase I loan advanced to the SPV by IDBZ also suffered the same fate and became extinct. All loans advanced to the SPV by the shareholders became practically irrecoverable. Resultantly, although the shareholders created value for Waneka Properties (Pvt) Ltd, the funding model used [loans] denied the funders the opportunity to enjoy the upside of the project. The non-recovery of funds negatively affected the cashflows of the institutions thereby affecting sustainability. However, Phase II repayments were based on flat units. This locked value for the funders who obtained the flats at cost and disposed them on their preferred terms and conditions. This improved institutional sustainability and strengthened the capacities of the Bank and MoNHSA (formerly MoNH&PW). Notwithstanding the foregoing, the SPV and JV models used during Phases I and II are time honoured models that are sustainable and strengthens capacities through information and skills sharing.

Institutional sustainability and strengthening of capacities rating	**3**

3. Ownership and Sustainability of Partnerships

In terms of Deed of Transfer 8715/2008, land for the project site was transferred from CoH to Waneka Investments P/L on the 5th of December 2008 vesting all the rights of ownership in Waneka Investments P/L. The land is duly described as Stand 20123 Harare Township of Salisbury Township Lands measuring 3,2151 hectares. The IDBZ was responsible for managing the company affairs through a Management Services Agreement signed in 2007. A Board constituted of both CoH and IDBZ representatives was in place to deal will all corporate governance issues, with the IDBZ provided both the Board Chairperson and Secretary as the major shareholder.

Board meetings by the shareholders and project implementation briefings by representatives of the shareholders and Project Consultant were held regularly and were properly recorded. However, there was a high turnover of Board members from both the CoH and IDBZ due to staff movements at institutional level. It is also important to note that the staff movements from both institutions resulted in constant changes in the representatives on the Board.

Ownership and Sustainability of partnerships rating	**3**

4. Environmental and Social Sustainability

The Waneka Phase I and II projects started post the gazetting and entry into force of the Environmental Management Act [*Chapter 20:27*], 2003. However, the Statutory Instrument which required projects to be subjected to ESIA studies prior to implementation (S.I. 7 - EIA and Ecosystems Protection Regulations) was promulgated in 2007. Even then, actual enforcement was not until around 2008/2009. Despite these circumstances, the Business Plan for the project highlighted that the project met all the requirements of the Environmental Management Act as assessed by the team which compiled the plan.

With respect to ESMP monitoring, available information relates to occupational health and safety (OHS) of the employees. According to reports, employees were provided with personal protective equipment (PPE) in accordance with the national regulations. The National Social Security Authority (NSSA) conducted OHS inspections throughout the project implementation. Safety talks were held each morning for a period of 15 minutes and risks associated with activities to be conducted were discussed to ensure employees' health and safety. Sessions on HIV&AIDS and other sexually transmitted infections which are normally an issue at construction sites, were held every Friday with employees.

Prior to the consummation of the project, the project location was a dumpsite which was subsequently reclaimed and used for the project. Site investigations conducted proved that the area was fit for the housing development. The site assessment also showed that it was free of any underground 'hidden' services. During project construction, waste was collected by CoH for disposal at designated council sites. However, after completion of Phase I, the irregular collection of waste by CoH prompted the residents to start dumping waste at an open space within the complex. Council would then collect the waste as and when the resources (compactors, fuel etc) were available.

At the time of project initiation, ESMPs were not a formal requirement. In this regard, no ESMP was produced and thus the project's environmental and social sustainability status cannot be verified under the ESMP framework. In this regard, the environmental and social sustainability rating is not applicable.

Environmental and Social Sustainability Rating	**Not Rated**

5. Lessons Learnt Relating to Sustainability

Key issues	Lessons learnt	Target audience
Funding Arrangements	Financing arrangements such as Joint venture arrangements help the Bank to achieve its mandate in a financially sustainable way.	**Project Teams, LIC**
Sustainability of Partnerships	• Consistent engagement with key stakeholders is critical to sustain partnerships. • Statutory returns, Board minutes, SPV management accounts and annual reports need to be signed off by management and filed.	**SPV Board Members**

III. PERFORMANCE OF THE BANK, THE PARTNERS, AND CO-FINANCIERS

1. Bank Performance

Waneka Phase I and II Housing Development project was the first project to be implemented by the Bank and its partners. Phase I of the project was implemented during a period of great economic uncertainty and instability. This period was characterised by hyperinflation, currency revaluation and reforms. For instance, the project loans by shareholders were rendered insignificant in the books of the project following financial and monetary debasing. The units of flats were sold to Government departments at the end of 2008 in ZWL to raise funds to complete the remaining works and then in US$ in 2009 following dollarisation. Despite these challenges, the Bank met the initial full construction costs, and additional project costs occasioned by changes in project scope. These were in the form of the roundabout and the bulk infrastructure that was initially supposed to be funded by CoH. The Bank timeously provided for all the required funding through the provision of loans. It also provided management services as envisaged under the Management Services Agreement. This enabled the successful completion of both Phase I and II and the achievement of the envisaged outputs, albeit with delays.

Rating of Bank performance	**4**

2. Borrower Performance

The Borrower, Waneka Properties (Pvt) Ltd received loans from CoH for land purchase and construction from the IDBZ. However, Government policy manoeuvres to counter the hyperinflation, led to the repeated debasing of financial and monetary values, and all the loans were rendered insignificant in the books of the project. All lenders received nothing since the multiple debasing exercises extinguished all loans in the SPV's books. In this regard, the borrower did not pay back anything and thus their performance cannot be rated.

Borrower Performance Rating	**Not rated**

Key Issues (related to Borrower performance) N/A due to No rating for Borrower performance	Lessons Learnt	Target Audience

3. Performance of Other Stakeholders

The project had various stakeholders who included Bank staff, flats beneficiaries, CoH, Consultants, Contractors, Subcontractors, and suppliers for both Phases with an additional stakeholder in Phase II being the MoNHSA. The project received adequate support from the stakeholders. Contractors provided equipment and performed work to acceptable quality and attended to breakdowns within reasonable time. MoNHSA met their full financial obligations despite the cashflow challenges they faced. The City of Harare provided land for the project despite failing to provide all the offsite infrastructure and other services. These included: levelling of ground, excavation of foundation of the block of flats, engineering designs for roads, water, sewer and electricity reticulation, provision of water and sewer to site as provided for in the Agreement of Sale. CoH adequately facilitated the full survey of the stand and approval of the plans and designs for the project. They also connected the beneficiaries to the water and sewer treatment services. ZESA successfully provided access to electricity to all the beneficiaries.

Performance of other stakeholders rating	**3**

IV. KEY RECOMMENDATIONS (with particular emphasis on ensuring sustainability of project benefits)

Key issues	**Lessons Learnt**	**Key recommendation**	**Responsible**	**Deadline**
Waneka Phase I had a combination of one-bedroomed and two-bedroomed housing units. There was a lower uptake rate on the one-bedroomed housing units.	There is need for a thorough market analysis, beneficiary consultation/surveys and community engagement before finalising project design.	The Bank should conduct market consultation and community engagement before finalising project design.	Project Teams, LIC	**Immediate**
Social considerations such as inclusion of conveniences for physically impaired citizens and marginalised groups such as women into the design require that the Bank seeks concessional project funding which supports social concerns as well as project viability.	Despite the financial implications, social considerations are key in improving project design.	Consider blended financing model to enhance project affordability.	Project Teams, LIC	**Immediate**
Vertical development and densification.	Construction of high-rise residential structure results in significant increase in outputs relative to the size of land.	The Bank should adopt this model where financing for residential development involves the provision of superstructures.	Project Teams, LIC	**Immediate**
Additional works including a roundabout, boundary wall and guard house were necessitated by a realisation of the need for the infrastructure during implementation of Waneka Phase I.	During the implementation stage, constant review of project design is critical to improve final product and to meet beneficiary needs.	The Bank should intensively analyse all critical components of a project and engage relevant stakeholders for input to ensure that all critical components are catered for to improve final product.	Project Teams, LIC	**Immediate**

Delays in implementation timelines due to volatile macro-economic environment.	It is possible to successfully implement and deliver projects in a difficult operating environment.	Constant and consistent scanning of the operating environment and proffering of appropriate solutions is critical when operating in a volatile economic environment.	Project Teams, LIC	**Immediate**
Erosion of value on loans advanced to the SPV by the shareholders.	An inflationary operating environment is not conducive for loan-based project financing structures.	Shareholders can use equity and/or quasi-equity funding models in order to preserve value.	Project Teams, LIC	**Immediate**
Failure by CoH to meet funding for bulk infrastructure as per Land Sale Agreement	Careful due diligence on ability of counterparties to meet agreed financial and/or other obligations that affect project delivery is critical prior to project implementation.	The Bank should strengthen the due diligence mechanism for assessing counterparty capacity to meet obligations.	Project Teams, LIC	**Immediate**
Strong Bank support	Strong financial and management support from the Bank results in successful completion of projects.	The Bank should continue undertaking its oversight role and provide timely resources to enable projects completion.	Project Teams, LIC	**Immediate**

V. OVERALL PERFORMANCE AND RATING

All the ratings in this report applied the following scale:

1 – Highly Unsatisfactory
2 – Unsatisfactory
3 – Satisfactory
4 – Highly Satisfactory

Dimensions and Criteria	Rating
DIMENSION A: RELEVANCE	**3.50**
Relevance of project development objective	4
Relevance of project design	3
DIMENSION B: EFFECTIVENESS	**4.00**
Development Objective	4
DIMENSION C: EFFICIENCY	**2.73**
Timeliness	1.9
Resource use efficiency	4
Cost-benefit analysis	3
Implementation Progress	2
DIMENSION D: SUSTAINABILITY	**2.33**
Financial sustainability	3
Institutional sustainability and strengthening of capacities	2
Ownership and sustainability of partnerships	2
Environmental and social sustainability	Not rated
OVERALL COMPUTED & FINAL PROJECT COMPLETION RATING	**3.14**

The project's overall completion rating is **satisfactory (3.14)**. Areas of improvement are as highlighted in the lessons learnt and recommendations section.