



***SUMBEN RESIDENTIAL REAL ESTATE DEVELOPMENT PROJECT –
PHASE I***



PROJECT COMPLETION REPORT

IDBZ/IPD/PCR05/D2.2/062025

June 2025

Document Control Sheet

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ACRONYMS AND ABBREVIATIONS

BURO	Bulawayo Regional Office
CGCES	Corporate Governance, Compliance, Ethics and Sustainability Board Committee
CoH	City of Harare
CRPD	Credit and Policies Department
CSO	Central Statistics Organisation
DPP	Department of Physical Planning
DO	Development Objective
DUPS	Director of Urban Planning Services
ECZ	Engineering Council of Zimbabwe
EMA	Environmental Management Agency
ESMD	Economic, Strategy and Performance Monitoring Department
ESSMS	Environmental and Social Sustainability Management System
ESIA	Environmental Social Impact Assessment
FAED	Finance Management and Report Department
GoZ	Government of Zimbabwe
HDI	Human Development Index
ICT	Information and Communication Technology
IDBZ	Infrastructure and Development Bank of Zimbabwe
IPD1.0	Housing and USSAP, Health and Education Infrastructure Department
IPD	Infrastructure Projects Department
IPD2.2	Infrastructure Projects Implementation Monitoring Division
IPEC	Insurance and Pension Commission
IPRSP	Interim Poverty Reduction Strategy Paper for Zimbabwe
IRBM	Integrated River Basin Management
IRR	Internal Rate of Return
JV	Joint Venture
LBSD	Legal and Bank Secretariat Department
LTS	Long-term Strategy
MLGPWNH	Ministry of Local Government, Public Works and National Housing
NDS1	National Development Strategy 1
NHS	National Housing Strategy
NPV	Net Present Value
OIC	Officer-in-Charge
PCR	Project Completion Report
PRAZ	Procurement Regulatory Authority of Zimbabwe
PRMD	Procurement Management Department
PSOD	Private Sector Operations Department
RIMD	Risk Management Department
RLF	Results Logical Framework
RMCF	Resource Mobilisation and Climate Finance Department

SDGs	Sustainable Development Goals
SPV	Special Purpose Vehicle
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USSAP	University Students and Staff Accommodation Programme
USD	United States Dollar
ZETDC	Zimbabwe Electricity Transmission and Distribution Company
ZiG	Zimbabwe Gold currency
Zim-ASSET	Zimbabwe Agenda for Sustainable Socio-Economic Transformation
ZIMSTATS	Zimbabwe National Statistics Agency
ZINWA	Zimbabwe National Water Authority
ZRP	Zimbabwe Republic Police

I. BASIC DATA

(A) Report Data

Report Date	Date of Report	30 October 2024	
	Mission Date	From: 19 August 2024	To: 19 August 2024

(B) Responsible Bank Staff

1. At Project Completion

Zondo T. Sakala	Chief Executive Officer
Reggie Dangarembwa	Director-IPD1.0
Vimbai Mbundure	Manager, Infrastructure Projects-IPD1.1
Sharon Sauramba	Principal Technical Officer

2. PCR Preparation Team

Name	Position and Division/Department
Belindah Ncube	Chief Technical Officer – IPD2.2 (Team leader)
Sylvia Shekede	Chief Gender and Social Sustainability Expert – RMCF
Sharon Sauramba	Principal Technical Officer – IPD1.1
Chiedza Guramatunhu	Principal Legal Officer – LBSD.1
Tichaona Kaseke	Chief Credit Officer – CRPD.1
Ephias Chitsa	Chief Strategy Analyst – ESMD
Chido Chisweto	Principal Procurement Officer – PRMD
Michael Sanodi	Principal Accounting Officer – FAED.1
Moiria Mushakarara	Principal Quantitative Risk Analyst – RIMD
Lovemore Chinyoka	Principal Investment Officer – IPD1.1
Jacob Gamu	Senior Climate Change Officer – RMCF.2
Tanaka Mavudzi	Principal Technical Officer – IPD2.2
Peer Reviewers	
Evans Winya	Manager - FAED.1
Rutendo Chirisa	Manager – LBSD.2
Emily Muza	Manager – PSOD.2
Tracy Nuku	OIC-BURO
Final Review and Recommendation to EXCO	
Final Review	Aaron Radman, Manager – IPD2.2
Recommendation to EXCO	Nicodimus Chidhakwa, Director – IPD2.0

(C) Project Data

Project Name:	Sumben Residential Real Estate Development Project
Project Number:	IDBZ/SUMBEN/H-B/01/07/2016
Project Brief:	The Sumben Residential Real Estate involved the servicing, of an estimated 370 low-density residential stands measuring an average of 2,118sqm, with surfaced roads, electricity, water and sewer reticulation.
Sector	Housing
Location:	Mount Pleasant, Harare
Environmental Risk Category	B
ESIA Approval Date	01/04/2020
Construction Start Date	19/08/2020
Completion Date	31/12/2023

Financing Source	Budget Estimate at PAR (USD)	Disbursed at project completion (USD)	Percentage Disbursed (%)
IDBZ Equity	2,200,000	1,115,360 ¹	50.7%
IDBZ Loan	4,833,921	6,068,293	125.5%
Markaram Equity	3,900,000	1,133,360 ²	29.0%
Private Investors	4,059,184	-	-
TOTAL	14,993,125	8,317,443	55.4%

(D) Management Review and Comments

Report reviewed by	Name	Date reviewed	Comments
Manager, IPD2.2	A. Radman	04/06/2025	Cleared
Director, IPD2.0	Eng. N. Chidhakwa	10/06/2025	Cleared
EXCO	EXCO	19/06/2025	Deferred
EXCO	EXCO	11/07/2025	Cleared

¹ IDBZ Equity based on the portion of land for Phase 1 development, i.e. 32.62 ha

² Markaram Equity based on the portion of land for Phase 1 development, i.e. 32.62 ha

II. PROJECT PERFORMANCE ASSESSMENT

(A) RELEVANCE

1a. Relevance of Project Development Objective

The Sumben Residential Real Estate housing development project (“the Project”) was conceived as a response to the acute shortage of serviced residential stands in Harare. The city of Harare’s effective housing backlog then stood at 200 000 units. Zimbabwe has faced significant challenges in meeting the housing needs of its growing urban population, with many residents unable to access adequate housing and basic infrastructure services such as water, sewer, and electricity. The Government of Zimbabwe, through its National Housing Delivery Programme, has prioritised the provision of affordable housing to improve the living standards of its citizens. This project aligns directly with this national objective by providing fully serviced stands that can be developed into housing units.

Specifically, the Project aimed to provide 367 mixed use residential stands, commercial stands and open spaces to:

- Alleviate the shortage of serviced residential stands in the Mount Pleasant area through provision of stands averaging 2,188 sqm.
- Improve the quality of life for the residents by ensuring access to essential services, including roads and stormwater drainage, water supply and sewerage systems.
- Support urban development policies focused on sustainable and orderly urban expansion.

The development objective of the Sumben Residential Real Estate Phase I Project was highly relevant at the time of its planning and implementation. The project was consistent with the Bank’s housing policy framework, Medium Term Strategy (2016-2020), the national housing delivery policy framework and Zim-ASSET targets to provide 330 000 housing units between 2014 and 2018. At completion, the project's goals were well-aligned with the broader national development goals outlined in Zimbabwe's Vision 2030, and NDS1, which emphasizes the need for adequate housing and infrastructure as a foundation for socio-economic development. Additionally, the project supported the Bank’s LTS (2021-2030)’s strategic focus on housing development, a key sector identified as critical for improving the quality of life and economic stability in urban areas.

The project's relevance is further underscored by its contribution to achieving Sustainable Development Goal (SDG) 11, which aims to make cities and human settlements inclusive, safe, resilient, and sustainable.

By providing serviced residential stands, the project not only addressed the immediate housing needs but also laid the groundwork for future urban development that is both environmentally sustainable and socially inclusive.

<p>Relevance of Project Development Objective (DO) rating</p> <p>The development objectives were fully aligned to the Bank's housing sector strategy, the national development objectives, and the beneficiary needs.</p>	<p>4</p>
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1b. Relevance of Project Development Objective in Relation to Other Projects and Bank's Development Priorities (Coherence/Alignment).

The development objective for the Sumben Residential Real Estate housing development project aligned closely with the Bank's broader development priorities and complements other ongoing projects. The primary focus of the Bank has been increasing the provision of serviced stands to meet the growing demand for housing. This is evident from the Bank's other projects, such as the servicing of residential stands in Marimba Phases 1 and 2 [Harare]; Elizabeth Park Housing [Ruwa]; Clipsham Views Phase 1 Housing [Masvingo]; Kasese, Baobab and Batonga [Kariba] and Empumalanga West [Hwange], all providing surfaced roads & stormwater drainage, electricity, water and sewer reticulation.

The Project was well aligned with the Bank's development priorities and demonstrated a coherent strategy aimed at addressing the housing deficit, promoting urbanisation, and ensuring that the infrastructure meets the needs of the growing population.

<p><u>DO Coherence/Alignment rating.</u></p> <p>There was coherence between the Sumben Residential Real Estate project and other housing projects of the Bank. The development objectives are still aligned with the Bank's Housing Sector Strategy and the national development agenda.</p>	<p>4</p>
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2. Relevance of Project Design

The Sumben Residential Real Estate project was designed to produce 367 mixed use residential stands, commercial stands, and open spaces through the provision of 10.3km of surfaced roads & stormwater drainage, sewer and electricity reticulation. Installation of a sewer reticulation system was mooted, to connect to an existing Manzil trunk sewage pipeline. The development would be undertaken on a 119.13ha piece of land which straddled Gwebi river, with approximate 37.9 ha being to the north and 81.2 ha to the south of the river. The development was broken down as follows: -

Stand Description	Number of Stands
Residential – 1200 sqm stands	57
Residential – 2,000 sqm stands	302
Various uses (commercial, institutional, open spaces)	8
Total	367

A team of independent professional consultants was appointed on 22nd of August 2017 to undertake land use planning, engineering designs, cadastral pegging, environmental assessments and to obtain all associated approvals. The list of consultants is as per the table below: -

Professional	Consultant Scope of Work	Contract Type
Arup Zimbabwe (Pvt) Ltd, <i>Lead Consultant</i>	Project Management and Roads & Stormwater	Lump sum
Arup Zimbabwe (Pvt) Ltd	Environmental	Lump sum
Arup Zimbabwe (Pvt) Ltd	Electrical	Lump sum
R Tombindo Land Surveyors	Land surveying	Lump sum
Campus Building Services	Water and Sewage	Lump sum
Sasha Jogi Planners	Planning	Lump sum

Electrical reticulation designs were undertaken by ZETDC. The Bank reviewed and approved all designs before construction. The designs took into consideration the socio-economic context of the area, which led to breaking the project into Phase 1 and 2 in line with EMA's requirements, with immediate implementation of Phase 1, which was outside the wetland high-flood river level.

This resulted in the phasing of the project into Phase 1 and Phase 2, with Phase 1 having a total of 117 stands on approximately 32.62 ha of the land. Phase 1 was broken down as follows: -

Stand Description	Number of Stands
Residential – 1200 sqm stands	0
Residential – 2,000 sqm stands	116
Open space	1
Total	117

Relevance of Project Design rating The project design was consistently reviewed during the project implementation in line with the local authority requirements. The design remained appropriate throughout the implementation. All appropriate design changes were included during project implementation, e.g changes in installation of electrical reticulation, sewer pipe laying which required special bedding and construction of a bridge over Gwebi River.	3.5
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3. Lessons Learnt Related to Relevance

Key issues	Lessons learnt	Target audience
Conditional local authority approvals – The sewerage drawings were approved with a condition to upgrade the outfall sewer line to Marlborough Ponds	Deep stakeholder engagement, especially local authorities is critical at project development stage, to mitigate against unforeseen local authority approval conditions, to mitigate against cost escalations on the project	Design Project Team IDBZ
Change of project design due to environmental considerations	Detailed due diligence on the project site environmental issues is critical at project onboarding.	Project Team IDBZ

(B) EFFECTIVENESS

1. Progress Towards the Project's Development Objective - Project Purpose

The project appraisal initially approved the land servicing of 370 stands (on 119.13 Ha) with surfaced roads, electricity, water, sewerage, and stormwater drainage, based on the development permit from the CoH. However, at implementation stage the project was broken down into two phases, with Phase 1 actual output being 117 stands (on 32.62 Ha), in line with to conditions set in the ESIA certification. The actual output was lower than what was anticipated at project approval stage.

2. Outcome Reporting

Outcome indicators	Baseline value (2016)³	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 a surfaced-road network	10.3km	10.3km	10.3km	100%	Road network completed in full	Yes
Outcome 2: improved access to clean water and sanitation.	370	116	116	31.6%	117 stands fully serviced	Yes
Outcome 3: Access to streetlighting	370	116	116	88.79%	All streetlighting installed ⁴	Yes

³ As at project appraisal stage

⁴ Installed street lighting was either stolen and/or vandalised as construction and occupation of houses had not yet commenced.

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: Surfaced roads (10.3 km)	10.3km	10.3km	100%	All roads are surfaced	Yes
Output 2: Piped water connection points (367)	117	117	31.9%	Change in design due to EMA considerations reduced number of stands	Yes
Output 3: Sewer connection points (367)	117	117	31.9%	As above	Yes
Output 4: Electricity connection points (367)	117	117	31.9%	As above	Yes

4. Development Objective (DO) rating

Effectiveness of Project Development Objective (DO) rating At completion reporting the project achieved 100% of the surfaced roads and 31.9% of the number of stands due to EMA restrictions on the useable land for residential purposes. Part of the streetlighting was either stolen and/or vandalised. To reduce the negative effects and loss of more infrastructure, the SPV will only replace the streetlights when the area is fully built-up.	1.3
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5. Beneficiaries

Actual (A)	Planned (B)	Progress towards target (% realized) (A/B)	% Of Female	Category (e.g., Farmer, student)
111 ⁵	116	95.7%	10%	Mixed – corporates & individuals

6. Additional Outcomes

Description	Type (e.g., Gender, climate change, other)	Positive or Negative	Impact on project (High, Medium, Low)
100% male representation on the Sumben 6-member Board	Gender	Negative	Low
Improved outfall sewer pipe (Marlborough sewer outfall)	Other	Positive	High
Integrated River Basin Management Study for Gwebi River Catchment ⁶	Climate Change	Positive	Medium

7. Lessons Learnt Related to Effectiveness

Key Issues	Lessons Learnt	Target Audience
Stakeholder engagement with City of Harare and EMA	Importance of consistency stakeholder engagement key in improving design effectiveness and meeting of the planned outputs.	Project Team Bank Management
Vandalism and/or theft of streetlighting infrastructure	Infrastructure of this nature should either be installed after the project has been handed over to the beneficiaries. Better still, installation should be the responsibility of the beneficiaries	Project Team Bank management

⁵ Number of stands sold as at PCR completion date

⁶ An Integrated River Basin Management study focusing on national river basins vis-à-vis economic development projects and social impacts, starting with the Gwebi River basin as a pilot, undertaken by the IDBZ jointly working with Environmental Management Agency (EMA) (find full report on www.idbz.co.zw)

C. EFFICIENCY

1. Timeliness

Planned project duration – months (A)	Actual effective implementation time – months (B)	Ratio of planned to actual implementation time (A/B)	Rating
36	40	0.90	3.6

At PAR, the project was expected to commence in May 2016, with project implementation expected to be completed in May 2019. Implementation only commenced in August 2020 following lengthy design changes due to environmental requirements. This resulted in project layout changes as outlined under Section A (Relevance). The project experienced further delays after the contractor had been engaged. The Bank experienced delays by PRAZ in confirming the acceptability of the security bonds submitted by Forit Contracting (Pvt) Ltd. There were further delays in the approval of water abstraction permit by ZINWA. The implementation coincided with of the COVID-19 pandemic which resulted in WHO induced national lockdowns between November 2020 to March 2023. The Contractor then applied for Extensions of Time (EOTs) due to significant disruptions caused by the COVID-19 pandemic. City of Harare also delayed the approval of the designs and implementation of the construction of Marlborough sewer outfall line. The SPV had to undertake the works to expedite the project. Additionally, the streetlighting construction was delayed due to procurement setbacks, resulting from Forit and their subcontractor, Ralton Electricals (Pvt) Ltd, taking considerable time to finalize a change of rate application.

2. Resource Use Efficiency

The construction cost at contract award dated of 14 December 2021, for both Phase 1 and 2 was US\$10,250,000, with US\$4,607,959.55 being attributed to Phase1 construction costs. At practical completion date, the Phase 1 project cost stood at US\$4,897,046.69. A comparison of the total construction project cost at contract award stage and practical completion date is detailed below.

2.1 Summary Project Total Costs (Phase 1)

Item	Contract Sum May 2020 (USD)	Cost at Completion	Variance (%)
Preliminary & General	558,000	762,393.87	37%
Roads and stormwater Drainage	1,814,243.38	1,871,339.54	3%
Streetlighting	312,762.57	241,915.68	-22%
Water reticulation	131,724.44	272,389.19	107%
Sewerage reticulation	838,599.00	1,021,784.44	22%
Variations	-	362,2231.97	100%
Sub-Total	3,655,329.39	4,897,046.69	33.9%
Contingencies	365,813.47	365,813.47	0%
Project Consultancy	1,171,251.13	1,171,251.13	0%
Total Excluding VAT	5,192,355.86	6,068,297.82	16.8%

The final project construction cost exceeded the contract price by 33.9% due variations on the project scope occasioned by installation of a sewer outfall, additional bedding requirements for civil works on the water and sewer reticulation pipe laying. Variations and cost adjustments due to inflation also contributed to project construction cost increases. The roads and stormwater drainage cost increased by a mere 3% despite being the major construction cost item making up 38.2% of the total construction cost. The small cost movement is on the back of the accurate determination of site conditions which informed the proper designs. The worst performer was water reticulation works, with an increase of 107% on the original cost. The cost increase was due to the need to provide special bedding due to the site conditions determined during implementation. Inflationary pressures, resulting in price increases in construction materials during implementation period contributed to cost increases. This could have been avoided had there been a geotechnical report at appraisal. The delays were further exacerbated by a COVID-19 related work stoppages which increased the implementation period and effects of the inflationary pressures.

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
100% ⁷	116.8%	0.856	3.42

⁷ Based on the construction cost for the revised output of 117 stands as informed by the layout which complied with the ESIA requirements.

The Sumben Phase 1, which targeted 117 stands were serviced with water, sewer, surfaced roads and street lighting while electricity reticulation was to be done by the beneficiaries, in line with best practice. All electrical infrastructure belongs to ZETDC, and beneficiaries are compensated to the tune of the cost of the infrastructure. At practical completion date, 116.8% of the planned construction costs had been expended to meet 100% of the outputs.

3. Cost Benefit Analysis

Cost Benefit/NPV/IRR Analysis rating		Rating
NPV at Appraisal	NPV at Completion	
NPV USD 4,692,867	NPV USD 2,938,662	3

The project NPV at planning stage was USD 4.7 million. This NPV was for the entire Sumben Residential Real Estate Development. However, through a directive from EMA, the project was implemented in phases. The Phase 1 which is now complete and under review generated an NPV of USD 2.9 million, indicating strong project viability. The strong NPV was achieved despite the reduction of the expected number of stands from 370 to 117, and the settlement eight (8) stands to CoH as endowment. At the prevailing selling prices, the project lost approximately US\$560,000 worth of revenue to endowment.

The stands were disposed in a volatile currency environment and pegged in US\$ to preserve value. The Bank disposed of the stands in ZiG as a strategy to manage its ZiG obligations.

4. Implementation Progress (IP)

The project had a duration of 40 months against a planned 36-month period. Delays are explained under C (1) above.

Implementation Progress (IP) rating Despite the delays in design changes, approvals by ZINWA and City of Harare, COVID-19 related work stoppages, the project implementation was almost within planned time. The project was fully implemented and achieved all the revised outputs including the additional sewer outfall and bridge over Gwebi river.	3
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5. Lessons Learnt Related to Efficiency

Key issues	Lessons learnt	Target audience
Delays in regulatory approvals	Significant delays in the approval of ESIA Certificate, water abstraction permit, sewer outfall designs from regulatory authorities such as PRAZ, EMA, ZINWA and CoH. Though delayed, consistent engagement of the authorities by the Bank project staff assisted in obtaining the relevant approvals. Notwithstanding the foregoing a detailed Stakeholder Management Matrix Register, with clear strategies is critical to mitigate delays occasioned by powerful stakeholders.	SPV EMA ZINWA CoH IDBZ
Design challenges	Variations to sewer designs that were encountered during implementation, could have been avoided if a geotechnical investigation had been undertaken. Lack of the investigations resulted in requirement for special bedding for sewer pipe laying during implementation. Project teams preparing the project should ensure that complete designs are obtained prior to project implementation.	SPV Project Team IDBZ

D. SUSTAINABILITY

1. Financial Sustainability

<p>Rating on Financial Sustainability</p> <p>The project was implemented within a highly volatile exchange rate environment. The servicing costs escalated from the budgeted cost to completion of USD 4.6 million to an actual cost at completion of USD 4.9 million. Despite these cost increases the project remained financially viable. The strategic disposal of some stands in ZiG, on the back of policy currency changes, assisted the Bank to meet its ZiG obligations.</p>	4
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2. Institutional Sustainability and Strengthening of Capacities

The Sumben Housing Project Phase I was implemented through a Joint Venture between the Bank and Markaram Investments (Private) Limited (“Markaram”). The project was implemented via a Special Purpose Vehicle (SPV), Mazvel Investments (Private) Limited (“Mazvel”) duly registered in terms of the Laws of Zimbabwe with Registration No.19675/2006. The project was going to be financed through both debt and equity. The Bank in terms of the Incorporated Joint Venture Agreement signed on the 10th of May 2017, invested US\$4,059,184.00 which amounted to 51% in equity whilst Markram invested land to the value of US\$ 3,900,000.00 which amounted to 49% in equity. The project was further financed through debt, with the Bank advancing a loan facility of US\$6,068,297.69 through a Finance Agreement signed between the parties in March 2021. The shareholding of Mazvel was diluted to 57.17% against 42.83% in favour of Markaram through a property revaluation which was given effect to by an Addendum to the Incorporated Joint Venture Agreement signed on the 30th of October 2020 between the parties. The Bank subsequently disposed of its shares in Mazvel after the completion of Phase I.

Rating on Institutional Sustainability and Strengthening of Capacities. The use of a SPV allowed for structuring of funding through both Debt and Equity. It facilitated resource management whilst providing a clear exit strategy for the Bank. This ensured sustainability goals were met while allowing flexibility for future transitions.	4
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3. Ownership and Sustainability of Partnerships

The project is wholly owned by the project SPV, Mazvel Investments (Private) Limited, with title to the land being registered in the name of the SPV by virtue of a Deed of Transfer No. 212/2009 dated 26 February 2009. The project Consultancy was held by Sasha Jogi Planners, a consortium of Sasha Jogi Planners, Arup Zimbabwe, Campus Building and Tombindo Surveyors through a Contract for Consultancy for Engineering and ancillary services signed between Mazvel and the consortium on the 27th of August 2017.

The Lead Consultant was Arup Zimbabwe (Private) Limited by virtue of an Addendum to the consultancy agreement signed on the 12th of May 2020. The Consultants were responsible for Engineering designs, re-application of subdivisional permits, surveying, project management

and contractor supervision among other things. Forit Contracting (Private) Limited was the Contractor responsible for the construction works, by virtue of an Agreement for construction of roads, stormwater drainage, water and sewer reticulation and street lighting, entered with Mazvel and signed on the 13th of May 2020. The contract was heavily affected by currency devaluation as the contract price was initially denominated in local currency. This resulted in the contract being amended three times to address the currency and inflationary volatilities of the Zimbabwean Dollar. The first addendum signed on the 19th of October 2020 changed the currency of the contract price from Zimbabwean Dollar to United States of America Dollars in line with S.I 185 of 2020. It also allowed for dual pricing and provided a hedge against the high inflation rate of the Zimbabwean Dollar. The contract sum remained payable in local currency at the official rate and the disparities in market rates necessitated the signing of a second addendum to the agreement to revise the price adjustment formula to cushion the contractor against currency erosion from using the official rate. The third addendum signed on 15 December 2021 aimed to provide settlement to the Contractor for the prejudice suffered because of underpayment on the advance payment made owing to the currency volatilities.

<p>Rating on Ownership and Sustainability of partnerships</p> <p>The land is duly registered, and Parties were able to execute Agreements and define their contractual relationships prior to project implementation. This guarantees sustainability of Partnerships. The parties were also able to re-negotiate terms and managed to sustain the contract through the hyper inflationary environment. An active board of directors was in place to oversee the operations of the project including engagement of the contractor and other professionals.</p>	<p>3</p>
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4. Environmental and Social Sustainability

The construction of Sumben Residential Real Estate Phase I project commenced after the environmental social and impact assessment (ESIA) certificate had been obtained, valid from April 2020 to March 2022. An addendum to the ESIA, focusing on the access road project was issued during construction in February 2021. EMA had allowed the development of Phase 1, which was approximately 20% of the remainder of Sumben on the basis that the Remainder of Sumben was considered “a wetland” and development of such a site may cause irreversible biophysical and socio- economic implications. The Bank and the Consultant conducted environmental and social assessments, during construction to ensure compliance with the EMA regulations, and the Bank’s ESSMS.

Regular quarterly environmental and social monitoring reports were submitted to EMA. The contractor had a dedicated health, safety, and environment officer. Despite the site office being burnt down by fire, no fatal accidents were recorded; therefore, zero harm was achieved. The project created a total of 130 direct jobs during construction. Nine (9) employees, constituting 6.9% of the employees were females. All employees were provided with personal protective equipment (PPE) in accordance with the national regulations. The National Social Security Authority (NSSA) conducted occupational and Health Safety (OHS) inspections throughout the project implementation. Safety talks were conducted by the SHE Officer daily for a period of 15 minutes and risks associated with activities to be conducted were discussed to ensure employees' health and safety. Regular sessions on HIV&AIDS and other sexually transmitted infections which are common at construction sites, were held every Friday with employees. To enhance security for women and girls, street lighting was provided.

One of the risks observed was the massive artisanal gold mining and panning along different sections of the Gwebi River with potential to invade the developed area. The Gwebi IRBM Report recommends the optimisation of land-use for economic growth while conserving the environment within the River Catchment.

Although the ESIA approval was lengthy, the EIA certificate was in place prior to project implementation. In addition, the number of female beneficiaries fell short of the aspirations of the Bank's Gender Policy.	3
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5. Lessons Learnt Relating to Sustainability

Key issues	Lessons learnt	Target audience
Site reconnaissance	Detailed site reconnaissance which includes geotechnical surveys is critical during project implementation to minimise design and scope changes during project implementation.	SPV Project Team IDBZ

Environmental impact and sustainability	There is need for proactive due diligence on project land as part of the project preparation process, prior to project appraisal.	SPV Project Team, IDBZ
Low levels of employment of females ⁸	IDBZ expectations regarding gender mainstreaming, employment of locals and reporting should be clearly articulated in contracts to facilitate monitoring and compliance with the Bank's requirements. This should be included in the procurement bid documents and buttressed in the consultants and contractors' contracts.	SPV Project team IDBZ

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

1. Bank Performance

The performance of the IDBZ in the Sumben Residential Real Estate Phase 1 project was commendable, despite the challenges faced. The Bank played a crucial role in overseeing the project supervision and ensuring the completion of the planned outputs despite encountering various obstacles. The management of financial resources was effective in sustaining project progress, even amidst external delays caused by factors such as the delays in obtaining the ESIA Certificate and the COVID-19 pandemic among others. The Bank's ability to achieve completion of the project, with all necessary approvals from environmental and local authorities, demonstrates robust oversight and commitment.

All loan funding requirements were met despite increase in project costs. The Bank raised all loan funding through an infrastructure bond for on lending to the SPV. The IDBZ technical staff also played a critical role in enhancing the performance of the contractor and project consultant. However, there were aspects where performance could have been improved. Delays in obtaining the ESIA certification from EMA at the project's commencement resulted, in postponement of the start of construction as well as varying of the implementation plan. Despite these initial delays, the Bank's overall performance was satisfactory, ensuring the completion of the project with all services delivered in accordance with the approved scope.

⁸ Only 6.9% of the employees were females.

The Bank successfully implemented Phase 1 with 117⁹ stands and subsequently disposed of its shareholding. Apart from ensuring the procurement of independent project Consultants, the Bank seconded its seasoned staff as part of project implementation supervision. This hands-on-deck approach ensured that all project implementation issues were dealt with timeously leading to completion of the project expeditiously.

2. Borrower/JV Partners Performance

The IDBZ a loan and overdraft facility to Mazvel Investments (Pvt) Ltd to meet the construction costs and to meet any SPV's cashflow deficits. All loan obligations were serviced in full, with the construction cost being paid through stands. The effective implementing of the project assured the full servicing of the loan obligation by Mazvel (Pvt) Ltd. This was a project implemented through a JV model. The Bank provided funding and project supervision monitoring, whilst Markaram Investments (Pvt) Ltd provided land. The JV partners were part of the Board that assisted in overseeing the effective implementation of the project. All meetings were attended in full ensuring a smooth running of the project.

Rating Borrower/JV Partners performance The Borrower met all its financial obligations	4
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3. Performance of Other Stakeholders

Key stakeholders included Forit Contracting (Pvt) Ltd, as the construction contractor, Arup Zimbabwe (Pvt) Ltd, as the lead consultant and consultant for roads and stormwater drainage, R. Tombindo Land Surveyors, Campus Building Services (water and sewer consultant), Sasha Jogi Planners, EMA, ZETDC, ZRP, ZINWA and CoH.

The Contractor and consultants were able to execute their duties as per contracts. However, the performance of some key stakeholders in the Sumben Residential Real Estate Phase 1 project revealed several challenges that impacted the project's timeline and overall execution. The City of Harare delayed final approvals, particularly concerning the upgrade of downstream sewerage infrastructure, which delayed project completion. The Environmental Management Agency (EMA) restricted the development area to 20% due to concerns over the site's classification as a wetland, which required appeals to higher authorities and resulted in delays

⁹ It should be noted that initial approved stands for development were 92. This figure increased to 117 due the Bank's constant engagement with the regulatory authorities particularly EMA.

in the commencement of the project. Additionally, the Environmental and Social Impact Assessment (ESIA) Certificate was issued with the condition that the project be completed in two phases which prolonged the project. The Zimbabwe National Water Authority (ZINWA) conducted a hydrological study for the Gwebi River; however, this study was inadequate as it failed to consider both pre- and post-development flood levels, complicating further development near the river. ZINWA's reluctance to revisit the study necessitated the commissioning of a separate Gwebi River Basin study. These regulatory bottlenecks and inadequate assessments contributed to significant delays and increased project costs.

<p>Performance of other stakeholders rating</p> <p>Despite the challenges faced from the regulatory authorities, Phase 1 of the project was executed as revised. Consistent engagement of the regulatory authorities by both the Bank and the consultants helped to amicably resolve all outstanding issues.</p>	<p>3</p>
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IV. KEY RECOMMENDATIONS (with particular emphasis on ensuring sustainability of project benefits)

Key issues	Lessons Learnt	Key recommendation	Responsible	Deadline
Engineering Designs	Accurate designs for roads, stormwater drainage and sewer reticulation infrastructure led to minimal design changes and cost increases. On the other hand, water and sewer reticulation required additional bedding to comply with the site conditions discovered during implementation.	All civil works should be based on detailed geotechnical investigations to contain unforeseen project scope variations during implementation	SPV Project Team IDBZ	Ongoing
Legal incidents	Legal incidents were recorded from potential customers and Harare Wetlands Trust. The Bank engaged potential customers, before all the necessary approvals were in place (ESIA). The Bank was then forced to place the project on hold awaiting EMA approval. When the approval was later obtained, the value of deposits from potential customers had been eroded due to inflation. Some potential beneficiaries then sued the Bank in the High Court to recover from the loss in value of their deposits.	The Bank to maintain robust queries register so that the Bank can quickly resolve arising disputes. Legal costs to be included as part of the project costs at appraisal	Project Partners/SPV Project Team IDBZ	Ongoing

Stakeholder engagement	The SPV engaged Forit Contracting and Arup Consultancy for the implementation of the entire Sumben Development before the ESIA certificate was issued. However, EMA delayed issuing of the certification and later issued the approval with a recommendation to implement the development in Phases.	The Bank must engage contractors to implement a project once all necessary statutory approvals and preparatory activities are completed.	Project Partners/SPV IDBZ	Ongoing
Effective project implementation	Deployment of dedicated Bank staff onsite ensures that project issues are resolved timeously to facilitate timely project completion.	Bank to continue with this approach and share the effectiveness of this model with Government Ministries, Departments and local authorities involved in construction projects.	IDBZ Local Authorities, Government	On going

V. OVERALL PERFORMANCE RATING

All the ratings in this report applied the following scale:

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

Dimensions and Criteria	
DIMENSION A: RELEVANCE	
Relevance of project development objective	4
Relevance of project design	3.5
DIMENSION B: EFFECTIVENESS	
Development Objective	4
DIMENSION C: EFFICIENCY	
Timeliness	2
Resource use efficiency	3
Cost-benefit analysis	4
Implementation Progress	3
DIMENSION D: SUSTAINABILITY	
Financial sustainability	4
Institutional sustainability and strengthening of capacities	4
Ownership and sustainability of partnerships	3
Environmental and social sustainability	3
OVERALL COMPUTED & FINAL PROJECT COMPLETION RATING	3.4

Comment on overall rating.

The overall rating of 3.4 is satisfactory. All areas requiring improvement are as highlighted in the recommendations.