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Report No. 28396

PROJECT COMPLETION NOTE  
(CREDIT 3083-ZW)

ON A

CREDIT

IN THE AMOUNT OF SDR 46.3MILLION

(US\$62.5 MILLION EQUIVALENT)

AND A GEF GRANT OF XDR 3.7 MILLION

(US\$5 MILLION EQUIVALENT)

TO THE

GOVERNMENT ZIMBABWE

PARK REHABILITATION AND CONSERVATION PROJECT

March 31, 2004

Environment, Rural and Social Development Unit – AFTS1  
Country Department 3, Zimbabwe  
Africa Region

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**CURRENCY EQUIVALENTS**  
(Exchange Rate Effective April 9, 1998)

Currency Unit = Zimbabwe Dollar (Z\$)  
Z\$1.00 = US\$.0619  
US\$1.00 = Z\$16.15

**FISCAL YEAR**

January 1 to December 31  
(FY98 was transition year: July 1, 1997 – December 31, 1998)

**ABBREVIATIONS AND ACRONYMS**

DNPWLM	=	Department of National Parks and Wild Life Management
GEF	=	Global Environment Facility
GNP	=	Gonarezhou National Park
GOZ	=	Government of Zimbabwe
ICB	=	International Competitive Bidding
IDA	=	International Development Association
MOF	=	Ministry of Finance
MMET	=	Ministry of Mines, Environment and Tourism
NCB	=	National Competitive Bidding
NGO	=	Non-Governmental Organization
TCA	=	Transfrontier Conservation Area

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## Project Completion Note

### Zimbabwe

#### Park Rehabilitation and Conservation Project Cr. 3083-ZW and the Associated Biodiversity Conservation Project Grant No. TF028967

1. This is the Completion Note for the Park Rehabilitation and Conservation Project (PRCP) of the Government of Zimbabwe, a project that was approved on June 2, 1998. The International Development Association (IDA) Credit (Credit No. 3083) dated June 25, 1998 in the amount of SDR 46,300,000 and the associated Global Environment Facility (GEF) Trust Fund, (Grant No. TF028967), dated June 25, 1998 in the amount of SDR 3,700,000, for the PRCP became effective on March 15, 1999. The project was executed by the Department of National Parks and Wildlife Management (DNPWLM) in the Ministry of Environment and Tourism (MET). The project was closed and the undisbursed funds from both the Credit and Grant were cancelled on June 25, 2002 some 25 months after the Bank suspended disbursements to Zimbabwe as a result of the government's inability to service its loans to the Bank. The original closing date was 30 September 2005.

#### Development Objective and Project Description

2. The project's objective was to enhance the Government's ability to protect wildlife populations and their habitats and to develop the parks and wildlife sector by rehabilitating or improving essential elements of infrastructure, and by strengthening the institutional capacity of the agencies responsible for ensuring the sustainability of investments and for formulating policy and implementing wildlife programs. The global environmental objective was to improve biodiversity conservation in Gonarezhou National Park and nearby South East Lowveld areas. Key features of biodiversity conservation and management would be protection of adequate range for mobile wildlife populations in this semi-arid and periodically drought-prone region, protection of vegetation from destruction by fire and other human-caused impacts, protection of water resources, re-establishment of migration corridors, protection of wildlife from illegal killing, and minimization of conflict between wildlife and agriculture or other land uses outside the park.

3. The project comprised three parts as follows:

- I. Institutional Strengthening: Reinforcing institutional and organizational capacity to ensure the sustainability of investments and the effective management of the Parks Estate and wildlife resources by (i) supporting organizational development and staff training; (ii) improving financial management systems; (iii)

instituting comprehensive park planning; (iv) improving capacity for policy development; (v) supporting monitoring programs and applied research for protected area management and biodiversity conservation;

II. Infrastructure: Rehabilitating and improving national park infrastructure including: (i) rehabilitating infrastructure (roads, water supplies, electricity, communications) critical for park functioning and tourism access; (ii) providing basic plant and equipment for road maintenance; (iii) improving staff housing, park administrative facilities (office space) and equipment; (v) providing vehicles and other equipment for improved park management and anti-poaching operations.

III. GEF - Gonarezhou National Park: Strengthening biodiversity conservation in Gonarezhou National Park and the nearby South East Lowveld, by supporting activities both in the park and in nearby areas (particularly communal lands), including: (i) rehabilitating and improving essential infrastructure in the park, and supporting implementation of the park management plan; (ii) establishing a consultative process to involve local communities and other relevant stakeholders in park planning and management and in promoting conservation opportunities outside park boundaries; (iii) supporting community-based sub-projects outside the park to promote or develop sustainable wildlife utilization and other forms of land use that are compatible with bio-diversity conservation; and, (iv) supporting monitoring and applied research programs, and interpretive and education facilities and programs.

IV. A fourth component was about to be added following approval by the Bank in April 2000 of the government's request to amend the Credit to support the rehabilitation of cyclone-damaged infrastructure in the southeastern Zimbabwe. However, the amendment was not formalized and therefore did not take effect before the general suspension of disbursements.

## Financing Plan

4. Total Project cost was US\$75 million and was to be financed by IDA (US\$62.5 million), GEF Grant (US\$5 million), and Government (US\$7.5 million)

## Implementation

5. At the time of project cancellation, all aspects of implementation were rated unsatisfactory. Actual implementation progress at June 30, 2000 was only 10% compared to 18% in the Project Implementation Plan. Only 3.4% of the credit was disbursed. The disbursed funds were utilized for vehicle and equipment purchases as well as salaries and operating expenses for the Project Implementation Unit, while implementation of the major project activities had not started. Implementation progress was slower than expected due mainly to (i) management problems in the DNPWLM as the lack of a substantive Director tended to delay

the decision-making process; (ii) delays in appointing personnel for the project implementation unit to co-ordinate project activities; and (iii) lack of counterpart funds, which resulted in delays of several procurement activities. Although a draft procedures manual for the GEF out-of-parks component (Lowveld Biodiversity Project) was prepared, implementation of this component failed to take off before the Bank suspended disbursements, hence no disbursements were made from the GEF grant.

## Reasons for Cancellation

6. Beginning mid-1999, a difficult economic and political crisis was accelerating and the country started having problems servicing its external debts. By March 2000, the government had defaulted on its loans to the Bank and other international financial institutions. As a result of the government's inability to meet its debt obligations to the Bank, the Bank suspended disbursements on all projects in Zimbabwe on May 16, 2000. Zimbabwe was subsequently placed on non-accrual status on October 2, 2000 and has remained in this status to this date. As a consequence of the government's inability to make current its overdue payments, the Bank closed the project. The undisbursed balances for the Credit and GEF grant amounting to SDR 44,756,134.51 and SDR 3,700,000, respectively were cancelled on June 25, 2002, as neither the Department of National Parks and Wildlife Management nor the government had own funds to continue with the implementation of planned project activities.

7. The economic crisis has worsened during the past four years and the country's arrears continue to rise. Zimbabwe has not made any effort to clear its arrears to the Bank which are currently at about US\$240.6 million, since December 2000. Zimbabwe's total external arrears continue to mount reaching approximately US\$ 1.5 billion as of end-2002.

## Lessons Learned

8. The growing political difficulties, instability and the associated rapid deterioration of Zimbabwe's economy eventually led to the country defaulting and the consequent cancellation of all Bank projects. These factors could not have been anticipated at the time of project approval. However, the project could have made some progress towards achieving its Development Objective if effectiveness had not been delayed almost 9 months after Board approval and adequate counterpart funds were available.

Project: ZIMBABWE -- PARK REHAB & CONSERV Project ID: P003318  
 Category Recap Data for Credit Number: 30830  
 as of November 18, 2003

Category	Category Description	Allocated USD	Undisb USD	Disb USD
1	CIVIL WORKS	32,200,000	32,200,000.00	0.00
2	VEHICLES/GOODS/MATS.	3,300,000	1,707,801.90	1,592,198.10
3-A	CONSULTANTS/TRG-PT.A	3,400,000	3,386,276.52	13,723.48
3-B	CONSULTANTS/TRG-PT.B	2,800,000	0.00	0.00
4	UNALLOCATED	4,600,000	0.00	0.00
SA-B	CR. 3083-ZIM SPAC B	0.00	62,056.09	-62,056.09
Totals (for all 6 Categories)		46,300,000	44,756,134.51	1,543,865.49

Project: ZIMBABWE -- BIODIVERSITY CONSERV Project ID: P003261  
 Category Recap Data for Trust Fund: 28967  
 as of November 18, 2003

Category	Category Description	Allocated USD	Undisb USD	Disb USD
1	CIVIL WORKS	2,080,000.00	2,080,000.00	0.00
2	CONSULTANTS/TRAINING	300,000.00	300,000.00	0.00
3	SUBGRANTS	960,000.00	960,000.00	0.00
4	OPERATING COSTS	70,000.00	60,555.96	9,444.04
5	UNALLOCATED	290,000.00	290,000.00	0.00
SA-A	WBTF 28967-SPAC A	0.00	9,444.04	-9,444.04
Totals (for all 6 Categories)		3,700,000.00	3,700,000.00	0.00

## Basic Information

Project	: Zimbabwe Parks Rehabilitation and Conservation Project
Project I.D.	: ZWPA3318
Estimated Project Cost	: US\$75 million
Financing Plan	: IDA Credit US\$62.5 million GEF Grant US\$5 million Government US\$7.5 million
Borrower	: Government of Zimbabwe
Implementing Agency	: Department of National Parks and Wildlife Management
Guarantor	: Government of Zimbabwe
Beneficiaries	: National Parks and communities living around Gonarezhou National Park
On Lending Terms	: Standard IDA terms
Time to prepare Project	: 4 years
Project Identification	: February 18, 1994
Project Appraisal	: November 1997
Negotiations	: March 26, 1998
Board Presentation	: June 2, 1998
Project Effectiveness	: March 15, 1999
Closing date (Original)	: September 30, 2005
Effective Closing Date (Cancellation)	: June 25, 2002





