FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

BRIDGING THE FUNDING GAP FOR PUBLIC SECTOR INVESTMENT PROJECTS. (A CASE OF THE DEPARTMENT OF AGRICULTURE, TECHNICAL AND EXTENSION SERVICES (AGRITEX).

BY

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APPROVAL FORM

The undersigned certify that they have read and recommend to Midlands State University for acceptance of a research project titled “Bridging the funding gap for Public Sector Investment Projects on staff housing. A case study of the Department of Agriculture Technical and Extension Services (Agritex).

SUPERVISOR

PROGRAMME/ SUBJECT COORDINATOR

EXTERNAL EXAMINER

DATE
DEDICATION

This project is dedicated to my family and friends. Thank you so much for all the encouragement, financial and moral support.
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The researcher’s acknowledgements go to Mr. Kazembe who devoted his time and effort supervising this research project despite his demanding schedule. His invaluable assistance ensured the successful carrying out of the project. I thank you for the support you have given me.

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**ABSTRACT**

The need to provide adequate and equitable housing has remained a major priority for every government while facilitating homeownership has always been a key component of housing policies generally. The study was aimed at investigating the impact of inadequate funding of Public Sector Investment Projects (PSIP), particularly staff houses using a case study of the Department of Agriculture Technical and Extension Services (Agritex). Evidence highlighted that Agritex started on some PSIP projects in 2010 across the eight provinces to construct staff houses but the projects has not been completed due inadequate financial resources. Thus, the objectives were; to establish the impact of insufficient funding of the PSIP projects, to examine the causes of the limited financial resources, to analyze possible strategies that can be implemented to address the funding challenges and to make recommendations on alternative sources of funding of the projects as well as on how best can the department of Agritex can improve revenue generation. The study adopted the use of the case study research method. Though the issue of inadequate was evident in many public institutions that depend on budget resources, Agritex was representative enough to be a case study. Furthermore, the researcher was part of Agritex and access to information was easier. The study population was restricted to 4 top management, 6 Human Resources personnel, 7 Finance and Accounts Staff, 3 Administration Staff and 19 Extension Specialists. The researcher adopted the use of questionnaires and interview. The study noted that housing play an important role in economic development and growth despite it being a basic need for everyone. The study also noted that, Agritex has a backlog in terms of providing accommodation to its members while low capacity utilization by the major economic sectors and budget constraints were identified as the major causes of inadequate financial resources. The study highlighted that structural reforms were needed in the country to encourage trade, and investment. The study however, recommends the department of Agritex to adopt the Public Private Partnership (PPP) arrangements, engage the donor community for funding of projects, development of housing schemes and investment promotion activities in order to attract foreign direct investments so as to ensure that the housing project is fully supported and funded.
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CHAPTER 1

Introduction

The proposal will give an overview of the background of the study, statement of the problem, main research question, sub research questions, research objectives, significance of the study, delimitation, limitations, definition of terms and summary.

1.1 Background of the study
Zimbabwe made considerable progress in stabilizing the economy since the end of the hyperinflation period in 2009. The period beginning 2010 saw the department of Agritex embarking on Public Sector Investment Projects and programmes (PSIP) that require the department to construct houses and blair toilets as well as renovating the existing structures in eight (8) provinces. However, policies deteriorated in 2011 and early 2012, with large wage increases crowding out priority infrastructure and social spending.

According to the “Annual Permanent Secretary’s report 2012” the department of Agritex have a total staff establishment of 5452 employees. However, office space and staff accommodation where identified as the major challenges in all the eight (8) provinces. The accommodation problem is critical in all provinces with some staff members operating from their homes while others have long walking distances to get to their work stations. The structures in most districts need attention, that is, renovations, electrification, improved water and sanitation system.

The Principal Director of Agritex, Mr. Gondo Joseph, in his justification for PSIP funding request to Ministry of Finance dated 09 April 2012 highlighted that most extension workers stay in inappropriate accommodation such as classrooms and behind shops. He argued that the situation compromises their status and integrity and leads to high staff turnover. According to the Principal Director, there was urgent need to construct new houses to cater for those in private houses while the government houses needed to be renovated.

However, Ministry Of Public Works is mandated with the administration of all construction works in the public sector. Their mission is to provide technical and professional services in the construction, maintenance and management of a well built environment to the satisfaction of all its stakeholders, the department of Agritex was identified as the responsible authority while Ministry of Public works as the contractor to oversee the construction work.
The issue of rural staff accommodation was identified as a critical problem encountered by the department of Agritex caused by inadequate provision and release of funds for the programme by treasury. Despite notable economic improvements after the hyperinflationary period, a major challenge faced by the department of Agritex was the inadequacy of funding of the construction projects which has resulted in non-completion of the housing projects. Underfunding of the housing project has been necessitated by poor revenue inflows into treasury and the declining donor funding and competition for resources within the central government itself.

It is against this background of a challenging economic environment and existing capacity constraints that treasury has not been consistent in availing funds to the user Ministries and the funding so availed was inadequate. This posed a lot of challenges to the department of Agritex which started on some Public Sector Investment Projects (PSIP) projects in 2010 which have not been completed due to insufficient funding.

### Table 1.1 PSIP Budget Allocation and Expenditure analysis: 2010-2013

<table>
<thead>
<tr>
<th>YEAR</th>
<th>BUDGET</th>
<th>CUMMULATIVE RELEASE</th>
<th>% RELEASED BUDGET</th>
<th>CUMMULATIVE EXPENDITURE</th>
<th>BUDGET BALANCE</th>
<th>% BUDGET BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>500,000.00</td>
<td>320,000.00</td>
<td>64%</td>
<td>320,000.00</td>
<td>180,000.00</td>
<td>36%</td>
</tr>
<tr>
<td>2011</td>
<td>370,000.00</td>
<td>120,000.00</td>
<td>32%</td>
<td>120,000.00</td>
<td>250,000.00</td>
<td>68%</td>
</tr>
<tr>
<td>2012</td>
<td>300,000.00</td>
<td>94,000.00</td>
<td>31%</td>
<td>94,000.00</td>
<td>206,000.00</td>
<td>69%</td>
</tr>
<tr>
<td>2013</td>
<td>300,000.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>300,000.00</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: *Expenditure reports for the period 2010-2013*

Table 1.1; indicates that since the year 2010 the annual budgets were not fully utilized as shown by the declining cumulative releases and cumulative expenditures. Since its inception in 2010 only 40 Blair toilets per province were constructed and renovations to existing houses were done.

### 1.2 Statement of the problem

The department of Agritex is unable to fund its PSIP projects due to inadequate financial resources. The insufficient funding poses some challenges to service delivery with the department of Agritex failing to fully implement housing projects which started in 2010. It is against this background that the researcher is motivated to carry out a research on how best to close the funding gap that Agritex is currently experiencing.

### 1.3 Research Objectives

a) To establish the impact of insufficient funding of Public Sector Investment Projects.
b) To examine the causes of the limited financial resources.

c) To come up with best strategies to overcome challenges caused by the limited financial resources.

d) To make recommendations on other sources of funding.

1.4 Main Research Question
How can Agritex bridge the funding gap for Public Sector Investment projects (PSIP) on staff housing?

1.5 Sub research Questions
a) What is the impact of inadequate funding of Public Sector Investment Projects?

b) What are the causes of the minimum releases from Treasury?

c) What strategies can be implemented to overcome the challenges in order to improve revenue generation?

d) What recommendations can be made on alternative sources of funding?

1.6 Assumptions
- Accurate information or evidence will be obtained from the respondents,
- There will be cooperation from the respondents.
- The department can fund some of its operations.

1.7 Significance of the study

1.7.1 To the Researcher
The study is in partial fulfillment of the requirements of Bachelor of Commerce Accounting Honours Degree with the Midlands State University. It equips the researcher with practical knowledge thereby giving him the necessary experience in the accounting profession.

1.7.2 To Midlands State University
The research will benefit the University as it will be used for further researches by other students.

1.7.3 To the Department of Agritex
The department of Agritex will benefit from the research study through considering the recommendations from the researcher.

1.8 Delimitation of the study
- The scope of the study will primarily be confined at The Ministry of Agriculture’s department of Agritex head office, Harare.
The research will focus on coming up with alternative sources of funding for
construction of staff houses by the department of Agritex.

The study will cover the period running from 2010 to 2013.

1.9 Limitations of the study
The following are perceived limitations of the research study:

1.9.1 Time constraint
As a visiting student, the researcher anticipates time as the major constraint since the
researcher is fully employed by the department of Agritex which also has its own
work schedule. The timeframe set for the study and compilation of the project is just
three months which is very much limited. However, the researcher will take
advantage of the fact that the study is a case of Agritex head office where he is
stationed and will work beyond normal hours.

1.9.2 Financial constraints
Shortages of financial resources will also hinder the compilation of the project. The
study will require a lot of travelling in gathering information as well as meeting the
supervisor, stationery, and printing and binding hence these will be affected by
limited financial resources. The researcher will prioritize the dissertation project when
allocating those few finances that may be available since the project will be prepared
within three months.

1.9.3 Confidentiality of Information
Access to confidential information may again be a limiting factor. Respondents may
not be willing to cooperate and give information depending on the nature and
confidentiality of the information. The researcher will seek for authority to access
such confidential information for academic purposes.
1.10 Definition of Terms

**Funding:** This is the act of providing resources, usually in the form of money or other values for a project, a business, or any other private or public institutions.

**Financial releases:** Money disbursements made by Ministry of Finance and Economic Development to other ministries and government institutions to enable service delivery.

**Liquidity Crunch:** Time when cash resources are in short supply.

**Treasury:** Ministry of Finance and Economic Development

**PSIP:** Public Sector Investment Projects

**MAMID:** Ministry of Agriculture, Mechanization and Irrigation Development.

**AGRITEEX:** Agriculture, Technical and Extension Services.

1.11 Summary

Chapter 1 focused on the background of the study, statement of the problem, main research question, sub research questions, research objectives, and significance of the study, delimitation of the study, limitations of the study and definition of terms.
CHAPTER II

LITERATURE REVIEW

2.0 Introduction

Paula (200) defined literature review as a systematic examination and detailed analysis of knowledge available on a topic. It is a critical and in depth examination of knowledge, scholarly and research based information on a specific topic. It is a summary and synopsis of a particular area of research, allowing anybody reading the paper to establish why the researcher is pursuing the particular research program. Paula (2010) also highlighted that the purpose of literature review is to evaluate articles, publications and books that might have bearing on a given research topic, and review what other people have written about one’s area of interest, gathering information to support one’s argument and one’s findings.

This chapter explores the literature related to the funding of Public Sector Investment Programmes (funding of projects) and the impact of underfunding thereof, causes of the inadequate financial resources, strategies to overcome the challenges caused by insufficient financial resources and to make recommendations on other sources of funding. The basic structure of the literature review follows the sub research questions set out in chapter 1.

2.1 Funding of Public Sector Investment Programmes

2.1.1 Public Sector Investment Programme (PSIP)

According to Trinidad and Tobago’s Ministry of Planning and Sustainable Development’s three year Public Sector Investment Programme 2013 – 2015, (October 2012), PSIP is one of the key economic development instruments and strategic management tools that guide a government in implementing its national programmes in order to achieve the desired national objectives. Therefore, PSIP comprise projects and programmes that enhance capital formation and promote competitiveness in the economy, capital projects that are sustainable over time with the ability to generate revenue at low maintenance costs, thereby impacting positively on employment, production, diversification and income distribution.

2.1.2 Impact of inadequate funding of Public Sector Investment Projects

According to Cesar and Luis, (2008.1), infrastructure development is essential for economic growth and sustainable development and can contribute as much as 2% of GDP, with particularly positive effects having been noted in East and Central Africa. Ranade (2009) concurs that the adequacy and availability of a sound infrastructure has long been viewed as a
vehicle for economic development. However, according to the World Bank report in Jenifer (2014.5), there is a significant funding gap of approximately $35 to $50 billion per year to fulfill the continent’s needs and, the current official sources of funding are inadequate to close or bridge the gap. In developing countries investments in infrastructure establishes the backbone for other economic activities. Ranade (200) also argues that infrastructure covers a complex of distinct sectors that represent a large share of an economy such as manufacturing, which in turn drives economic growth. Conversely, deficient infrastructure can negatively affect the performance of the economy and weaken human development efforts.

Jenifer et al, (2014) asserts that, poor infrastructure quality has been found to impact negatively on the performance of the economy and in particular productivity among manufacturing firms. It is therefore important to address these infrastructure deficiencies in order to steer development and unlock Africa’s productive potential and maximize infrastructure’s impact on economic growth and human development. In order to address this, significant financial resources are required to improve the infrastructure quality, while the World Bank has estimated the cost of meeting Africa’s infrastructure needs to be standing at US$75 billion per year, US$38 billion in investment and US$37 billion in operations and maintenance. Investment and attention to infrastructure development have been growing in recent years, but there remains an estimated funding gap of approximately US$35 billion to US$50 billion per year.

Many African governments have featured infrastructure as one of the main priority areas in their national development programmes. In 2002, NEPAD adopted Short term Action Plan on infrastructure to promote regional integration by bridging the infrastructure gap. More recently, heads of State and Government of African countries endorsed a number of priority infrastructure projects and appointed champions for their development at the African Union (AU) Assembly in January 2011 in Ethiopia. A sound infrastructure network system is fundamental in socio-economic development of Zimbabwe. Zimbabwe’s once well-developed infrastructure has deteriorated dramatically in recent years and represents a major constraint to economic recovery.

Jenifer, et al, (2014), acknowledges that infrastructure development in Africa has been funded predominantly through public sector investment, that is, in the short run the costs of infrastructure rehabilitation need to be met primarily from central government budget. The result in many countries has been chronic underinvestment by cash-strapped, debt-burdened
governments, unable to sustain the long term commitment and funding streams needed to see projects through. Jenifer, et al, (2014) highlighted that, from 1960 to 1994, African governments invested an average 9.6% of GDP in building Infrastructure, compared to 15.6% invested by other countries in the developing world in the same period.

According to the African Development Bank Report (2010), infrastructure is considered a key component of the investment climate and economic growth, and development cannot be achieved without the availability of appropriate economic and social infrastructure. Inadequate infrastructure can be a barrier to accelerating growth and poverty reduction in Africa. According to the Zimbabwe Agenda for Sustainable Socio Economic Transformation (ZimAsset), Zimbabwe need to improve the state of their infrastructure to register growth in a manner that is both competitive and effective.

Faal (2011) “in the African Development Bank (ADB) report” argued that, the need to improve the quality of infrastructure services in Zimbabwe is the cornerstone of the government of Zimbabwe’s policy, strategy and programs to promote sustained and shared economic growth in the country. This has been articulated by the Government in its Medium Term Plan, Short-Term Emergency Recovery Programme (STERP), the Three Year Macroeconomic Policy and budget Framework 2010- 2012 (STERP II) and The Zimbabwe Agenda for sustainable Socio-Economic Transformation (ZimAsset 2013-2018).

According to Jennifer, Cooke and Downie (2014), Africa’s underdeveloped infrastructure has been a long-standing barrier to accelerated, sustained growth. The World Bank estimates that poor infrastructure in Africa reduces per capita growth by more than 2% annually. Roads, railways, ports and reliable electricity supply- the lifeblood of economic activity- have suffered from decades of neglect and mismanagement. Furthermore, these major public works projects have proved highly vulnerable to corruption and have often been left unfinished, poorly implemented, or unsustainable over the long term. Until recently, many Western donors abandoned infrastructure development within their assistance programming because of the high risk of corruption, underperformance and white elephants projects.

**Housing**

Housing as a form of infrastructure also has a bearing on economic growth and development. Moyo (2014) highlighted that decent accommodation is an important basic need in all societies. According to the United Nations Conference on Human Settlements (UNCHS,
housing is an essential component of the foundation needed by every individual to participate fully in society. In Zimbabwean government’s social policy, the provision of housing has been one of the most critical issues. The issue of infrastructure rehabilitation and development was clearly spelt in the Medium Term Plan (MTP). The MTP highlighted that the success of the plan depended largely on the availability of a sound and appropriate infrastructure which is a key driver for economic recovery, growth and transformation. The key infrastructure priorities include; energy, water and sanitation, transport, housing and construction, information and technology (ICTs), and SME infrastructure.

Private equity and commercial lending are playing a growing role in infrastructure as well. Private equity firms invested some US$850 million in Africa from January to June 2013, up to 45% from the same period in 2012. Investment banks likewise are looking at expanding opportunities in Africa, particularly in infrastructure development, and syndicated loans from commercial lenders increased from US$11.2 billion in 2011 to US$17.7 billion in 2012, with US$19.6 billion in loans in the first 10 months of 2013.

Multilateral and bilateral development finance institutions are stepping up engagement in infrastructure development in Africa, taking on large and long term investments that private investors may be reluctant to make. The International Finance Corporation, part of the World Bank Group, has substantially increased its commitments in Africa- from US$250 million in 2007 to US$2.6 billion in 2012, mobilizing and additional US$1.1 billion from other sources.

The African Development Bank has also become a major player in infrastructure finance and support, committing more than US$12 billion in the last six years to infrastructure projects in Africa. China, through its EXIM Bank and China Development Bank has played a critical role in African infrastructure development, through a mix of concessional loans to African governments (in some instances paid back through commodity off-takes) and credits to Chinese state owned companies.

**2.2 Causes of limited funding**

Zimbabwe experienced a deteriorating economic and social environment since 2000. This resulted in a deep social crisis characterized by a hyperinflationary environment and low industrial capacity utilization of key productive sectors, leading to the overall decline in Gross Domestic Product (GDP) by 50% in 2008. Despite the economy having shown some degree of stabilization since 2009, it still experiences a lot of challenges with the decline in
capacity utilization being the major cause of the insufficient funding of projects, (Zimbabwe Agenda for Sustainable Socioeconomic Transformation, 2013-2018).

According to Monyau and Bandara, (2009), Zimbabwe’s economy remains in a fragile state, with an unsustainably high external debt and massive deindustrialization and informalisation. The average GDP growth rate of 7.5% during the economic rebound of 2009-12 is moderating. This economic slowdown is due to liquidity challenges (e.g. the lack of and high cost of capital and revenue underperformance), outdated technologies, structural bottlenecks that include power shortages and infrastructure deficits, corruption and a volatile and fragile global financial environment.

Monyau and Bandara, (2009), also highlighted that, the constrained fiscal space has forced the government to adopt a contractionary fiscal policy stance, while the use of the multi-currency regime limits the use of monetary policy instruments. 2013. It was also highlighted in the ZimAsset that fiscal space remains severely constrained due to poor performance of revenue inflows against the background of rising government expenditures and a shrinking tax base. The economy has also been burdened with a high debt overhang with an estimated stock of US$10 billion as at December 2012 caused by the country’s failure to access international capital and investment inflows.

The measures that were implemented by the government in 2009 resulted in some positive strides in stabilizing the economy between 2009 and 2010. However, the recovery remained fragile as growth declined from 11.9% in 2011 to 3.4% in 2013. RBZ financial markets division head (Saburi A.) argued in the Herald newspaper (September 3, 2014) that, the liquidity constraints in the economy emanate from the deteriorating current account on the back of poor export performance against increased import demand. He also indicated that low Foreign Direct Investments (FDI) and portfolio inflows as well as low domestic savings due to low incomes and the general informalisation of economy were behind the liquidity challenges.

To improve the business environment in Zimbabwe, much remains to be done including addressing the key challenges that include policy inconsistency, funding constraints, corruption, inefficient government bureaucracy and inadequate infrastructure. Fiscal space also remains severely affected by poor performance of domestic revenue inflows against the backdrop of rising government expenditures. In addition, the country has not fully engaged with international development partners, leading to low capital inflows. In light of the
constrained fiscal space resulting from the multi-currency regime and the public debt overhang, the government has been forced to adopt a contractionary fiscal policy regime, (Monyau and Bandara, 2009).

According to the World Bank Report, (2010), the country’s external sector position remains precarious, with both the trade and current account balances remaining largely negative. This is due to rising imports against a backdrop of low export receipts. Import growth continues to be mainly dominated by fuel, chemicals, machinery and manufactured goods. As the manufacturing sector continues to struggle, domestic demand for consumption goods is being met by increased imports.

Total exports for the period January to November 2013 stood at USD 3.3 billion, which compares unfavorably against imports of USD 7.2 billion during the same period. The declining growth in exports is a reflection of the overall slowdown in real economic activity in the wake of endemic company closures.

### 2.3 Strategies to be implemented to overcome funding challenges

According to the Zimbabwe Strategic Economic Research and Analysis (SERA), 2011-2015, Zimbabwe’s government has been working to restore macroeconomic stability and boost economic growth since 2009. Significant progress has been made, but the country needs to consider structural reforms to increase growth and encourage trade, investment, and job creation.

Monyau and Bandara, (2009), acknowledge that, much need to be done in Zimbabwe to improve the business environment. The key challenges to doing business in Zimbabwe include policy inconsistency, funding constraints, corruption, inefficient government bureaucracy and inadequate infrastructure. While economic growth in Zimbabwe has been on an upward trend since 2009, it has significantly slowed down and remains fragile. Real GDP growth is underpinned by developments in key sectors, such as mining and agriculture.

Most African governments are increasingly looking to new sources of financing and partnerships. The private sector play a key role in driving economic development, often referred to as “engine of growth. Private sector development (PSD) has drawn the attention of the policy-makers in the developing world and the development community alike. In this context, the creation of a conducive business environment through business environment
reforms has been acknowledged as an important pre-requisite for unleashing a private sector response that leads to dynamic growth, and ultimately employment and income generation, (United Nations Industrial Development Organization, 2008).

In 2013, the government unveiled the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset, 2013-18) which has a number of positive elements, such as the adoption of results-based management and a clear implementation matrix. ZimAsset is underpinned on the provision of an enabling environment for sustainable economic empowerment and social transformation to the people of Zimbabwe”.

According to the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset, 2013-18), creating an enabling environment goes a long way in attracting investors and in an investor friendly environment and non-distorted domestic policy, foreign direct investment (FDIs)) brings in much needed capital, technical know-how, organizational, managerial and marketing practices and global production networks, thus facilitating the process of economic growth and development in host countries. In order for a country to be more attractive to investors, there is need to create an environment that lure investors

A sound infrastructure network and system plays a fundamental role in the socio-economic and sustainable development of Zimbabwe. To this end, Government need to rehabilitate, upgrade and develop the national power grid, road and railway network, water storage, supply and sanitation, buildings as well as ICT related infrastructure. Accordingly, the Infrastructural Development Bank of Zimbabwe (IDBZ) needs to be re-capacitated to enable it to strategically fulfill its mandate in infrastructural development.

Over and above the creation of a business friendly environment, it may be important for a potential host country to actively undertake investment promotion policies to fill in information gaps or correct perception gaps that may hinder FDI inflows. An investment promotion strategy must be geared towards image building activities promoting the country for investment.

National policy framework that promotes economic growth and sustainable development should be put in place. In addition, the country needs to pursue re-engagement and build coherent partnerships for resource mobilization towards supporting economic recovery and growth. The government of Zimbabwe published the PPP policy and guidelines in 2004 to promote economic growth through collaboration with the private sector in the provision of
infrastructure. The legal instrument required to support policy implementation were still in draft form.

2.4 Alternative Sources of Funding to overcome the funding challenges

2.4.1 Budgets

A budget is a plan expressed in monetary terms that quantitatively describe the entity’s future revenue and expenditure activities. A budget is used as a yardstick against which to measure actual revenue and expenditure against projected revenues and expenditures. A government budget, also known as the government’s Annual Financial Statement is a document which clearly presents the government's proposed revenues and expenditures for a financial period usually year that is often passed by the legislature, approved by the President and presented by the Finance Minister to the nation. This document estimates the anticipated government revenues and government expenditures for the ensuing (current) financial year with tax revenue as the basis the country or government revenue

According to government budgeting is the process of allocating the revenues and borrowed funds to priority areas for the attainment government objectives, that is the economic and social goals of the country. It also entails the management of government expenditures in such a way that will create the most economic impact from the production and delivery of goods and services while supporting a healthy fiscal position. Government budgeting is important because it enables the government to plan and manage its financial resources to support the implementation of various programs and projects that best promote the development of the country. Through the budget, the government can prioritize and put into action its plans, programs and policies within the constraints of its financial capability as dictated by economic conditions.

The Medium Term Plan highlighted that construction projects are mainly financed by the national budget. The treasury during the budgeting process approves the expenditure expected on all the government projects for the whole year. Funds are then released during the year to cover such expenditure. However, the designing and implementation of planned programmes and projects has been negatively impacted by inadequate funding due revenue constrains. The Medium Term Plan also highlighted that financing of the PSIP projects come from the country’s own local efforts through instilling a saving culture and development of
robust saving instruments such as the establishment of a national sovereign wealth fund which will manage the emerging resources from the mining sector. This was also augmented by the ZimAsset whose implementation is on the full exploitation and value addition to the country’s own resources.

The Government will mobilize funding from domestic resources, which are in abundance and readily available for full exploitation and utilization. The creation of the Sovereign Wealth Fund will be given priority under the Zimbabwe Sustainable for Socio-Economic Transformation plan to backstop and provide innovative funding and sustainability to government innovative funding. Additionally, government will continue to collaborate with all the development partners that have been rendering technical and financial support to various sectors of the economy, as well as pursuing investment vehicles such as PPPs.

Recapitalization of the IDBZ to enable it to strategically fulfill its mandate in infrastructure development is also of great importance. However, the government needs to undertake a number of fiscal reforms in order to improve on fiscal policy management and fiscal sector stability. In the medium term there will be a switch of expenditure from recurrent to capital and infrastructure development. Allocation of resources will be skewed in favor of capital expenditure over the plan period. An increase in capital expenditure from about 5% of GDP in 2011 to at least 8% of GDP is envisaged, (Herald newspaper- September 3, 2014)

2.4.2 Public Private Partnerships

According to the Federal Highway Authority (FHWA), (2009) an emerging strategy for public sector investment financing is known as Public Private Partnerships (PPPs). The term “Public- Private Partnership” describes a range of possible arrangements among public and private entities in the context of infrastructure and other services. PPPs may also be referred to as private sector participation (PSP) and privatization. PPPs present a framework that engages both the private and public sectors in ensuring that social obligations are met and successful sector reforms and public investment achieved.

Federal Highway Authority (FHWA), (2009) defined PPPs as contractual agreements between a public agency and a private sector entity that allow for greater private sector participation in the development of infrastructure and projects’ implementation. They (PPPs) typically involve significant participation by both sectors and take into account the on
objectives of each sector. They have been successfully implemented in a number of states and around the world, notably in Europe and Australia.

According to the Zimbabwe national Chamber of Commerce (ZNCC), (2009), PPPs offer both strategic and operational choices to Government. Strategically, the use of PPP drives economic growth by developing new commercial opportunities and increasing competition in the provision of public services and attracting private and foreign Direct Investment inflows, thus encouraging crowding-in of private and/or foreign investment. At the same time, it allows Government to formulate Public Private Partnership Policy Statement and strategy aimed at regulating the economic activities, while leaving service delivery to the private sector. Operationally, PPPs provide opportunities for efficiency gains (better quality and more cost-effective delivery of services), better asset utilization, clearer customer focus (since payments are typically linked to performance rather than service inputs), and accelerated delivery of projects.

Zimbabwe’s infrastructure requires massive capital injection following years of under-investment. In view of the funding constraints the Government is therefore keen to unlock the massive funding potential of PPPs in support of the public infrastructure rehabilitation and development programme. According to ZNCC, (2009), Zimbabwe has implemented 3 major PPP projects namely the Beitbridge Railway (BBR), the New Limpopo Bridge and the Newlands By-Pass. These projects should provide valuable lessons that should help shape future policy and legislative framework for PPPs in Zimbabwe. While The Newlands Bypass provides a good example of a well executed PPP project there are concerns regarding the high tariffs levied by the NLB and BBR operators and also poor maintenance of the infrastructure, (ZNCC, 2009).

PPPs provide an opportunity for breaking inefficient state monopolies in the provision of public services and also attract the much needed foreign direct investment into the national economy. PPPs create opportunities for the development of small and medium indigenous entrepreneurs through partnerships with well resourced large companies in PPP projects.

However, a number of factors were observed as limiting the uptake and investor interest in PPP projects and the key issues identified include the long term uncertainty regarding the political environment and the absence of appropriate legal framework to guide development of PPP projects in Zimbabwe. Jenifer et al, (2014), argues that, Public-Private Partnerships
are increasingly seen as a mechanism to develop infrastructure on a cost effective and sustainable basis. Investing in a country’s physical infrastructure can contribute to economic growth, improve human welfare and has considerable potential for directly reducing poverty through employment creation and access to critical public services at a low cost. This can only be possible when PPP deals are structured within a transparent framework and proper due diligence done in project feasibility.

Jenifer et al, (2014), also acknowledges that, a sound PPP arrangement clearly defines and allocates tasks, obligations, and risks among the public and private partners in an optimal way. The public partners in a PPP arrangement are government, government owned or government controlled entities including Ministries, departments, and municipalities. Effective PPP arrangement recognizes that the public and private sectors each have certain advantages, relative to the other, in performing specific tasks. The government’s contribution to a PPP may take the form of capital for investment (available through tax revenue), a transfer of assets, or other commitments that support the partnership. The private sector’s role in the partnership is to make use of its expertise in commerce, management, operations and innovation to run the business efficiently. The private partner may contribute investment capital depending on the form of the contract.

The private sector is plays an important role in providing and financing services that were traditionally the domain of public sector. One of the key reasons is that governments are unable to cope with the ever-increasing demands on their budgets. Most infrastructure expenditures in developing countries were predominantly funded directly from fiscal budgets but several factors such as macroeconomic instability and growing investment requirements have shown that public financing is inadequate and, in many countries, rarely meet crucial infrastructure expenditure requirements in a timely and adequate manner (Honiara, Solomon Islands Forum Economic Ministers Meeting. 2006.

According to Luiz, (2010), physical infrastructure development in the areas such as roads, transportation, housing and human capital can play an important role in promoting economic growth and development. However, the development of sound infrastructure system by many governments have been hampered by inadequate funding with governments facing an ever-increasing challenge to find sufficient financing to develop and maintain infrastructure required to support growing populations. They are challenged by the demands of increasing urbanization, the rehabilitation requirements of aging infrastructure, the need to expand
networks and the goal of reaching previously unserved and undeserved areas. Furthermore, infrastructure services are often provided at an operating deficit, which is covered only through subsidies, thus constituting an additional drain on public resources.

Combined with most governments’ limited financial capacity, these pressures drive the desire to mobilize private sector capital for infrastructure investment. Structured correctly, PPPs may be able to mobilize previously untapped resources from local, regional, or international private sector seeking investment opportunities. Implementing a specific PPP transaction often forces concrete reform steps to support the new allocation of sector roles such as the passage of laws and establishment of separate regulatory bodies. In essence, re-examination of the regulatory and policy arrangements is critical to the success of a PPP project, (African Development Bank Report, 2010).

Public Private Partnerships (PPPs) play an important role in infrastructure development and governments across the world are increasingly embracing the use of (PPPs) to deliver infrastructure services. The benefits for the use of PPPs are the need to buffer public finances with investment from the private sector, in order to create or refurbish infrastructure assets. Public-Private Partnerships (PPPs) have emerged over the last decade as one of the best ways to foster development, fuelled by insufficient investment, growing pressures on government budgets and a general concern about service provision by state enterprises and agencies.

At present serious constraints exist in many African countries ranging from inadequate legal and regulatory framework for PPPs; lack of technical skills to manage PPP programmes and projects; unfavorable investor perception of country risk, Africa’s limited role in global trade and investment, and limited infrastructure. In order for more successful PPPs to emerge in African countries, they need to create an enabling business environment.

The African Development Bank is encouraging African countries to create the necessary legal and regulatory framework for PPPs; as well as facilitating networking and sharing of experience among regulatory agencies and other similar organizations.

According to Kong (2012) PPPs are not recent inventions and were first introduced in the United Kingdom in 1992 in the form of Private Finance Initiatives (PFI) as a way of procuring public infrastructure by getting the private sector to finance, build and operate the infrastructure. Over the past decades, PPPs have gained popularity with governments as a
means of procuring public sector infrastructure. Since its introduction, PFI has been the
government preferred method of public infrastructure procurement. Governments or countries
use PPPs to bridge the funding gaps for projects, that is, the government does not have to
wait for National Treasury to be filled with reserves before it embarks on its development
programmes.

Many other countries have also used PPPs to bridge the government funding gaps for
projects. Australian state governments, for example, started on their individual state PPP
programmes in early 1990s and early 2000s. Public Private Partnerships were initially used
primarily for tolled roads but since moved on to fund social infrastructure like schools and
hospitals. According to Kong (2012), today Australia use PPPs to fund more that 10% of its
total annual infrastructure investment. In Southern Africa, South Africa and Lesotho have
used PPPs successfully to implement many of their hospital projects. South Africa has one of
the most developed PPP legal frameworks in the Southern African region (SADC), whereby
the national and provincial government PPP is regulated by the 1999 Public Finance
Management Act (PFMA) and Treasury Regulation 16 (issued in terms of the PFMA).

CASE STUDY: MAPUTO DEVELOPMENT CORRIDOR (MDC), MOZAMBIQUE

The N4 Toll Road from Witbank to Maputo

Mozambique did not have money to improve and maintain its portion of the N4 highway or
to rehabilitate the port and the railway line damaged during the civil war. South Africa also
faced the same problem in 1997 arising from accrued backlog on road infrastructure
development amounting to ZAR 37 billion. South Africa and Mozambique signed a 30-year
concession for a private consortium, TransAfrican Concessions. The N4 was financed from
20% equity and 80% debt. The 3 construction companies contributed part of the capital with
the rest being contributed by other investors. The debt investors included 4 South African
major banks. Source- Zimbabwe National Chamber of Commerce Report

2.4.3 Foreign direct investment
Most African countries are challenged by acute shortage of funds to meet their infrastructure
investment needs attributable to low levels of private savings that these countries face.
According to Gwenhamo (2009), The United Nations Conference on Trade and Development
UNCTAD) estimated that in order to reach a sustainable economic growth of 6% per annum,
the domestic rate levels in Sub-Saharan Africa (SSA) region have to increase to about 25%
from the levels reached during the 1990s of less that 20%. Foreign capital inflows are therefore considered important in bridging the domestic resource gap in these countries. It is then often advised that developing countries and emerging economies should direct their efforts towards attracting FDI, which is seen as an important vehicle of technical progress.

The growth-enhancing effects of FDI, however, depend on the absorptive capacity of the recipient country, which in turn depends on educational levels and the development of the financial markets, among other factors. In his 2013 Mid Year fiscal Policy Statement, Biti highlighted that, while domestic investment was primarily limited by the liquidity challenges prevailing in the economy, FDI were mainly constrained by the political climate as well as the indigenization and economic Empowerment Regulations, all of which are investor unfriendly.

Foreign Direct Investment (FDI) plays an important role in global business and as such attracting foreign direct investment has become a central component of industrial policy in developed and developing countries across the world. According to the International Monetary Fund, foreign direct investment, commonly known as FDI, “refers to an investment made to acquire lasting or long-term interest in enterprises operating outside of the economy of the investor.” The investment is direct because the investor, which could be a foreign person, company or group of entities, is seeking to control, manage, or have significant influence over the foreign enterprise.

FDI is a major source of external finance which means that countries with limited amounts of capital can receive finance beyond national borders from wealthier countries. Foreign direct investment (FDI) plays an extraordinary and growing role in global business. It can provide a source of new technologies, capital, processes, products, organizational technologies and management skills, and as such can provide a strong impetus to economic development.

In the past decade, FDI has come to play a major role in the internationalization of business. The most profound effect has been seen in developing countries, where yearly foreign direct investment flows have increased from an average of less than $10 billion in the 1970’s to a yearly average of less than $20 billion in the 1980’s, to explode in the 1990s from $26.7 billion in 1990 to $179 billion in 1998 and $208 billion in 1999 and now comprise a large portion of global FDI. Driven by mergers and acquisitions and internationalization of
production in a range of industries, FDI into developed countries rose to $636 billion, from $481 billion in 1998 (Source: UNCTAD)

The FDI in construction development projects of India attracted US $1.5bn in the financial year 2011-2012. The latest Foreign Direct Investment policy of India, allows up to 100% investment under built-up infrastructure and construction-development projects.

According to http://www.property.ezinemark.co (07.09.2014 at 15.46) there are many projects in the major cities in India that are FDI funded. For example Gurgaon city is coming up with many FDI funded projects such as Crescent Park in sector 92, Spire Edge on the Gurgaon Manesar. Foreign direct investments are an important element of economic development in all countries especially in the developing countries. They are often regarded as generators of employment, high productivity, competitiveness and technology spill overs. They also results in higher exports, access to international markets and international currencies being an important source of financing.

According to www.slideshare.net, (21.09.14 at 13.25) foreign direct investment refers to acquisition of long term influence in the management of a firm in another country. Developing economies should develop and implement industrial policies that encourage and promote foreign direct investment (FDI) whose objective is to bridge the gaps in investment requirements, and to facilitate inflows of innovation know-how. To increase the inflow of FDI, governments must facilitate innovation initiatives among local enterprises that attract foreign partners to participate in business ventures either as investors or suppliers of technology. But with intense competition for such investments from new emerging economies, governments of developing countries need to put in place investment regulations with fewer ownership restrictions, or to impose no restrictive measures.

2.4.4 Built Operate Transfer

According to the Forum Economic Ministers Meeting (2006), BOT is a terminology for a model or structure that uses private investment to undertake the infrastructure development that historically been undertaken by the public sector. In a BOT project, a private company is given a concession to build and operate a facility that would normally be built and operated by the government. The private company is also responsible for financing and designing the project. At the end of the concession period, the private company returns ownership of the project to the government. The concession period is determined primarily by the length of
time needed for the facility’s revenue stream to pay off the company’s debt and provide a reasonable rate of return for its effort and risk. The BOT approach has in recent years played a growing role in the implementation of industrial and infrastructure projects such as toll roads, water supply and treatment facilities in both industrialized and developing countries. They are designed and implemented as PPP arrangements.

In recent years, a growing trend emerged among governments in many countries to solicit investments for public projects from the private sector. The main reason for this trend is a shortage of public funds and a hands-off approach of government agencies. The BOT approach is an option for the government to outsource public projects to the private sector. With BOT, the private sector designs, finances, constructs and operates the facility and eventually, after a specified concession period, the ownership is transferred to the government. Therefore, BOT can be seen as a developing technique for infrastructure projects by using private initiative and funding. Such infrastructure projects include a wide array of public facilities with the primary function to serve public needs, to provide social services and promote economic activity in the private sector.

According to http://www.easts.infor (09.09.14 at 16.30) in the BOT approach, the government grants a private sector the rights to finance develop and operate revenue producing toll road for a defined time period after which the facility is transferred back to the government.

In developing countries, where often the owner does not have enough finances to carry out the infrastructure development projects, the BOT can provide the unique opportunity to assist both the financier and the owner. BOT is an option for financing the infrastructure and boost the economic growth of the country without direct utilization of government finances.

The acronym BOT is often used interchangeably with BOOT or build-own-operate-transfer. Variants include BOO (build-own-operate without any obligation to transfer; BT (build and transfer; BLT or BRT (build-rent or lease and transfer); BTO (build-transfer and operate); DBFO (design, build, finance and operate); and DCMF (design, construct, manage and finance
Table 2.1: BOT and its variants

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<th>BOT PROJECT TYPE</th>
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| BOOT                      | • The private sector is often responsible for the design, construction, finance, operation, maintenance and commercial risks associated with the project,  
                            | • The service provider owns the project throughout the concession period,       |
|                           | • At the end of the term, the asset is transferred back to the government usually at no cost. |
| BUILD Own Operate (BOO)   | • BOO projects are similar to the BOOT type but the service provider retains ownership of the asset in perpetuity,  
                            | • The government only agrees to purchase the services produced for a fixed length of time. |
| Design Build Operate (DBO)| • A design and construction contract linked to an operation and maintenance contract,  
                            | • The service provider is usually responsible for financing the project during construction,  
                            | • The government purchases the asset from development for a pre-agreed price prior to (or immediately after) commissioning and takes all ownership risks from that time. |
| Lease Own operate (LOO)   | • Similar to BOO projects but an existing asset is leased from government for a specified time,  
                            | • The asset may require refurbishment and or expansion. |

Source: Forum economic minister meeting Report- 2006
2.4.5 Government employee Housing Scheme

According to the Queensland Government Accommodation Office Department of Public Works report (2006), Government Employee Housing Scheme was developed to address inefficiencies with regard to property management of government total asset housing base, and resolve inconsistencies and inequalities in the conditions of employment between government employees. The objectives of the Scheme are to:
support the transfer and retention of staff with required skills and qualifications to locations dictated by service delivery needs, ensure the provision of housing in those areas where there is a recognized shortfall in private rental accommodation, provide a standard of accommodation that is commensurate with local community standards and established policy guidelines, and manage the Government’s employee housing assets so that it can operate on a financially viable basis and attain a level of self-sufficiency. The department of Agritex still needs to partner with the private sector, including financial institutions such as CBZ with their CBZ Mortgage Finance to effectively implement the scheme.

2.5 Summary
This chapter reviewed the literature related to the funding of Public Sector Investment Programmes (funding of projects) and the impact of underfunding thereof, causes of the inadequate financial resources, strategies to overcome the challenges caused by insufficient financial resources and to make recommendations on other sources of funding. The basic structure of the literature reviewed followed the sub research questions set out in chapter 1.
CHAPTER 111

RESEARCH METHODLOGY

3.0 Introduction

According to Kumar (2008), research methodology refers to the tools and techniques which will be used to obtain and analyze data. The researcher seeks to explore methods and techniques that were used in collecting the data and information to carry out the study. In analyzing the data and information there will be research instruments used in order to address the study objectives outlined in the review of literature. This chapter is divided into research design, research instruments, data collection procedures, data presentation and analysis plans used in the research and ends with a summary.

3.1 Research Design

A research design is a written plan for a study which communicates the researcher’s intentions, the purpose of the study and the importance, together with a step by step plan for conducting the study, (Kumar, 2008). According to Kumar (2008), a research design is an arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The research design is thus a plan for the entire research study, which gives a framework of the research’s plan of action. A research design is concerned with the systematic collection, presentation and analysis of data and its function is to help obtain clear and meaningful solutions to problems. The function of a research design is to provide for collection of relevant evidence with minimal expenditure of effort, time and money. The researcher used the triangulating method that will be using both qualitative and quantitative methods. The purpose of triangulating is so that disadvantages associated with each methodology are reduced whilst increasing the benefits.

3.1.1 Descriptive Survey

According to Saunders et al (2009), descriptive survey is a method which looks with intense accuracy at the phenomena and describes precisely the observations. The object of descriptive research is to portray an accurate profile of the persons, events and or situations, Robson (2005) in Saunders (2009). It is necessary to have a clear picture of the phenomena
on which the researcher wishes to collect data prior to the collection of data. Questionnaires and interviews are the two methods used to collect data in a descriptive research strategy. The method permits the researcher to study more variables at one time and is typically possible in laboratory or field experiments, whilst data can be collected about real world environments.

However, with descriptive research it is difficult to realize insights relating to causes of or processes involved in a phenomena being measured. There is an element of bias with this survey method such as the possibly self-selecting nature of respondents, the time when the survey is conducted and in the researcher through the research design itself.

### 3.1.2 Case Study

Robson (2005) in Saunders (2009) defined a case study as a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence. Case study attempts to describe relationships that exist in reality, and according to Saunders (2009), a case study is of particular interest to the researcher who wish to gain a rich understanding of the context of the research or process being measured. According to Kato (2008) a case study is probably the best method which is available for collecting original data.

The main disadvantage of case studies is that they are limited to the duration of the event and hence, past events cannot be observed yet they might contain important information necessary for positive conclusions and recommendations of the research study.

### 3.2 Qualitative Research

Qualitative research seeks to understand a phenomenal by focusing on a total picture rather than breaking it into variables. The qualitative, interpretive, or naturalistic research paradigm defines the methods and techniques most suitable for collecting and analyzing data, (Shararm and Merriarn, 2009). They also argued that qualitative inquiry focuses on meaning in context and requires data collection instruments that are sensitive to underlying meaning when gathering and interpreting data collected. Leedy (2010) said qualitative research encompasses several approaches that are in some respects, quite different from the other. Yet all qualitative have two things in common. Firstly they focus on phenomena that occur in natural settings, that is, in real world, and secondly they involve studying those phenomena in their complexity.

In this study a qualitative research design was used to analyze the possible ways of bridging the funding gap of public sector investment projects on staff housing by the department of
Agritex. The use of the design is cost effective hence the researcher chose to use it. Kumar (2008) concurred that qualitative research is concerned with qualitative phenomena that is phenomenon relating to, or involving quality. Motivation research is an important type of qualitative research. This type of research, aims at discovering the underlying motives and desires, using in-depth interviews for a purpose.

### 3.3 Quantitative Research

Quantitative research, the dictionary meaning state that it is;

“Relating to quantity: relating to, concerning, or based on the amount or number of something measurable; capable of being measured or expressed in numerical terms based on length of syllables: relating or belonging to a system of poetic meter based on the length of syllables rather than on stress”.

Quantitative research is based on the measurement of quantity or amount. It is applicable to phenomena that can be expressed in terms of quantity, (Kumar, 2008). According to Shararm and Merriarn, (2009), quantitative method of research involves the objective measurement and analysis of data with the aim of establishing the relationship between independent and dependent variables.

### 3.4 Population

Kumar (2010) defined population as the total members of a defined class of people selected because they are relevant to the research. Kumah (2008), argues that there are two types of population namely, the target population (reference population which an investigator wishes to draw a conclusion) and study population (population sampled). According to Cooper and Scheindler (2010) target population refers to any group of individuals that have one or more characteristic in common that is of interest to the researcher. The term population is used to mean the set of elements of interests under consideration for a particular study.

#### 3.4.1 Representative/ Target Population

The most important aspect of probability sample is that, it represents the population. According to Saunders (2009), a perfect sample is one that exactly represents the population from which it is taken. The researcher’s population will consist of forty four (44) members from the accounts section, human resources, administration, and Technical and Field services.
3.5 Sampling

Wheeler and Holloway (2010) defined sampling as the purposeful selection of an element of the whole population to gain knowledge and information. Qualitative researchers use sampling to select a wide variety of data sources. People might be sampled for interviews or observations, and times or places for observations might also be sampled. Parasuraman et al (2008) defined sampling as a fraction of the total number of units of interest to the researcher for the ultimate purpose of being able to draw general conclusions about the entire population. Kothari (2009) also concurred by defining sampling as the selection of some part of an aggregate or totality on the basis on which judgment or conclusion can be made. It is the process of selecting what data to gather. There are basically two broad types of probability sampling: random (also called probability) and non random (non probability) sampling. The researcher used purposive or judgmental sampling method in the selection of top management and considered five (5) management personnel at Agritex.

3.5.1 Sample Size

According to Saunders (2007), a sample is a group selected from a large population with the aim of yielding information about the population as a whole. Burns et al (2007), acknowledges that a sample is part or fraction of a whole, or subset of a larger set selected by the researcher to participate in the research project. According to Kothari (2009), samples can be either probability or non probability. Fraekel et al (2008) described sample as an infinite part of statistical population whose properties were studied to gain information about the entire population. Saunders (2007) further noted that the correct sample size in a study is dependent on the nature of the population to be sampled. The larger the sample size, the lower the likely error in generalizing to the population.

For some research questions, it is possible to collect data from the entire population as it is of a manageable size. However, the researcher should not assume that a census would necessarily provide more useful results than a sample which represents the entire population. Sampling provides an alternative to a census when;

- It would be impracticable for the researcher to survey the entire population,
- The budget constraints prevents the researcher from surveying the entire population,
- Time constraints prevent the researcher from surveying the entire population.

Sampling also saves time when there is an important consideration and the researcher has tight deadlines.
3.5.2  Non Probability Sampling

The probability of each case being selected from the total population is not known and it is impossible to answer research questions and achieve research objectives that require the researcher to make statistical inferences about the characteristics of the population.

3.5.2.1 Purposive/Judgmental Sampling

According to Saunders (2009), purposive or judgmental sampling allows the researcher to use judgment to select cases that will best enable him to answer the researcher questions and to meet the objectives. This form of sampling is often used when working with very small samples such as in case study research and when the researcher wishes to select cases that are particularly informative.

3.6  Sources of Data

Types and sources of research before collecting data is important to understand the type of research the data supports. There are two main sources of data which are primary and secondary sources, (Best 2009). Whether data are primary or secondary is determined by whether they originated with specific study in consideration or not. The researcher was able to obtain both primary and secondary data.

3.6.1  Primary data

Primary data is defined as data that are collected for a specific purpose from original sources. They are usually collected when it has been found that secondary data are inadequate to answer the research question, (Sumathi and Saravanavel 2009). According to Richa et al (2012), primary data are first hand information collected through various methods such as observation, interviewing and through questionnaires. Saunders (2009) defined primary data as data collected specifically for the current study.

The advantages of primary data to the researcher were primary data addresses specific research issues as the researcher controls the research design to fit their specific needs. It also enables the researcher to have a high control over how information is collected. Basing on
these facts, the researcher can decide on such requirements as the size of project, time frame and goal.

However primary data had the following disadvantages to the researcher, as compared to secondary research. Primary data can be very expensive to prepare and carry out the research. Costs can be incurred in producing the paper for the questionnaire or the instrument for an experiment. In order to be done properly, primary data collection requires the development and execution of the research plan. It takes long to acquire primary research than acquire secondary data. For some research projects, while potentially offering information that could prove quite valuable may not be within the reach of a researcher therefore by time of completing research it might be out of date.

### 3.6.2 Secondary data

Saunders (2009) defined secondary data as data that have been collected for some other purposes. This includes both raw data and published summaries and the data can provide a useful source from which to answer, or partially answer the research questions. The main advantage of using secondary data is the enormous saving of resources, in particular the researcher’s time and money. Ghaun and Gronhang (2005) in Saunders (2009), states that it is much less expensive to use secondary data than the researcher collecting data himself.

**Disadvantages of secondary data**

Secondary data refers to data that have been collected for some other purposes., However the data collected for a purpose may not match the researcher’s need, and also access may be difficult and costly. There is no real control over data quality, while the initial purpose may affect data presentation.

### 3.7 Data Collection Instruments

Russo (2008) defined data collection instruments as tools such as questionnaires, tests, checklists, surveys and scales that systematically gather data about individuals, groups or entire organizations. According to Oppenheim (2009), research instruments are tools for collecting data needed to find solutions to the issues under investigation. The researcher used questionnaires and interviews as the research instruments. The questionnaire was developed under the Rensis Likert scale with end points being strongly agree and strongly disagree.
3.7.1 Questionnaires
A questionnaire was defined as a document that asks the same questions to all the participants in the population, (Gall and Bard 2008). According to Leedy (2010), a questionnaire is an instrument for observing data beyond the physical reach of the observer. A questionnaire is a set of specific questions for specific individuals mailed to respondents who are required to provide answers on spaces provided. According to Saunders (2009), questionnaire refers to a general term used to include all techniques of data collection which each person is asked to respond to the same set of questions in a predetermined order.

3.7.2 Type of Questions
Survey questions are classified into two, categories namely closed ended questions and open ended questions. In this research closed ended questions were used.

3.7.3 Open Ended Questions
According to Saunders (2009), open ended questions allow participants to define and describe a situation or event. An open question is designed to encourage the interviewee to provide an extensive and developmental answer, and may be used to review attitudes or obtain facts. It encourages the interviewee to reply as they wish.

3.7.4 Probing Questions
These may also be used to explore responses that are of significance to the research topic. Probing questions may be used to seek explanations were the researcher do not understand the interviewee’s meaning or were the response does not reveal the reasoning involved, Saunders (2009).

3.7.5 Specific and Closed Questions
These questions are similar to those used in structured interviews. They can be used to obtain specific information or to confirm a fact or opinion. According to Jackson (2011), closed ended questions are those questions the respondents are required to choose from a limited number of alternatives provided and includes all possible answers that best represent the alternative provided.

3.8 Interview
An interview, according to Saunders et al (2009) is purposeful discussions between two or more people which can help the researcher gather valid and reliable data that are relevant to the researcher’s questions and objectives.
3.9 Data Analysis

Data analysis and presentation is useful to the researcher to prove a point. According to Assam (2012), data analysis is the process in which ideas are converted to sensible data, and data is used to change ideas. Schindler & Cooper (2011) indicated that data analysis is a process which encompasses the reduction of accumulated data into manageable size through developing summaries, patterns, data cleaning and application of statistical techniques, and suggesting conclusions and supporting decision making.

3.10 Data presentation

Taylor, Reynolds and Brown (2009) defined data presentations as techniques that are used to illustrate the data gathered. The data will be collected using questionnaires and interviews and the collected data will be consolidated, analyzed and will be presented in the form of pie charts, tables, graphs and summaries.

3.11 Summary

The researcher used primary data and secondary data through questionnaires, interviews in conducting the project. The researcher administered the research instruments to a selected sample from which the information was derived. Data was consolidated and is to be presented and interpreted in the next chapter.
Chapter IV

DATA PRESENTATION AND ANALYSIS

4.0 Introduction
Data analysis is the ordering and structuring of data to produce knowledge. The purpose of data analysis and presentation is to supply evidence which proves claims that research can bring change. This chapter looks at presentation of the research findings based on data from the respondents, that is, it seeks to analyze, present and interpret data collected through questionnaires, interviews and observations. The data is analyzed and presented with the aid of tables, pie charts and graphs, as well as brief explanations.

4.1 General information and demographics of questionnaire respondents
This section will explore response rate, gender and age of respondents.

4.1.1 Response rate
Response rate is the total number of people participating in the research divided by the number of people who are asked to participate, Babbie (2009). It is given in the form of a percentage. The higher the response rate reduces the chances of bias response. The response rate determines reliability of the results collected and is an indicator of how much confidence can be placed on the research results.

4.1.2 Questionnaire response rate
Questionnaire was the main research instrument used to collect primary data. According to Sivo et al (2006), questionnaires are relatively easy to administer and efficiently gather large amounts of data at low costs. A total of 45 questionnaires were distributed to Agritex head Office staff and 39 (86.67%) out of 45 respondents completed and returned them. The table below summarizes the questionnaire response rate.

<table>
<thead>
<tr>
<th>Table 4.1: Questionnaire response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>
The questionnaires returned from Agritex staff were 39 out of 45 respondents representing 86.67% and the response rate was good enough to reach generalized conclusions. Babbie (2009), suggested that a response rate of 60% is good while 70% and above is very good.

**Questionnaire responses**

4.1.2 Gender

The study explored the gender of respondents with the aim of finding out whether gender outcome had and influence on the study. Table 4.2 below demonstrates the findings.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>21</td>
<td>54%</td>
</tr>
<tr>
<td>Female</td>
<td>18</td>
<td>46%</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>100%</td>
</tr>
</tbody>
</table>

The findings demonstrate that 54% of the respondents were males while 46% were female respondents giving a higher percentage of males than females.

4.1.3 Age of respondents

The study explored the age of respondents with the view of finding the impact of age on the outcome of the study. Table 4.3 below demonstrates the findings;

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-25</td>
<td>15</td>
</tr>
<tr>
<td>26-35</td>
<td>12</td>
</tr>
<tr>
<td>36-45</td>
<td>5</td>
</tr>
<tr>
<td>46 and above</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
</tr>
</tbody>
</table>
The findings on table 4.3 and Figure 4.3 above demonstrate that 38% of the respondents were between the age of 20-25, 31% between 26-35 years, 13% of the respondents were between 36-45 while 18% were above the age of 46. Krainner (2006) suggested that one demographic factor particularly significant is age. The information above indicated that most of Agritex personnel are still in the middle age group and understood the importance of research. The researcher noted that the respondents showed overwhelming commitment to be part of the research study.

4.1.4 Marital Status

Table 4.4 Marital Status of respondents

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>16</td>
</tr>
<tr>
<td>Married</td>
<td>18</td>
</tr>
<tr>
<td>Divorced</td>
<td>3</td>
</tr>
<tr>
<td>Widowed</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
</tr>
</tbody>
</table>
The findings on figure 4.4 above demonstrate that there were 18 (46%) married respondents, followed by 16 (41%) single respondents and divorced and widowed represented by 3 (8%) and 2 (5%) respectively. Though variances existed, they would not compromise the objective of the study since decent accommodation remains a basic need for everyone regardless of marital status.

4.1.5 Level of education

Table 4.5 Level of education

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>4</td>
</tr>
<tr>
<td>Diploma</td>
<td>11</td>
</tr>
<tr>
<td>Degree</td>
<td>20</td>
</tr>
<tr>
<td>Professional</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
</tr>
</tbody>
</table>
Figure 4.5  Level of education

![Level of Education Chart]

Figure 4.5 highlights that the respondents consist of 4 (10%) certificate holders, 11 (29%) Diploma holders, 20 (51%) degree holders, and 4 (10%) professional qualifications. The researcher explored the qualifications of study respondents in view to finding out if appropriate personnel were in the appropriate positions. However, housing was found to be a key determinant for attracting and retaining skilled and professional staff especially in remote conditions, Mackenzie (2007).

4.1.6  Post held in the organization

**Table 4.6  Post held in the organization**

<table>
<thead>
<tr>
<th>Post Held</th>
<th>Number</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources Officers</td>
<td>6</td>
<td>15%</td>
</tr>
<tr>
<td>Accountants</td>
<td>7</td>
<td>18%</td>
</tr>
<tr>
<td>Administration Officers</td>
<td>4</td>
<td>10%</td>
</tr>
<tr>
<td>IT Specialists</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Extension Specialists</td>
<td>21</td>
<td>54%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Table 4.6 demonstrates that the department of Agritex has experienced staff in various positions while housing remains an important tool to retaining skilled staff in the organization. In spite of the percentages most employee are motivated to stay with the
organization by the benefits attached to the posts they hold in the organization. However, housing remains a priority for everyone regardless of the post or experience.

### 4.1.7 How long have you been in the Organization?

#### Table 4.7 Period with the Organization

<table>
<thead>
<tr>
<th>Period</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5 years</td>
<td>19</td>
</tr>
<tr>
<td>6-10 years</td>
<td>9</td>
</tr>
<tr>
<td>11-20 years</td>
<td>6</td>
</tr>
<tr>
<td>21 and above</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
</tr>
</tbody>
</table>

The research explored experience of the respondents as demonstrated by Figure 4.6. The researcher discovered that some personnel had experience in their current positions though the percentages were low, represented by 9 (23%), 6 (15%), and 5 (13%). The study noted that 51.28% of the respondents had more than 6 years of experience while 48.72% represents
the percentage of those respondents with 5 years or less. The findings demonstrate that Agritex staff had sufficient experience to implement an effective funds management system.

4.1.8 Do you live in government house?

Table 4.8 Number in Government Houses

<table>
<thead>
<tr>
<th>Government House</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>11</td>
</tr>
<tr>
<td>No</td>
<td>28</td>
</tr>
</tbody>
</table>

Figure 4.8 Number in Government Houses

Figure 4.8; demonstrate that of the 39 respondents, 11/39 (28.21%) live in government houses while the other 28/39 (71.79%) live in private accommodation. The researcher noted that only 28.21% of the respondents live in government houses and there is a 71.79% backlog in terms of providing staff accommodation. The 71.79% represent a critical shortage of staff accommodation. The information demonstrated by Figure 4.8 above was also supported by secondary data from the Permanent Secretary’s Annual report as highlighted in the Table.
Table 4.9  Housing Situation in the 8 provinces

<table>
<thead>
<tr>
<th>Province</th>
<th>No. in Gvt. Houses</th>
<th>No. in Pvt Houses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masvingo</td>
<td>370</td>
<td>475</td>
</tr>
<tr>
<td>Matabeleland South</td>
<td>154</td>
<td>338</td>
</tr>
<tr>
<td>Matabeleland North</td>
<td>150</td>
<td>89</td>
</tr>
<tr>
<td>Midlands</td>
<td>287</td>
<td>650</td>
</tr>
<tr>
<td>Mashonaland West</td>
<td>210</td>
<td>444</td>
</tr>
<tr>
<td>Mashonaland Central</td>
<td>243</td>
<td>475</td>
</tr>
<tr>
<td>Mashonaland East</td>
<td>239</td>
<td>430</td>
</tr>
<tr>
<td>Manicaland</td>
<td>352</td>
<td>546</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2005</strong></td>
<td><strong>3447</strong></td>
</tr>
</tbody>
</table>

Figure 4.9  Housing Situation in the 8 provinces

Out of 5452 employees, 2005 occupy staff accommodation while 3447 are private accommodation representing a 63.22% back log in terms of providing accommodation to Agritex employees. There is 8.78% difference between the secondary data and the information obtained through questionnaires. Despite of the difference, there is a shortage of staff accommodation.
4.1.9 Housing plays an important role in economic growth and development.

Table 4.10 Importance of Housing

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>7</td>
</tr>
<tr>
<td>Agree</td>
<td>28</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
</tr>
</tbody>
</table>

Figure 4.10 Importance of Housing

Figure 4.10; demonstrate the importance of accommodation to economic growth and development. The findings highlighted that 90% of the respondents understand the importance of housing or accommodation to economic growth and development. Out of the 39 respondents 18% strongly agree, 72% agree while the remaining 10% disagree. However as stated by Moyo (2014), housing has a bearing on economic growth and shelter is an important basic need in all societies. It is an essential component of the foundation needed by every individual to participate fully in society.
4.2.0 Department of Agritex fully accommodates its staff.

Table 4.11 Department of Agritex fully accommodates its staff.

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>0</td>
</tr>
<tr>
<td>Agree</td>
<td>14</td>
</tr>
<tr>
<td>Disagree</td>
<td>21</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
</tr>
</tbody>
</table>

The study noted that out of the 39 respondents, 64% highlighted that the department of Agritex does not fully accommodate its staff especially extension staff who were deployed during the land reform program. Some of them stay in inappropriate shelter.

4.2.1 There is no critical shortage of staff housing especially for Extension staff in districts.
Table 4.12  Housing situation-II

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>1</td>
</tr>
<tr>
<td>Agree</td>
<td>12</td>
</tr>
<tr>
<td>Disagree</td>
<td>19</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>7</td>
</tr>
</tbody>
</table>

The table and Figure 4.11; explore the housing situation where 26 (67%) of the respondents highlighted that there is a critical shortage of staff housing. The researcher noted that, this has a bearing on staff morale, while shelter has been noted as an essential component of the foundation needed by every individual to participate fully in society.
4.2.2 Adequate funding has been availed towards construction of staff houses.

Table 4.13 Adequate funding availed

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>3</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
</tr>
<tr>
<td>Disagree</td>
<td>10</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
</tr>
</tbody>
</table>

Figure 4.13 Adequate funding availed

This section explores funding of projects in terms of adequacy of financial resources. Figure 4.12 demonstrates that despite some funds having been availed towards construction of staff houses they were inadequate to fully implement the housing project. Out of 39 respondents 32 (82%) highlighted that funds availed towards projects were inadequate posing some challenges such as delays to non completion of projects due to insufficient funding.
4.2.3 Housing loans have been availed to Agritex for construction of staff houses

### Table 4.14  Housing loans

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Agree</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Disagree</td>
<td>17</td>
<td>44%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>22</td>
<td>56%</td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td><strong>39</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Figure 4.14 Housing loans**

Figure 5.4 demonstrates that no loans have been availed to the department of Agritex towards construction of staff houses. Financial institutions such as CBZ, CABS, FBC among others can provide loans for building or buying houses, commercial properties, property investments and other property infrastructure. Loans are extended to individuals directly or indirectly through employer assisted schemes, companies and other corporate bodies.
4.2.4 The department has an efficient funds management system.

Table 4.15 Funds Management System

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>0</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
</tr>
<tr>
<td>Disagree</td>
<td>11</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>24</td>
</tr>
<tr>
<td>Status</td>
<td>39</td>
</tr>
</tbody>
</table>

Figure 4.15 Funds Management System

The department of Agritex’s funds management system needs reviewing. The figure above demonstrates that Agritex implements a poor funds management system. Of the 39 respondents 35 (90%) indicated that the funds management system is ineffective. Appropriate funds management systems need to be put in place to effectively manage and account for the little financial resources provided especially with corruption having been highlighted as one of the key challenges to doing business in Zimbabwe.
4.2.4 Everyone qualify to be in staff house

Table 4.16 Everyone qualify to be in staff house

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>23</td>
</tr>
<tr>
<td>Agree</td>
<td>8</td>
</tr>
<tr>
<td>Disagree</td>
<td>6</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>2</td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td><strong>39</strong></td>
</tr>
</tbody>
</table>

Figure 4.16 Qualification to be in staff house

The graph above shows that 59% of the respondents strongly agreed, 21% agreed while 15% and 5% disagreed and strongly disagreed respectively to the fact that everyone qualifies to be in staff houses. Everyone has an equal opportunity to be housed in government house and housing has always been one of the most critical issues of government social policy.
4.2.5 Agritex constructs houses and offers them for rental to staff members at subsidized rates.

Table 4.17 Rental Facilities

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>1</td>
</tr>
<tr>
<td>Agree</td>
<td>2</td>
</tr>
<tr>
<td>Disagree</td>
<td>13</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
</tr>
</tbody>
</table>

The graph demonstrates that there are fewer houses allocated to Agritex employees on which they pay rentals. Only 10 (26%) out of 39 respondents confirmed the existence of the facility while 29 (74%) of the respondents had to disagree. The researcher observed this as a revenue base for the department of Agritex if fully implemented.
4.2.6 Rent to buy facilities on (houses) offered to Agritex employees.

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>1</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
</tr>
<tr>
<td>Disagree</td>
<td>7</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>27</td>
</tr>
<tr>
<td>Status</td>
<td>39</td>
</tr>
</tbody>
</table>

The graph above shows that only 5 (13%) out of 39 highlighted that the rent to buy facility was available for Agritex employees. The noted that the department of Agritex may attract private investors, or partner with private player in the construction of staff houses which the members are allowed to buy using the rent to buy facility. Despite revenue generation, the facility assists in improving the social well being of members as well as retention of experienced staff within the organization.
Interview Responses
Interviews were conducted with the top management at Agritex. The management comprised the Chief Accountant, Director Technical Services, Deputy Director Administration and Principal Accountant. The researcher wanted to interview 6 members of the top management but due to some commitments on the part the other members, only four (4) were interviewed giving a 67% interview response rate.

4.3.1 What is the impact of inadequate funding on Public Sector Investment Programmes and Projects?

The main impact agreed upon by all respondents is that of delays or non completion of projects due to insufficient funding.

Some respondents indicated that projects are left idle and unfinished with the result being wastage of the committed resources.

There will be no resources to curb the shortage of office and housing accommodation.

Some respondents said no new projects are started since the little available resources will be channeled towards the completion of the existing projects.

Project deadlines are pushed further up the timeline and this has a negative impact on other future projects and programmes.

4.3.2 What are the causes of minimum financial resources?
Most respondents noted that budget constraints amid poor economic performance were the main causes of underfunding of projects.

Government expenditures are mainly funded through tax revenue but the Zimbabwe Revenue Authority collections are far below the expenditure targets.

Some respondents highlighted the huge government employment costs which are taking more than 70% of the revenues to be crowding out priority programmes and projects.

4.3.3 What strategies can be implemented to overcome the challenges in order to improve on revenue generation?
A few respondents said the department of Agritex should embark on projects that support investment which will result in revenue generation in the long run, that is infrastructure development and rehabilitation.
Other respondents noted that the department should engage the donor community for funding.

According to some respondents, the department has a number of irrigation schemes under its control and management; these should be fully supported as they will in the long run generate revenue to supplement the budgeted resources.

Some respondents indicated that Agritex can offer agriculture related training sessions as a way of generating revenue.

4.3.4 What recommendations can be made on alternative sources of funding?
All respondents recommended that the department of Agritex should engage the donor community and the private sector mainly for project funding.

4.5 Summary of the chapter
The chapter focused on presenting the findings of the research. These were presented by use of tables and graphs and were aided by explanations to compliment the data presentation. Responses from the interviews held with the top management of Agritex were also included as well as extracts from the secondary data obtained. The next chapter looks into the conclusions and recommendations of the research.
CHAPTER V
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction
This chapter provides an appropriated conclusion and gives an overview of all research activities and present main conclusions drawn from the findings of the research study. It is a summary of previous chapters and major research findings the researcher carried out to analyze possible strategies to bridge the funding gap on Public Sector Investment Projects on Staff housing by the Department of Agritex. It also covers conclusions and recommendations pertaining to the course of action Agritex should take to address funding challenges.

5.1 Chapter Summaries
5.1.1 Chapter 1- Introduction
Chapter One covered the background of the study and focused on the impact of inadequate funding of Public Sector Investment Projects with the main focus on the construction of staff houses. The objective of the study was to come up with possible strategies to bridging the funding gap on PSIP projects. The motivation to do a study on this area was influenced by the fact that the department of Agritex started on some PISP projects to construct staff houses and blair toilets in eight (8) provinces but most of them were left uncompleted due to insufficient funding of the projects. Research objectives and questions were also provided in this chapter including significance of the study, delimitation, limitations, definition of terms and summary.

5.1.2 Chapter II- Literature Review
Chapter II reviewed related literature to the study and gave a detailed analysis of the research objectives. Literature related to the impact of inadequate funding of public sector investment projects, causes limited financial resources, strategies and other alternative sources of funding to supplement the government resources were explored on this chapter. Paula (2010) defined literature review as the purpose of evaluating books and articles that might have a bearing on a given research topic, and review what other people have written about ones’ area of interest, gathering information to support one’s argument and one’s findings.
5.1.3 Chapter III-Research Methodology
This research study adopted a positivistic research approach and made use of case study research method. The study target population was restricted to Agritex staff being 6 from Human Resources, 7 from finance section, 4 from Administration, 1 from IT and twenty one Extension Specialists. Thus a sample of 39 respondents was selected from a population of 45 and used through non probabilistic sampling. Questionnaires and interview guides were the research instruments used to collect data for the research. Closed – ended Likert scale questions were used to collect data from respondents as well as face to face interviews with top management of the department of Agritex. The researcher also gathered significant secondary data form accounts and production sections of the scheme.

5.1.4 Chapter IV- Data presentation and analysis
Data presentation and analysis derived from questionnaires and face to face interviews was analyzed in Chapter Four. Data was analyzed and presented using tables, pie charts and graphs, making the information valid and dependable. The researcher distributed 45 questionnaires and 39 respondents completed and returned the questionnaires representing 86.67% response rate.

The study exposed that housing infrastructure play an important role in sustainable development but it has been noted that there is a critical shortage of staff housing due to inadequate funding of housing projects.

5.2 Major Findings
This section presents major findings basing on the research objectives in Chapter 1. The research found out that the department of Agritex’s Public Sector Investment Projects (PSIP) was affected by inadequate funding leading mainly to non-completion of projects.

- On establishing the impact of insufficient funding of PSIP projects, the study noted that, projects are left uncompleted due to inadequate funding hence the need for accommodation is not solved.
- On examining the causes of limited financial resources, the study noted that, Agritex’s programmes and projects were predominantly funded through inadequate budget resources. Also, the decline in industrial capacity utilization was identified as the major cause of limited financial resources.
- On coming up with the best strategies to overcome the challenges caused by the limited financial resources, The department of Agritex placed much reliance on the
budget resources from Treasury for all their programmes and projects. However, in the absence of those resources, the department cannot perform and face some challenges in implementing the programmes and projects.

- On the recommendations, the study noted that Agritex was not involved in any meaningful income generating project, public private partnership or even housing scheme that would help alleviate the housing crisis.

The study was a success since the researcher managed to cover all the research objectives hence the results can be relied upon and recommendations can be made on how best the department of Agritex can bridge the funding gap on PSIP projects and programmes.

5.3 Conclusion
The study concludes that, the department of Agritex was encountering funding challenges of their public sector investment projects mainly on the construction of staff houses due to inadequate financial resources. The projects started were left idle and unfinished due to inadequate funding and failure by the department to find alternative sources of financing.

5.4 Recommendations
This section covers recommendations of the study. The recommendations are based on the research objectives, literature review and as well on the issues raised in chapter 4 (data presentation and analysis). In view of the findings and conclusions drawn in this study, the department of Agritex cannot achieve the objective of providing decent accommodation to its staff by relying on the limited budget resources to fund the construction projects. The department may make use of the following recommendations in an effort for improving revenue generation;

The study highlighted that budget resources are inadequate to fund the government’s many programmes and recommends that Agritex should engage the donor community (donor governments) for project funding.

Housing Schemes also play an important role in the provision of decent accommodation. According to the Queensland Government policy report (2006), the aim of the Government Employee Housing Scheme (GEHS) is to coordinate the property management of Government employee housing. The objectives of the Scheme are to: support the transfer and retention of staff with required skills and qualifications to locations dictated by service
delivery needs, ensure the provision of housing in those areas where there is a recognized shortfall in private rental accommodation, provide a standard of accommodation that is commensurate with local community standards and established policy guidelines, and manage the Government’s employee housing assets so that it can operate on a financially viable basis and attain a level of self-sufficiency.

The research study also recommends that, Agritex should enter into public private partnership (PPP) agreements to construct staff houses. The houses will be offered for rental to members at subsidized rates to allow the private player to recoup its costs. PPPs allow for greater private sector participation in the development of infrastructure. These may take various forms such as the build own operate (BOO), build operate transfer (BOT), or build own operate transfer (BOOT) approaches among other arrangements.

The department of Agritex should also adopt the Incremental Purchase Schemes (IPS) whose objective is to provide an affordable route to home ownership. The IPS encourages mixed tenure developments which contribute to the government’s goal of establishing stable and sustainable communities.

The research also recommends that Banks such as CBZ Holdings, CABS and many other local banks may provide adequate funding for construction projects. The department of Agritex should approach them with a viable project proposal.
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APPENDICES

APPENDIX A

Agritex Head Office
No. 1 Borrowdale road
Ngungunyana Building
P. O Box CY 2505
HARARE
26 September 2014

The Principal Director

Department of Agriculture, Technical and Extension Services

REQUEST FOR AUTHORITY TO UNDERTAKE A RESEARCH STUDY IN THE DEPARTMENT OF AGRICULTURE, TECHNICAL AND EXTENSION SERVICES (AGRITEX): HEAD OFFICE

The above subject matter refers,

My name is Twamba Owen. I am a final year student at Midlands State University studying Bachelor of Commerce Accounting Honours Degree. The final year involves undertaking and industry oriented research. My project topic is “Bridging the funding gap for Public Sector Investment Projects focusing on construction of staff housing by the Department of Agriculture, Technical and Extension Services. Authority is hereby sought to carry out a research study in the Department of Agriculture, Technical and Extension Services.

Your responses shall be strictly accorded the due recognition and confidentiality they so deserve and will be strictly used for academic purposes.

Your cooperation would be appreciated.

Yours faithfully

Twamba O

Accountant
APPENDIX B
MIDLANDS STATE UNIVERSITY.

QUESTIONNAIRE.

My name is Twamba Owen. I am a student at Midlands State University studying towards attainment of a Bachelor of Commerce Accounting Honours Degree. The questionnaire relates to the study I am conducting at Agritex and other selected Departments at Head Office in Harare. The topic under study is, “Bridging the funding gap for Public Sector Investment Projects” focusing on staff housing. You are kindly requested to respond to the questions listed below. Please use brackets and spaces provided. Your responses shall be strictly accorded the due recognition and confidentiality they so deserve. Thank you very much in advance for participating.

Please answer all items by placing a tick in the brackets provided. [   ]

DEMOGRAPHICS.

1. Age Group 20-25 [ ] 26-35 [ ] 36-45 [ ] 46 and above [ ]

2. Gender Male [ ] Female [ ]

3. Marital Status
   Married [ ]
   Single [ ]
   Divorced [ ]
   Widowed [ ]

4. What is your highest Qualification?
   Masters Degree [ ]
   Degree [ ]
   Diploma [ ]
   Certificate [ ]

5. What post do you hold in the Organization?
   …………………………………………………………………………. 
6. How long have you been in the Organization?
   - 0-5 Years
   - 6-10 Years
   - 11-20 Years
   - 21-30 Years

7. Do you live in a Government house?
   - A) Yes
   - B) No

8. Provision of housing or accommodation is important for staff motivation.

9. The department of Agritex fully accommodate its staff

10. There is no critical shortage of staff accommodation especially for extension staff in districts.

11. Adequate funding have been availed towards construction of staff houses

12. Housing loans have been availed to Agritex for construction of staff houses
13. Everyone qualify to be in government a house

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
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14. Agritex should construct houses and offer them for rental to its staff at subsidized rates.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
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</table>

15. Rent to buy facilities should be offered to members who have saved a pre-determined period with the organization, (for example 5 years)

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
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Thank You
APPENDIX C

Interview Schedule

e) What is the impact of inadequate funding of Public Sector Investment Projects?

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f) What are the causes of the minimum releases from Treasury?

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g) What strategies can be implemented to overcome the challenges in order to improve revenue generation?

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h) Did the department of Agritex ever received or benefited loans from any financial institution to finance the housing project?

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i) What recommendations can be made on alternative sources of funding?

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