

# MIDLANDS STATE UNIVERSITY



FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

**BRIDGING THE FUNDING GAP ON THE STATUTORY FUNCTIONS OF  
STATUTORY BODIES: A CASE OF UPPER MANYAME SUB CATCHMENT  
COUNCIL [2013-2015]**

BY

EMMANUEL.C. NDOWA

REGISTRATION NUMBER: R14494F

**SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS  
OF THE BACHELOR OF COMMERCE ACCOUNTING HONOURS  
DEGREE**

# MIDLANDS STATE UNIVERSITY

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

## APPROVAL FORM

The undersigned certify that they have supervised the student Registration Number R14494F dissertations title “*Bridging the funding gap on the statutory functions of statutory bodies: A Case of Upper Manyame Sub Catchment Council*”. Submitted in partial fulfilment of the requirements of the Bachelor of Commerce Accounting Honours Degree.

.....  
Supervisor

.....  
Date

.....  
Chairperson

.....  
Date

# MIDLANDS STATE UNIVERSITY

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

## RELEASE FORM

STUDENT REG NUMBER : R14494F

DISSERTATION TITLE : Bridging the funding gap on the statutory  
functions of statutory bodies. A Case of Upper  
Manyame Sub Catchment Council (2013-2015)

DEGREE TITLE : Bachelor of Commerce Accounting Honours  
Degree.

YEAR DEGREE GRANTED : 2016

Permission is hereby granted to the Midlands State University Library to produce single copies of this dissertation and to lend such copies for scholarly and research purposes only.

The author reserves other publication rights and neither the non-extensive extracts from it may be printed or otherwise reproduced without the author's permission.

SIGNED: ..... DATE: .....

Permanent address: 4066 New stands Hatcliffe Harare

## **ABSTRACT**

This study was carried out to bridge the funding gap at Upper Manyame Sub Catchment Council. The research will enhance funding in statutory bodies by searching for other means of funding statutory functions in statutory bodies not relying on the traditional sources of revenue. The researcher used qualitative research approach to analyse the possible ways of bridging the funding gap on the statutory functions of statutory bodies. Qualitative research focuses on phenomena that occur in natural settings that is in real world and they involve studying those phenomena in their complexity. The researcher used the descriptive research design as it portrays an accurate profile of the persons, events and or situations. A sample size of 56 which represented 70% of the population was used by the researcher. The strata comprised Upper Manyame Sub-Catchment Council Staff and stakeholders from the micro-catchments that included institutions in the water sector within Upper Manyame sphere of influence. Simple stratified sampling technique was used to come up with a sample. Questionnaire and interview guide were used in conducting the research. The research found constrained fiscal space and corruption as the causes of funding gap. Strategic Business Units (SBUs) and Public Private Partnerships provide a means of bridging the funding gap. Introducing better revenue collection methods, viable pricing structure, improved budget execution, external funding and retrenchment are some of the methods employed by other countries to curb the funding gap in statutory bodies. The research recommends the setting up of Strategic Business Units and Public Private Partnerships as this improves revenue flows and efficiency in statutory bodies. The originality of the research emanates from the fact that the researcher is the first person to research on Upper Manyame Subcatchment Council for period 2013 to 2015 on the subject of bridging the funding gap in statutory bodies.

## **ACKNOWLEDGEMENTS**

All praises to Almighty God alone, the most merciful and the most compassionate. The work presented in this manuscript was accomplished under the guidance, generous assistance, constructive criticism and enlightened supervision of Ms. C. Mhaka. Her efforts towards the inculcation of spirit of constant work and the maintenance of professional integrity besides other invaluable words of advice will always serve as beacon of light throughout the course. I take this humblest opportunity to my deepest sense of gratitude and thankfulness to her. My gratitude to the faculty of Commerce department of Accounting for furnishing me the opportunity to enrol for Bachelor of Commerce Accounting Honours degree. I also want to thank UMSCC Board, management and staff especially Mr Endy Mhlanga the Board Chairman for allowing me to undertake my research study and their support through their participation in interviews and questionnaires.

## **DEDICATION**

I dedicate this dissertation to my wife Clarah Ndowa, children Chiedza and Tendai Ndowa for their unwavering support in all dimensions and my mother Elizabeth Ndowa for her prayers during hard times of undertaking this research study.

## TABLE OF CONTENTS

APPROVAL FORM .....	ii
RELEASE FORM.....	iii
ABSTRACT.....	iv
DEDICATION.....	vi
<b>CHAPTER 1: INTRODUCTION TO THE STUDY .....</b>	<b>1</b>
1.0 Introduction.....	1
1.1 Background of the Study .....	1
1.2 Statement of the Problem.....	3
1.3 Main Research Question.....	3
1.4 Objectives of the Study .....	3
1.5 Sub Research Questions .....	4
1.6 Significance of the study .....	4
1.7 Delimitations of the study.....	4
1.8 Assumptions .....	5
1.9 Limitations of the Study.....	5
1.10 Definitions of Terms and Acronyms.....	5
1.11 Chapter Summary .....	6
<b>CHAPTER 2: LITERATURE REVIEW .....</b>	<b>7</b>
2.0 Introduction.....	7
2.1 Causes of Funding Gap in Statutory Bodies .....	7
2.1.1 Constrained fiscal space .....	7
2.1.2 Corruption.....	10
2.2 Analysing the Applicability of SBU as a Bridge to Funding Gap.....	11
2.2.1 Increase revenue streams .....	11
2.2.2 Spreading business risk .....	12
2.3 Analysis Applicability of Establishing Public Private Partnerships as a Bridge to Funding Gap.....	13
2.3.1 Efficiency of Public Private Partnerships .....	13
2.3.2 Legal frame work.....	15
2.4 Challenges that could be encountered in applying the two Strategies.....	18
2.4.1 Value for Money and the Public Sector Comparator.....	18
2.4.2 Appropriate Risk Transfer .....	19
2.4.3 Affordability .....	19
2.4.4 Guiding Principles for Successful P3 Implementation .....	20
2.4.4.1 Political framework and institutional conditions.....	20
2.4.4.2 Legal framework.....	20
2.4.4.3 Institutional roles .....	21
2.4.4.4 Decision making .....	22
2.4.4.5 Affordability and budget process transparency .....	22
2.4.4.6 Careful investigation of investment methods .....	23
2.4.4.7 Transfer the risk to those that manage them best .....	24
2.4.4.8 Get input from users.....	24
2.4.4.9 Competitive, honesty and transparency.....	24
2.4.4.10 PPP policy framework in Zimbabwe .....	24
2.5 How Other Countries have bridged the Funding Gap in Statutory Bodies .....	25
2.5.1 Introducing better revenue collection methods.....	25
2.5.2 Viable pricing structure .....	26
2.5.3 Improved budget execution.....	28

2.5.4	External financing .....	28
2.5.5	Retrenchment .....	29
2.5.6	Public Private Sector Partnerships .....	30
2.6	Summary.....	30
<b>CHAPTER 3: RESEARCH METHODOLOGY .....</b>		<b>31</b>
3.0	Introduction .....	31
3.1	Research Approach.....	31
3.2	Research Design .....	32
3.2.1	Descriptive Research Design .....	32
3.3	Population.....	33
3.3.1	Representative/ Target Population.....	33
3.4	Sampling and Sample Size.....	33
3.4.1	Stratified sampling.....	35
3.5	Sources of Data .....	35
3.6	Data Collection Instruments .....	35
3.6.1	Questionnaires.....	36
3.6.2	Closed ended questions.....	36
3.6.3	Likert Scale .....	36
3.6.4	Interview .....	37
3.6.4.1	Face-to-face Interview .....	37
3.6.4.2	Telephone interview.....	37
3.7	Data Reliability and Validity.....	37
3.8	Data Analysis and presentation .....	38
3.9	Ethics and Values .....	38
3.10	Summary .....	39
<b>CHAPTER 4: DATA PRESENTATION AND ANALYSIS DISCUSSION .....</b>		<b>40</b>
4.0	Introduction.....	40
4.1	Response Rate .....	40
4.3	Analysis of interview responses.....	59
4.4	Chapter summary .....	62
<b>CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....</b>		<b>63</b>
5.0	Introduction.....	63
5.1	Chapter Summaries .....	63
5.2	Major Research Findings .....	64
5.2.1	Causes of funding gap.....	64
5.2.2	Applicability of strategic business unit (SBU) as the bridge to funding gap .....	65
5.2.3	Applicability of Public Private Partnerships (PPP) as the bridge to funding gap.....	65
5.2.4	Challenges in implementing the two strategies .....	65
5.2.5	How other Countries bridged the funding gap.....	66
5.3	Conclusions.....	66
5.4	Recommendations .....	66
5.5	Way forward .....	67
5.6	Summary .....	67
6.0	<b>REFERENCES</b> .....	68
ANNEX 1 QUESTIONNAIRE .....		74
ANNEX 2 INTERVIEW GUIDE.....		76



## LIST OF TABLES

<b>TABLE</b>	<b>TITLE</b>	<b>PAGE</b>
1.1	Budgeted Catchment services and actual allocations	2
1.2	State of major dams in Upper Manyame Subcatchment Council	9
3.1	Population	33
3.2	Sample size	34
3.3	Likert scale	36
4.1	Questionnaire response rate	40
4.2	Age range of the participants	41
4.3	Respondents qualifications	42
4.4	Position held in the Organisation	43
4.5	Period of service in the organisation	44
4.6	Causes of funding gap	45
4.7	SBUs increase revenue collection in statutory bodies	47
4.8	SBUs spread business risk	49
4.9	Strategic Business Units (SBUs) are applicable in statutory bodies	50
4.10	Public Private Partnerships (PPP)increase efficiency in statutory bodies	52
4.11	Public Private Partnerships operate in a legal framework	53
4.12	Public Private Partnerships (PPP)are applicable to statutory bodies	54
4.13	Challenges affecting Applicability of SBUs and PPPs	55

## LIST OF FIGURES

<b>FIGURE</b>	<b>TITLE</b>	<b>PAGE</b>
1	Response rate to questionnaires distributed	36
2	Age range of respondents	41
3	Participants` qualifications	42
4	Responses by job title	43
5	Responses by duration of service	44
6	Causes of funding gap	45
7	SBUs increase revenue collection in statutory bodies	48
8	SBUs spread business risk	49
9	Strategic Business Units (SBUs) are applicable in statutory bodies	51
10	Public Private Partnerships (PPP)increase efficiency in statutory bodies	52
11	Public Private Partnerships operate in a legal framework	53
12	Public Private Partnerships (PPP)are applicable to statutory bodies	54
13	Challenges affecting Applicability of SBUs and PPPs	56

## **CHAPTER 1: INTRODUCTION TO THE STUDY**

### **1.0 Introduction**

The research was aimed at bridging the funding gap on the statutory functions of Upper Manyame Sub-Catchment Council. Nyanga et al (2013), Matambanadzo et al (2013), Machaira (2014) and Rusvingo (2014), concurred that low funding of government-controlled bodies had led to their unconvincing and implausibly poor performance. They also put forward the argument that for a corporation to attain its stipulated mandate, sufficient funds should be available. In disagreement, Fisher (2010) suggested that funding gaps provided opportunities for more analysis of internal processes and adapting to new resources and technology. Reid (2010) concurred adding that funding gaps resulted in costs minimisation and positively changed organisational culture. Emech (2012) and Dandira (2011) slammed the parastatals, pointing out that poor corporate governance and power abuse had led to the unimpressive financial results. Seemingly, taking neutral ground, Maruta (2012) and Willems (2013) pointed out that external factors such as economic sanctions on Zimbabwe had made it difficult for any government-related organization to thrive in this economy. There is a controversy on these researchers regarding the exact reason for dismal performances. All these researchers focused the relationship of funding gap and financial performance without proffering solutions on how to bridge the gap.

### **1.1 Background of the Study**

The Upper Manyame Sub Catchment Council is the lowest water planning and management unit upstream of the Manyame River. Upper Manyame Sub Catchment Council is made up of diverse stakeholders. Its functions include the regulation, supervision and issuing of permits for various uses of water within its area of catchment protection and collect rates, fees and

levies to exercise its functions. Due to lack of funds, the Council was not being able to meet its statutory obligations with reference to the environment in the period under review (2013-2015). A variance analysis between expected and actual expenditure as shown in table 1.1 clearly showed the funding gap.

**Table 1.1 Budgeted Catchment services and Actual Allocations**

<b>PERIOD</b>	<b>2013 USD</b>	<b>2014 USD</b>	<b>2015 USD</b>
Budgeted Catchment Managements Services Expenditure	61,000	65,000	65,000
Actual Catchment Managements Services Expenditure	12,500	8,200	9,800
Funding Gap	48,500	56,800	55,200

**Source: Upper Manyame Sub Catchment Council Annual reports (2013-2015)**

During the 3-year period under study, adverse variances in 2013, 2014 and 2015 of 79.5%, 87.4% and 85% respectively showed that Catchment Managements Services funding gap, Further evidence portrayed was that Upper Manyame Sub-Catchment Council was not fully carrying out its statutory functions. Challenges included the Pomona landfill, where the water was deemed to be unsuitable for consumption. The water had been contaminated because of seepage from the landfill. The area needed continuous monitoring and a feasible remedy, was still to be implemented. Many boreholes were drying up because the abstract threshold limit of borehole density was only a Catchment Council resolution without proper assessment of water resources within the Sub-catchment, Lake Chivero was increasingly being covered with water weeds because of contamination from upstream sources. By October 2012, satellite

images of the lake showed that re-infestation with water hyacinth had probably reached 1976 level (42%) (UNEP Global Alert Services, 2013). The Sub-Catchment Council had not made efforts to characterize these contaminants and then help in maintaining the water quality. Chitungwiza was facing water shortages and the Prince Edward Waterworks was failing to meet water demand as dams were silted resulting in low holding capacity. According to Harare water department 2016 statistics, the pumping capacity had decreased from 85% to 60%. The situation required that some dams be re-excavated so as to increase water holding capacity. The Council was failing to come up with solutions to this crisis.

## **1.2 Statement of the Problem**

Water levies collected by Upper Manyame Sub-Catchment Council to carry out its statutory functions were insufficient to meet the statutory duties she Council had failed to meet in full its statutory obligations with reference to the environment in the period under review (2013-2015). Prevailing problems included the Pomona landfill, where the water was declared unsuitable for consumption, Lake Chivero was also under invasion from water weeds because of contamination from upstream sources. Chitungwiza was facing water shortages and Prince Edward Waterworks was failing to meet water demand.

## **1.3 Main Research Question**

What are the alternatives for bridging funding gap on the statutory functions of Upper Manyame Sub Catchment Council?

## **1.4 Objectives of the Study**

1. To interrogate the different causes of funding gap in statutory bodies.
2. Analysis of applicability of Strategic Business Units (SBUs) as a bridge to funding

gap.

3. Analysis of applicability of Public Private Sector Partnerships (PPPs) in bridging funding gap.
4. Establishing the challenges that could be encountered in applying the two strategies
5. To establish how other countries have bridged the funding gap in statutory bodies.

### **1.5 Sub Research Questions**

1. What are the causes of funding gap in statutory bodies?
2. How applicable is the strategic business unit (SBU) as the bridge to funding gap?
3. How applicable is public private partnership (PPP) as the bridge to funding gap?
4. What are the challenges in implementing the two strategies?
5. How other countries dealt with funding challenges?

### **1.6 Significance of the study**

The research was carried out in partial fulfillment of the requirement for the award of the Bachelor of Commerce in Accounting Honours Degree. The research objective was to enhance funding in statutory bodies at large. This researcher gained more knowledge and experience through the research. The researcher was exposed to innovative means of funding statutory bodies other than relying on statutory revenue. This enabled the researcher to make informed recommendations regarding statutory functions of the Council. Upper Manyame could benefit from implementation of the prescriptions of the research. The Council could also benefit from the data that the researcher gathered during his research to make economic decisions in order to advance its mandate.

### **1.7 Delimitations of the study**

The research sought to explore challenges of financing operations in of statutory functions of Upper Manyame Sub-Catchment Council for period 2013-2015. The data was obtained from Stakeholders within Upper Manyame micro-catchments which are farmers, industrialists, local authorities and Upper Manyame employees.

## **1.8 Assumptions**

The research was carried out on the assumption that there was not going to be any change in the statutory function of Upper Manyame Sub-Catchment Council in the enabling Act (Water act).

## **1.9 Limitations of the Study**

The research was focused on Upper Manyame Sub Catchment Council only but there are other statutory bodies in Zimbabwe, which are experiencing the same challenge, hence the generalization might not be so for other statutory bodies the researcher recommends further research on more statutory bodies in Zimbabwe.

## **1.10 Definitions of Terms and Acronyms**

**Catchment Area** - A geographic area feeding into the dams, lakes, reservoirs, rivers or watercourses of a specific area.

**Catchment Council** - a quasi-government body or organization established in terms of section twenty of the Water Act (Chapter 20:24)

**Levies** - means statutory revenue charged to stakeholders to fund a government function

<b>UMSCC</b>	-	Upper Manyame Sub Catchment Council
<b>SBU</b>	-	Strategic Business Unit
<b>PPPs</b>	-	Public Private Partnerships [PPP, P <sup>3</sup> ]

### **1.11 Chapter Summary**

The introduction laid the basis of the study. An analysis of the background to this research study highlighted the problems that has emanated from the Council's inability to carry out its statutory functions because of the funding gap. The study dwelt on the analysis of ways of bridging the funding gap in Zimbabwe and explored how other countries managed to curb that challenge. The chapter highlighted the significance of the study to the researcher, the Council and other statutory bodies. Demarcation of the study, limitations of the researcher, definitions and acronyms were included.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.0 Introduction**

The Chapter captures findings from published material and arguments advanced by scholars and researchers on subject matters that dealt with inadequate funding of quasi-governmental organizations and establishment and the understanding of the underlying causes of sound financial strategies to address the problem(s) of the funding gap. According to Taylor (2010), a literature review expresses the understanding of the researcher of the research subject and his scrutiny of the strengths and weaknesses of matters raised. He further argued that, among others, the main role of the literature review is knowledge building. Literature review is a pre-cursor to compiling information that helps researchers to support their arguments and findings and enhance the quality of their theses.

### **2.1 Causes of Funding Gap in Statutory Bodies**

#### **2.1.1 Constrained fiscal space**

Zimbabwe had been experiencing an economic meltdown 2000. The economy plummeted to lowest ebb with runaway inflation is in excess of billion percentage points affecting all production sectors, leading to a decline of 50% in 2008. The economy still experienced challenges with reduction in capacity utilization being the major cause of the insufficient funding of projects (Zimbabwe Agenda for Sustainable Socioeconomic Transformation, 2013-2018). Fiscal support for semi-government bodies remained a challenge despite budget allocations at the time of budget pronouncements. According to Monyau and Bandara (2011), The economy continued to face challenges due to external debt arrears, closure of companies, lack of liquidity, low to no capital, expensive capital, low revenue inflow, inefficient and



expensive to run [antiquated] technologies and infrastructural. GDP growth rate averaged 7.5% between 2009 and 2012. The economic slowdown was due to. Poor governance, lack of accountability, poor ethical practices, power politics and institutionalized were the main cause of poor economic performance. Monyau and Bandara (2011) highlighted that the underperforming economy forced the government to scale down support to government agencies, adopt use of the multi-currencies and monetary policy instruments. Economic manoeuvres remained limited as revenue inflow continued on the decline against high expenditures, huge domestic and external debt exposure and a shrinking tax base (ZimAsset, 2013).The country's failure to pay off creditors and lack of access to external support from the international community and low foreign direct investment inflows meant that the debtors account remained in the negative. The marginal economic gains under the Government of National Unity (GNU) of 2009 were largely unsustainable and short-lived with the economy declining from an 11.9% growth in 2011 to 3.4% in 2013. RBZ financial markets division head (Saburi A.) argued in the Herald newspaper (September 3, 2014) that, the cash challenges being experienced in the country were a direct result of negative balance of payment caused by high imports against low exports. He further contended that other ills bedevilling the economy included low external investment, low industrial performance and general informalization of the economy.

An introspection was needed to address the challenges of policy inconsistencies, dwindling revenue base, funding constraints, corruption, poor governance, unethical business practices, structural inefficiencies, informalisation, financial leakages and inadequate infrastructure. In addition, the country needed to engage fully with international development partners. According to Eberhard, et al. (2011), the country's balance of payment remained in the negative following the failure of the industry to satisfy domestic consumption requirements

and forcing the country to rely on importation for most of its domestic requirements. The fall in exports reflected economic slowdown and wholesale company closures.

According to the 2014 Upper Manyame Sub Catchment Council Annual report, most farm and small dams in the sub catchment were in a dilapidated state and in urgent need of maintenance. Vandalism by farmers and riparian owners through lack of knowledge on proper water harvesting infrastructure had led to most dams being washed away. The majority of the dams were silted and needed re-excavations to remove silt and re-assigning of credible storage levels, especially in the dams that were in commercial farming areas (A1 and A2 farmers) where conservation measures were in place. Normal siltation rates applied in the sub catchment but there was need to put in preventative measures i.e. silt traps, catchment protection coupled with education and awareness on maintenance of the inherited dams and water infrastructure thus forming a total package of water and environmental conservation. The challenges were still to be addressed due to constrained fiscal space. Table 1.2 depicts scenarios due to constrained fiscal space.

**Table 1.2 State of Major Dams in Upper Manyame Sub-Catchment Council**

No	Dam	State	
1	Chivero Dam	<ul style="list-style-type: none"> <li>• Lake covered by invasive species of weeds</li> <li>• Polluted water from the supplying tributaries</li> </ul>	
2	Manyame Dam	<ul style="list-style-type: none"> <li>• Lake covered by a layer of green suspended material presumed to be green algae</li> </ul>	

		<ul style="list-style-type: none"> <li>• Silted up</li> </ul>	
3	Seke <u>D</u> am1	<ul style="list-style-type: none"> <li>• Termite mounds</li> <li>• Trees on dam wall</li> <li>• Cultivation of crops too close to the dam</li> <li>• Tracks (animal) on embankment which result in erosion</li> <li>• Gardens on streambanks</li> <li>• Riprap present but the upstream and downstream side of the embankment need stabilisation</li> <li>• Leaks (minimal) on spillway</li> <li>• Valve needs repairs</li> </ul>	
4	SekeDam2	<ul style="list-style-type: none"> <li>• Bushes and trees on the wall</li> <li>• Gardens and stream bank cultivation (u/s and d/s)</li> <li>• Termite mounds</li> <li>• Minor leaks and cracks on spillway</li> </ul>	

**Source: 2014 Upper Manyame Sub Catchment Council Annual Report**

### **2.1.2 Corruption**

Wei (2010) posits that corruption facilitates the substantial illegal transfer of funds from the budget to public officials, in their private capacities, thereby reducing the funds available for public service delivery. Campos et al. (2011) concurred adding that corruption hindered investment (both domestic and foreign), reducing growth, restricting trade, distorting the size

and composition of government expenditure and weakening the financial system. On the other hand, Heckelman and Powell (2012) argued that corruption should be addressed together with regulatory policies and procedures to provide for cross checks and balances to stimulate economic activity. One school of thought argues that water is human right and should not be paid for. The other school of thought peculiar to Zimbabwe, regards water as inherent benefit of the agrarian land reform that transferred ownership to the previously marginalised black communities. The mindset requires education, awareness raising and advocacy for Zimbabweans to start honouring their fee obligations for water. Otherwise, water is a social non-billable commodity.

## **2.2 Analysing the Applicability of SBU as a Bridge to Funding Gap**

### **2.2.1 Increase revenue streams**

Fong (2014) defined a strategic business unit as an additional dependent or independent business division or function that is formed to carry on business concentrating on either a different field or related activities to the activities of the main body corporate. Strategic Business Units are set up to increase the revenue streams as add ons to the revenue inflow streams of the existing business. An SBU can either be engaged in follow on activities to the activities of the existing business operation in an arrangement that is technically referred to as forward integration. If the business unit is involved in earlier processes to those of the existing business, the expansion is referred to as backward integration. However, there are instances where the new SBU is engaged in activities completely divorced from the interest activities of the main business. This arrangement falls into a category refers to as spatial growth, diversification or simply expansion. Regardless the expansion mode, setting up an SBU has the potential to augment income generation streams of an organization and can

therefore solve the funding challenges of the main organization. Upper Manyame has made the strategic decision to adapt the SBU phenomenon of establishing independent SBU as a panacea to funding constraints.

### **2.2.2 Spreading business risk**

Michels et al, 2010 is the opinion that the strategic business units are founded for the purposes of spreading risks associated with operating a single line of business. Darwin, (2011), on the other hand opines that strategic business units are smaller than the parent entities and are thus flexible and adaptive compared to the main business units that are usually lethargic and unresponsive Their adaptive agility and pro-activeness guarantees them success in the face of economic adversities. Aoki & Miyajima, 2012 in concurrence argue that strategic business units help increase revenue inflow thereby closing the gap of required funding against available resources. SBUs are established to make profit and are essential during low financial times. On the other hand, Anthony et al, (2013) argue that SBUs may result in increasing cash outflows through duplication of operations and associated increased operational costs and investments. (Hookwits, 2013) agrees with the school of thought and adds that operational costs to run an SBU may be more than the revenue it causing more cash challenges. SBUs' operating scope might have limited focus and might not be in tandem with the bigger picture of the parent departments and/or divisions may not be in sync with corporate culture of the parent entity (Kastberg, 2013).

With reference to, the second Board meeting for the year 2016 held on 31 March 2016 for Upper Manyame Sub Catchment Council, a resolution was passed to establish bulk water delivery Strategic Business Unit. The essence of the SBU is to augment revenue inflows for the Council in order to solve its perennial problems. The researcher is going to analyze the

suitability of this venture since it is the first of its kind to the sub catchment councils in Zimbabwe.

## **2.3 Analysis Applicability of Establishing Public Private Partnerships as a Bridge to Funding Gap**

### **2.3.1 Efficiency of Public Private Partnerships**

Today's service delivery challenges cannot be addressed by one sector [public or private]. The globalized business world has narrowed the difference between public and private sector deliverables. Information, communication and technology [ICT] revolution coupled with the explosion of the civil society organizations have ushered in new ways of doing business and new levels of synergistic levels between the various actors in the economy.

It has become apparent that the public sector can no longer sufficiently shoulder social responsibilities and inevitably, the private sector has to fill in the gap by taking on more social responsibilities. Partnerships usually fail because parties do not have a shared vision or common understanding as a basis of engagement. Partnerships also lack honesty and differ on the execution strategies and the various bases of progress. True partnerships are guided by a shared vision and an identified common problem and then honest allocation of responsibilities among partners according to capability. Any of the three partners, private and public sector and civil society can initiate the partnership. True partnerships rely on the combined strengths of the partners and subsist on optimal distribution of duties and responsibilities to results that benefit participants in a win for all scenario

However, philanthropic or donor-recipient relationships or partnerships that disregard the core competencies of the parties to the agreement do not fit into the strict definition of PPPs. In the same vein, event fulfilling project where one of the parties takes lead ahead of others does not also qualify for a PPP especially in the event where other parties are subcontracted. (United Nations Foundation, 2003)

Since the 1990's, PPPs became the preferred method of procuring public infrastructure and services (Grimsey, 2012). PPP provides a means of raising the capital and human resources expertise from the private sector (Nyagwachi, 2011, Charles 2015). According to Agyemang (2011) and Nyagwachi (2011) PPP business arrangement averts inefficiencies and of the public procurement system. Private sector efficiencies lower commodity and service prices and thereby enhancing the accessibility of same by the public, development of local financial markets and increased local participation. The PPP business arrangement are often used as a condition for receiving support or donation by development partners in developing countries (Ibid). PPPs enables host government to address major infrastructural challenges through private sector financing thereby closing the funding gap of the public procurement system. (Selsky & Parker, 2015)

On the contrary, despite the many reported perceived and/or actual benefits, the implementation success of many PPP projects have been marred by a number of allegations including corruption (William and Ghanadan, 2010), lengthy bureaucratic processes (Lamech and Kazim, 2013) and difficult financing mechanisms (ADB, 2010).

### **2.3.2 Legal frame work**

There are two categories of PPPs, Institutional PPPs and Contractual PPPs. The category of institutional PPPs arises from the birth of a legal entity owned by the public and private sector for the purpose of providing specific infrastructure or service to the community. On the hand, contractual PPPs are born out of a desire to fulfill contractual obligations between the public and private parties on the understanding that the private sector foots the funding bill to be recovered from product and/service consumers. Sometimes, the public sector pays a lump sum as its contribution towards the project (Carbonara, et al, 2010)

Carbonara, et al. (2010), identify another PPP classification based on operational assets of the transaction according to the remit of the private sector. The model relies on tapping the financial discipline and expertise of the private sector as well as leadership and organizational skills. The public sector develops these alliances with the aim of exploiting the private sector resources and expertise in the provision and delivery of public service and improve the efficiency and quality of service. (Carbonara, et al. 2010). PPP relations generally last long, typically 25-50 years, a length of time that ensures investment and profit recovery. PPP arrangements normally requires the creation of an independent legal entity, "Special Purpose Vehicle", usually comprising of a construction company, a facility management firm and financial institution, the structure of which depends on the characteristics of the specific PPP project/ transaction. The second dimension to characterize PPPs is financing of the PPP arrangement. Fundamentally, the aim of a PPP is to private mobilize investment funds from private capital and tap onto the planning, leading, organization and coordinating expertise found in the "for-profit" organizations and provide goods and/or services that would ordinarily have been provided through public sector procurement. Private sector involvement allows projects to get consistent funding in a shorter space of time while simultaneously



freeing up government budgets to deal with other pressing socio-economic and even political demands. The funding options mainly used in financing PPP projects are equity, subordinate debt and senior debt (Carbonara, et al 2010). Each funding option has unique risk-return routines. Consequently, PPP funding structures take various forms along the debt-equity combination strata. The last dimension is the public leverage on PPPs that is a function of the relationship between the scope of the PPP and guiding legal statute governing the PPP arrangement. The scope of the PPP variable refers to the purpose or the reason for adopting the PPP from the viewpoint of the public. The public sector opts for PPP over conventional procurement only when PPP delivery assures Value for Money (VfM). The concept of value for money defines the most desirable trade off point between the cost of putting together goods and/or services and the perceived benefits derived from consuming goods and service. The legal statute driver refers to the existence of a regulatory framework for and about the subject of the PPP arrangement. The existence of the policy framework promotes PPP business arrangement and streamlining planning approval and coordination of actions between the public and private sector in execution of the business plan.

Governments and their local agencies are faced with budget constraints to either build new infrastructure or maintain existing infrastructure. The lack of resources for infrastructure improvement and maintenance affects a range of capital investments including waste water treatment, water treatment, water distribution network, roads and transportation. The existing infrastructure is aging and is having to cope with serving much higher populations than it was designed to serve. The manner in which governments prioritizes investment funding and implement the funded projects compounds the infrastructure challenges that are obtaining especially in the developing world. New spending often favour new construction at the expense of funding maintenance of existing infrastructure and therefore future operation and

maintenance costs remain high. According to Engel et al, (2011), these investment allocation inefficiencies contribute to falling rates of return on public capital investments. Traditional government procurement has been criticized for inefficiency, unreliability and poor fiscal management. Robinson (2011) argues that governments prefer short term investment because of their short term political tenures. He further asserts that, governments are seized with “rush rent seeking behavior”, that stifles long term operation and maintenance. The growing demand on public sector services is also listed among the reasons for PPPs. Search for greater efficiency and creativity in management of public investments justifies the need for private players. Tyrogianni (2012), summarizes the need for PPPs as remedy for financial shortages in public sector, economic and social growth, improving the performance of public facilities and transfer commercial risk to the private sector.

In the case of PPPs Forrer et al. (2010) emphasize that PPPs need to be stewarded by the government to ensure that public interests are met throughout the arrangement. The literature points to several factors underlying PPP effectiveness. For example, some of the often quoted success factors include: consistent involvement of public agencies (Malik 2010); clear requirements with regard to the goals, inputs, and expectations in PPPs (Jamali 2004); and a sound regulatory framework and transparent negotiation on multiple interests of key participants (Abdul-Aziz and Kassim 2011).

The third full council meeting for Upper Manyame Sub Catchment Council held on 28 June 2016 ratified an MOU with Medecins Sans Frontiers-Belgium Zimbabwe. The scope of the MOU is mainly focusing on the sustainability of groundwater use, quality, monitoring the water table and the improvement of knowledge of the existing aquifers in Harare City. The project will assess the capacity in terms of water supply and capacitate the Council employees on monitoring of the ground water.

## **2.4 Challenges that could be encountered in applying the two Strategies**

The complicated nature of PPP arrangements with respect to negotiation, signing and implementation requires institutional capacity building of government. Systems and procedures to assess the value for money concept and the suitability and viability of the PPP arrangement should be installed with utmost transparency, ethics and should have solid measurement parameters. The process involves classification, measurement and apportionment of commensurate risk to the appropriate party that is capable of handling the allocated risk.

### **2.4.1 Value for Money and the Public Sector Comparator**

P3s are complex instruments and as such require a number of pre-existing capacities on the part government for successful decision making and implementation. The Organisation for Economic Co-operation Development (OECD) Secretariat identifies the following capacity pre-requisites for successful implementation of PPPs and a comprehensive assessment procedure for value for money A cost-benefit analysis of P3s in comparison to the most efficient form of public delivery uses risk adjusted benefits accruing from public sector procurement of goods and/or services. There must be a guided approach to quantify qualitative elements of the project to allow for comparability. This is the government's own judgment of the highest equilibrium of quantity, quality, features and (cost) of the project The party who can efficiently manage risk[ i.e. control risk at the lowest possible cost] by completely preventing it from happening (*ex-ante* risk management) or dealing with risk results realised in the best possible manner, (*ex post* risk management), sound accounting and budgeting practices that are clear, transparent and truthful.

A public sector comparator compares the differential value [difference between benefit derived against cost] of bids for the PPP in comparison to the differential value accruing from public procurement. A further assessment of the amount of risk allocation to the private sector against risk retained by the government should be made. The effectiveness and efficiency of the public sector comparator are compromised by their being prone to manipulation through subjective use of applicable discount rate. The effectiveness of the public sector comparator has dampened by taking into account qualitative aspects that inevitably brings to the fore subjective judgement on the part of government. Value for money is becomes subjective judgement of quantity, quality, features and price (i.e. cost), expected (sometimes, and not verifiable mathematical computation. The many variables that impact on the value for money concept makes it very difficult to judge upfront.

#### **2.4.2 Appropriate Risk Transfer**

The amount of risk allocation to partners is a critical consideration. Earlier schools of thought looked at PPP arrangements as a means that allowed governments to keep the cost of infrastructure development off the public balance sheet, while actually delivering on actual [new and repairs & maintenance] investment levels up that impressed upon cutting on public spending and keeping debt low. The mindset has since changed with increased use of PPPs where the concept of risk allotment took the form of "only transfer to a party best suited to handling it".

#### **2.4.3 Affordability**

Another key concept to consider in P3 arrangements is 'affordability', the concept that a project is considered affordable if the cost of realising same falls within the means of the government. P3s can only make a project affordable if it the differential value is higher than

the one realised through public procurement processes. From the forgoing discussion, it can be summarized that there are two underpinning bases for P3 consideration: Value for Money and Affordability. Some schools of thought advance the argument for P3 on the basis of budget capacity constraints where governments are under pressure to reduce public spending.

## **2.4.4 Guiding Principles for Successful P3 Implementation**

### **2.4.4.1 Political framework and institutional conditions**

P3s should be addressed or embraced at the upper echelons of decision making who must demonstrate the will and desire to embrace P3 fully aware and accepting the associated costs and benefits. The Ministry of Finance and the respective line ministries and the executive agencies should be accorded the autonomy to ensure a coherent approach to rolling out a P3 approach. The complex and long-term nature of P3 require consensus building among the social partners and full stakeholder consultation should be an integral part of the process.

### **2.4.4.2 Legal framework**

To attract investors, the legal framework of each project needs to be clear, transparent and predictable. Regulatory policy consistency and ethical business practices as well accountability enhances chances of success for projects. During negotiation, signing and implementation of the PPP project, the guiding policy framework must remain consistent. The legal framework must be clear and easily understood by all parties and must not be tainted by corruption and lack of accountability Government policy implementation must rid of bureaucracy and corruption. Approval processes must be coordinated to removal of regulatory obstacles such as coordinating and streamlining multiple layers of regulations either across one level of government or different levels of government (council, local boards, line ministries and central government). Adequate and appropriate policies and

procedures allow regulatory agencies to function with efficiency and effectively with sufficient independence free from political interference. The regulatory body must have sufficient resources and must control all process from project design including compliance monitoring. This role is critical in the management of service quality, profitability, tariffs and prices.

#### **2.4.4.3 Institutional roles**

A number of steps need to be observed in the procurement and implementation of P3s to ensure that the goals and purposes of the PPP are achieved. The specific roles of the partners to a P3 agreement need to be spell out to avoid duplication of effort and/or grey areas. The Ministry of Finance controls central budgeting and is responsible for ensuring that overall investment activities is sustainable and conforms with central government's macro-economic policies while balancing between the desire for private investment funding and the budget inflexibility that comes is associated with PPP arrangements. Projects should conform to the concept of affordability and the ethos of eco-political collaborations. It should possess certain capacity level to evaluate the documentation presented for affordability and value for money examinations.

There must exist, a dedicated PPP unit that has the overall responsibility for managing the entire PPP process from negotiation, signing and implementation. The unit should possess certain capacities including financial analysis, socio-economic & political dynamics and a clear understanding of project management implementation, monitoring and review. It further must possess the skill to give advice and guidance to the public procurement unit and ensure that it secures value for money at all stages including the implementation phase. The procuring unit is bears the final responsibility for the project but will need guidance and

advice from other players in the public procurement unit. While drawing from the P3 unit expertise, the procuring unit should be independently responsible for building up sufficient capacity to procure and manage the P3 project. The P3 unit is the ultimate responsible authority for all the PPP processes from expressions of interest and associated paperwork, negotiation and supervision of actual implementation process. The Supreme Audit Institution should assess P3 performance. It should remain adequately capacitated to objectively assess project performance against the various measurement yardsticks of value for money, affordability criteria and risk management.

#### **2.4.4.4 Decision making**

The steps taken to make a decision about whether a PPP project should be implemented rely on whether it has been identified as national priority and that it satisfies the principle that benefit must exceed the initial capital outlay as it heads towards satisfying the tenets of affordability and value for money. An investment decision should satisfy the measurement tenets of cost-benefit analysis while taking into account how it fits into other national investment programs. It is the duty of line ministries and other players in the investment programs of a country to ensure that they consider projects for PPP that align with the overall government priorities. The questions to do with financing and managing a project and choosing between public procurement and P3 can only be looked at after a project has gotten an uptake nod.

#### **2.4.4.5 Affordability and budget process transparency**

Budget process documentation must be as explicit as humanly possible outlining all the necessary and pertinent information to allow for informed decision making by all parties. Budget information must clearly outline the subject matter, and the timing of action plans for

both parties and specify the contribution of the government as well as exit clauses for each party. Cash flow projection [both revenue inflow and associated costs] must be adjusted for unforeseen budget and timing overruns.

#### **2.4.4.6 Careful investigation of investment methods**

A project should pass a various investment pretest to enable the government to make an informed decision on procurement option that best delivers on the value for investment stress test.

Pretest questions might include the following:

1. What are the different cost regimes of the different procurement options?
2. Does the project have distinct identification criteria?
3. Can their performance and associated costs be measured?
4. Can we ascertain the quantum of transferrable risk?
5. Who are the best parties to take on the risk?
6. Assess the attitude and aptitude of the private partner to taking on risk
7. What are the perceived level of competition in the market?
8. What are the chances of project failure?
9. How well did previous similar projects perform?
10. What is the impact of failure on the public authority?
11. Can the output be defined clearly?

Further investment stress tests should be conducted by an independent party and must compare the differential benefits of PPP and public procurement.



#### **2.4.4.7 Transfer the risk to those that manage them best**

The capacity to transfer risk from government to the private partner is another key consideration in PPP decisions. Interrogate and have an appreciation of the quantum of risk before deciding on allocation modalities the concept of best managed risk refers to a party that can handle the perceived risk at a lower cost or with minimal disruptions or a party that has the capacity to eliminate the risk. Risk definition should include financial/economic, environmental and social dimensions and should be clearly defined, identified and measured to eliminate conflicts in the contracts.

#### **2.4.4.8 Get input from users**

It is important to get input from the users of the goods and/or services to be realised from the P3 project. Users input on design, performance and quality monitoring puts service providers under scrutiny and pressures them into performance.

#### **2.4.4.9 Competitive, honesty and transparency**

Bids must be subjected to honest and transparent competition to ensure that risk is effectively and efficiently transferred and the best option is chosen. Enhanced integrity in public procurement arise from increased transparency and limiting of management autonomy in the decision making processes. PPP procurement should be a strategic profession informed by an understanding of good corporate governance, transparency, accountability and ethical business conduct in public organisation.

#### **2.4.4.10 PPP policy framework in Zimbabwe**

According to the Zimbabwe National Chamber of Commerce paper of 23<sup>rd</sup> July 2009, *The Feasibility of Public-Private Sector partnerships: Towards Infrastructure Development in*

*Zimbabwe*, the GoZ recognised PPPs as a viable option for attracting support from the private sector for new investments and/or repairs and maintenance investment as early as 1998. It was however only in 2004 that a guiding framework for PPP investment was developed and published. The guideline set to regulate the parameters for acceptance of PPPs, the negotiation process and the signing procedures as well as implementation and monitoring had to be installed. The existence of the various P3 guidelines is acknowledged and important in identifying the need for P3 institutional development but it must be hastened to point out their lack of legal standing. The guidelines themselves have not been institutionalized as they have not been enacted into an act of parliament. ZNCC thus conclude that Zimbabwe does not have PPP legislation.

## **2.5 How Other Countries have bridged the Funding Gap in Statutory Bodies**

### **2.5.1 Introducing better revenue collection methods**

#### **KENYA CASE STUDY**

In the high-density town of Nakuru, northwest of Nairobi, 95 prepaid stand pipes were installed. The taps are communal and are shared where one tap serves an average of 25 to 40 households. Access to taps is closely controlled by landlord for purposes of managing the utility bill. The taps are locked up most of the time and opened for a few hours per day and for two to three days a week. Despite that tenants pay for use of water as it is part of the rental bill, the landlords often default to pass on the rentals to the authorities who in turn cut water supplies as an enforcement mechanism. Monthly bill for water averages 300KSH. Tenants resort to buying water from water vendors that are expensive and sale at average costs of between 6 and 10 Kenyan shillings per 20 litre jerry-can that translates to between

US\$0.067 and US\$0.11). Water kiosks are cheap selling water for 2KSH per jerry can but the challenge was distance away from households and further, supply is intermittent because the kiosks are often. The project to install prepaid water meters was initially resisted by both landlords and tenants when Nakuru town authorities proposed it in 2012. After the installation of the prepaid meter's residents accessed water 24/7 for just 1.2 KSH (US\$0.01) per jerry-can while landlords realized they could easily rent out their apartments for better prices with improved water supply. Conflict over water and/or the risk of water disconnections was eliminated.

The desire to close the funding gap will remain a pipeline dream if it is not complemented by consented efforts to eliminate supply inefficiencies. Existing resources will go a lot farther through enhanced economic efficiencies. Economic efficiencies attract local and foreign [both private and public] investment (World Bank, 2011). Utility inefficiencies arise from under-collection of revenue caused by both under-costing and poor revenue collection systems. Prepaid water metering systems improve revenue collection. Prepaid systems are a panacea of cash flow challenges and have the capacity to raise funds for expansions and literally eliminates the need for tariff increases (Heymans et al., 2014). The downside is that revenue generated from prepaid water meters will only offset investment cost at comparatively high consumption volumes that is in turn determined by the tariff regime that should be in tandem with the cost build up (Heymans et al., 2014).

### **2.5.2 Viable pricing structure**

Public sector utilities do not account for product and/or service delivery in full and hence the tariffs do not recoup all costs incurred to deliver products and/or services. In contrast, the private sector comprehensively accounts for all costs [both direct and indirect] incurred.

Direct costs are pointed to the correct products while indirect costs are apportioned using a resource consumption ratio or activity based costing that identifies products and services as cost drivers. Pooled costs are then allocated or apportioned to specific products or services using scientific techniques like Activity Based Costing [ABC]. (Heymans et al., 2014). A service provider charging below cost is literally subsidizing and digging into own margins. Political grandstanding, populism and rent seeking behavior is the major reason why public utilities are deliberately forced to charge below-cost tariffs by central government bent on achieving political mileage. Sometimes the cost accounting systems and procedures used in public utilities do not sufficiently cover all cost drivers. It is estimated that below-cost tariffs [or underpricing] causes 44% total quantifiable inefficiencies of the energy sector in Africa. (World Bank, 2011).

## **ISRAEL CASE STUDY**

In Israel, the Ministry of National Infrastructures regulates electricity tariffs and standards for the quality of service. The Israel Electric Corporation (IEC) is the only electricity utility in Israel. It produces and distributes all electricity used by the State. The central government of Israel owns an estimated 99.85% of IEC.. Local demand for electricity during the 2000 to 2011 period grew in a positive correlation with the GDP, 3.1% and 3.2% respectively. In response to the rising demand, Israel embarked on an expansion investment drive [ expansion and new generation facilities] Electricity supply industry is open to private sector participation that the government has encouraged to produce at least a fifth of total demand. IEC reported an annual revenue stream of 21.2 billion NIS (6.11 billion USD) in 2013. Fuel expenditures dropped by 45.92% from 16.3 billion NIS (4.72 billion USD) in 2012 to 8.85billion NIS (2.55 billion US) in 2013.

### **2.5.3 Improved budget execution**

#### **AUSTRALIA CASE STUDY**

Australia's government budgeting and budgetary control provide the most apt case study of improved budget systems. Budgeting follows a strict procedure where each line ministry specifies the specific outputs to be delivered on each program and/or outcome. The line ministries are also required to submit detailed progress reports on each delivery or output, in the annual Portfolio Budget Statements that supports the budget requests. Budgeting performance reviews [budget variance analyses of actual versus budget] are a non-negotiable requirement for all programs. Budgeting is guided by adjudged performance of the various programs that drive different policies. The performance assessments are independently verified by the Auditor General whose office also assesses performance of government arms and directly report to cabinet. There is limited room for supplementary budget. Furthermore, there is a ceiling cap provision that supplementary budget cannot exceed 25 percent of annual expenditures. Budget carryovers are only allowed to fund operations and expires at the end of the year. Contingency reserves of up to 1.3 percent of total budgeted expenditure are provided for periods of four years. The Finance Ministry approves any line ministry or agency expenditure commitment that spans across more than one financial year.

### **2.5.4 External financing**

The Organization for Economic Cooperation and Development comprise of developed countries and has been supporting Africa for both new investment and Operation and Maintenance [O&M] expenditure. In combination 50% of Africa's infrastructure is supported

by OECD countries. Funding favours resource rich countries and non-fragile countries [political stable countries].

## **UGANDA CASE STUDY**

Uganda received external support amounting to US\$451.2m during the period July-December 2011. External support in the form of Grants accounted for the biggest portion of external financing sitting at US\$234.3m representing about 20% of total in external support for year ended 2012. Loan support came to US\$2016.9 million. The Financial Sector, Energy and Agriculture sectors have been identified as the key sectors with huge impact on developmental growth and poverty reductions. These three sectors are priority beneficiaries of aid.

### **2.5.5 Retrenchment**

One of the major causes of financial inefficiencies in public utilities is overstaffing, i.e. employing more personnel than job requirement. After conducting job evaluations and/or personality job fits, utilities are encouraged to right size through retrenchment and reassignment. Retrenchment has potential to improve the financial performance of a business organizations by reducing staffing costs which results in the ultimate increase in profits (Gandalf, 2013). Employee retrenchment is however but just one of the major first steps management should take when looking at cost rationalisation of the entire organizational processes (Layton & Lambled, 2011).

## **IRELAND CASE STUDY**

Ireland has since July 2008 embarked on a series of financial adjustments and it was anticipated that by 2014 it would have adjusted by €30bn through a mixed strategy of cost

cutting and rationalization. Ireland did well, progressing from a GDP deficit of -7.3% in 2008, to -14% in 2009, to -13.1% in 2011 down to -7.6% in 2012. Ireland had set a target of reducing deficit to 3%. Ireland continued on the path to gaining financial discipline by cutting all public employees' salaries. The Croke Park Agreement between government and unions agreed to stop retrenchments and pay cuts and allowed shrinkage through voluntary retirement schemes, natural attrition, early-retirement and career break incentives. People were incentivised to accept early pension as a means of encouraging them to go on early retirement.

## **2.5.6 Public Private Sector Partnerships**

### **SOUTH AFRICA CASE STUDY**

Soon after independence South Africa established an PPP supervisory unit under the National Treasury that constituted that superintendents over PPP arrangements. The PPP unit has overseen successful deals in transport, health care and information technology sectors. South African Treasury department has, courtesy of the PPP unit achieved its objectives. The beneficiaries get better service from PPP projects while the private sector gets more jobs.

## **2.6 Summary**

This chapter provides a literature review on funding gap of statutory bodies. The chapter analyzes the causes of funding gaps and how they can be bridged. This chapter analyzed strategic action plans that have been employed by other countries to bridge the funding gap.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.0 Introduction**

Research methodology analyses the various methods used to collect data on the research subject matter. Research methodology further looks at the justification of the choice of the methodology adopted and the methods we use in the context of our research study and a justification of the choice of using (or of not using) a particular method. (Shriram Group, 2013) The researcher explores the different methods and techniques used in collecting the data and information on bridging the funding gap on the statutory functions of statutory bodies. In analysing the data and information, the research tools that were used for the purposes of addressing the study objectives are outlined in the chapter on literature review. This chapter examines the different areas of guiding the research phenomena including the philosophy, approach, design, tools, information collection procedures, data presentation, research analysis plans used in this particular research and concludes with a summary.

### **3.1 Research Approach**

Research approaches are plans and the procedures for conducting or carrying out the research. The decision making process of selecting an approach is informed by the philosophical assumptions held by researcher concerning the specific study and covers, research design that determines the procedure of enquiry research methods of data collection, analysis and interpretation. Other factors impacting on the research approach include, the research problem: the issue(s) being addressed, researcher's personal experiences, and audience of the study. There are two approaches to a business research: deductive (also known as quantitative) and inductive (also known as qualitative) approaches. A deductive approach develops a series of conclusions based on existing theories which then informs the



research approach. It is an approach of deducting conclusions from premises or prepositions. The approach is referred to as reasoning from the general to the particular. This study follows the deductive approach as determined by the subject of study and the preferred data collection, processing and analysis.

### **3.2 Research Design**

According to Saunders and Tosey, a strategy used to research is the action plan used by the researcher to answer a research question (Saunders, et al 2012). This study used the survey research study that is appropriate to assess thoughts, opinions and feelings. The advantages of survey research strategy include surveys are relatively inexpensive, they have the potential to reach out to larger study population, the anonymity of surveys allows respondents to answer questions in more candid and valid manner, surveys have a wide variety of administration modes, the uniformity of the survey questions allows for easy of comparison between responses.

#### **3.2.1 Descriptive Research Design**

Descriptive research analytically studies the research matter and precisely analyses observations describing the phenomena. The survey aims to outline accurately the profile of all variables to the phenomena (Robson (2010) in Saunders (2011)). It was necessary to have a deep understanding prevailing situation before the gathering of data by the researcher. Data was collected through administration of questionnaires and face to face interviews. The researcher opted for qualitative research seeking to exploit the advantages of dealing with a predetermined set of scaled persons and the thoroughness of extracting the required information.

### 3.3 Population

Population is the total number of members of a defined class that are relevant to a research study. If a group of people have one or more characteristics of interest to the researcher, they are then defined as a target group.

#### 3.3.1 Representative/ Target Population

According to Saunders (2010), for a sample to qualify as perfect, it must be as representative of the population as humanly possible. The researcher's population consisted of eighty members from various stations as shown in table below;

*Table 3.1 Population*

<b>Station</b>	<b>Number of Personnel</b>
Upper Manyame Sub Catchment Council	15
ZINWA Head Office	20
Manyame Catchment	15
Stakeholders from Micro-catchments (water Users)	30
<b>TOTAL</b>	<b>80</b>

The table shows the target population of the research from which the accessible population was sampled. The research was not a census.

### 3.4 Sampling and Sample Size

The manner in which a sample is selected affects the statistical quality of data analysis with respect to its representativeness and accuracy. This research used the non-probability, convenient sampling method. Non-probability sampling refers to a sampling method where the probability that an element of a population will be chosen is not known. The advantages

of non-probability sampling over probability sampling are convenience and cost. There are two forms non-probability sampling: voluntary & convenient non probability sampling. This researcher used the convenience variant that is made up of people that are easy to reach.

Wheeler and Holloway (2010) defined sampling as the selection [either purposeful or at random] of a member(s) of the population for the purposes of gaining insight into the population. People are sampled for interviews or observations, and times or places for observations might also be sampled. Parasuraman et al (2012) defined sampling as a part of the whole [some of the units of out the whole population. Kothari (2011) likens sampling with picking a few items out of the whole lot of items and attempt to draw a judgement or a conclusion about the total population.

According to Saunders (2010) sample size is determined by the nature of the population being studied from which the sample is derived. A bigger sample size reduces the possibility of errors. If the population is small, data can be collected about the entire units of the population. It was however the opinion of the researcher that there was no additional benefit from collecting data from the entire population and hence chose to select a sample. There were other constraints of time and cost to collecting data from the entire population.

**TABLE 3.2 Sample size 70%**

<b>Strata</b>	<b>Population</b>	<b>Sample Units</b>	<b>Percentage</b>
Upper Manyame Sub Catchment Council	15	15	100%
Stakeholders in Micro catchments	20	15	75%
Manyame Catchment	15	10	100%
ZINWA Head office	30	16	53%
<b>TOTAL</b>	<b>80</b>	<b>56</b>	<b>70%</b>

### **3.4.1 Stratified sampling**

The researcher used the non-probability sampling stratified sampling to select the sample.

The sample was selected through quota sampling to augment representativeness.

### **3.5 Sources of Data**

The researcher collected both Primary and secondary data. Secondary data is data collected by someone other than the researcher. It therefore pre-exists and has an established degree of validity and reliability. Primary data are first hand data collected by the investigator conducting the research. It is also known as field research. Primary data has the merit of being specific and relevant to the study than secondary data. Its downside against secondary data is that it is usually expensive to create than it costs to acquire secondary data. Primary data is usually current. The textbooks and internet sources were the source of information on the constructs of the funding gaps of public utilities and on various cased studies on some countries have addressed the phenomenon. The same sources explained the strategic options of closing the funding gap.

### **3.6 Data Collection Instruments**

The various data collection instruments including questionnaires, tests, checklists, surveys and scales are known as tools. Tools solicit information about individuals, groups or entire organizations. The researcher chose to use the questionnaires and interviews data collection tools. The questionnaire was developed under the Rensis – Likert scale that have extreme points representing strongly agree on one hand and strongly disagree on the other extreme.

### 3.6.1 Questionnaires

A questionnaire was defined as a data collection instrument with a series of questions that is administered to all the participants in the sample, Gall and Bard (2010). According to Leedy (2010), a questionnaire collects data even from areas that cannot physically be reached by the researcher. A questionnaire is a listing of questions that are addressed to selected individuals either face to face or through mail.

### 3.6.2 Closed ended questions

In this research, closed ended questions were used. According to Jackson (2011), closed ended questions provides limited suggested answers from which the respondents choose from to provide selected information or confirm fact or opinion. Closed questions were easy to analyse as each answer is allocated a numerical value that can be subjected to a multitude of statistical manipulation.

### 3.6.3 Likert Scale

Rensis Likert was the developer of the Likert technique. It is a prevalent technology that uses itemised scaling ranging from strongly disagree through to strongly agree.

**Table 3.3 Likert scale**

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
5	4	3	2	1

*Source: primary data*

The researcher adopted the Likert scale because it is a widely known survey technique and many scholars relate well with the various answers solicited from research subjects are easy to assign a value and can then be subjected to statistical manipulations whose outcomes are

analyzed and synthesized.

### **3.6.4 Interview**

An interview, according to Saunders et al (2010) is an exchange of ideas between two or more people for the purpose of gathering data that is relevant and reasonably accurate, relates to the research objectives.

#### **3.6.4.1 Face-to-face Interview**

According to Van Dalen (2011), many people prefer oral communication to written communication. The researcher conducted face-to-face interviews mainly because they give opportunities to parties to seek clarity and put questions and answers into desired perspective. It has a further advantage of providing additional information through deduction of non-verbal communication: facial expression and body movement.

#### **3.6.4.2 Telephone interview**

This type of an interview involves use of the telephone [fixed landline, cellphone and other modern varieties (skype, viber, whatsapp)] to directly speak to a targeted research subject. The interviewer chose this instrument because, it was possible to record the responses for further analysis, respondents could be reached after hours, geographical barriers were overcome and it was relatively inexpensive.

### **3.7 Data Reliability and Validity**

According to Trochim (2014), validity is the extent to which inferences can legitimately represent theoretical constructs of the research. To enhance validity, the researcher used the pre-administration meetings with potential respondents to establish a common understanding

of the questions and the purpose of the study.

Reliability tests quality of measurement. It is a measure of "consistency" or "repeatability" of measures (Trochim, 2014). Phelan and Wren (2015) define reliability as the extent to which different test items measuring the same construct come to the same results. According to Saunders et al. (2011) reliability is the measures to what extent data is clean, untainted with subjective bias and prejudice while validity measures the extent to which a study relates to the concept being interrogated in manner that ensures that different researchers on the same concept come up with similar results. Acceptable reliability measure of a set of tests should have a Cronbach's Alpha value of more than 0.6. The two variables of validity and reliability of data of this research was largely depended the number of people that responded, the manner and structure of the design of questions. The researcher conducted a consistency check that involved relating answers obtained from questionnaires to answers gotten from other data collection instruments.

### **3.8 Data Analysis and presentation**

Data analysis is the computerised statistical manipulation of data collected and the converting same into readily usable information. Data analysis processes include data entry (capture), data cleaning, synthesis and interpretation which is the drawing of conclusions that informs decisions. Data analysis involves Primary data was collected through questionnaires and interviews and was, analysed through Microsoft Excel and the results were presented in the form of pie charts, tables graphs and summaries.

### **3.9 Ethics and Values**

Values are the rules or generally accepted standards by which we make decisions about right

or wrong, should or should not, good and bad. Ethics are acceptable norms and values that governs what becomes generally acceptable behavior. Ethics are societal accepted and expected way of doing things [determine right from wrong]. In research ethics defines the appropriateness of one's conduct in relation to the rights of other persons, either the subjects or the audience of the study. Ethical considerations have been observed throughout this research by the researcher, the subject of study is a public service provider and as such does not require specific authorization of anybody or individual and hence no such authorization was sought, the permission of the respondents was sought by way of engaging with them before administering the questionnaire, the identity of the respondents was and remains anonymous, care was taken to avoid offensive questions in all manner possible, further analyses and discussions of the responses were kept in context by subjecting them to statistical analysis other than subjective interpretation by the researcher.

### **3.10 Summary**

The researcher collected primary data using the questionnaire and interview research instruments. The questionnaires were physically administered together with face-to-face interviews. Consolidated interpretation is presented in the next chapter.



## CHAPTER 4: DATA PRESENTATION AND ANALYSIS DISCUSSION

### 4.0 Introduction

The following chapter presents the discussions and interpretations of the research findings. Data collected was scanned, sifted, organised and summarised before being laid out in different pictorial depictions [tables, graphs and pie charts]

### 4.1 Response Rate

According to Saunders et, al (2010), response rate is the linear relationship that subsists between the number of respondents to research questions and the total number of persons that were targeted [actually given the research questions] expressed as a percentage. The high response rate achieved in the research study signified more reliability in the findings. The researcher issued fifty-six research instruments and forty-two were responded to and sent back giving a response rate of 75%. [see table below].

**Table 4.1 Questionnaire response rate**

<b>Response Unit</b>	<b>Questionnaires Distributed</b>	<b>Questionnaires Returned</b>	<b>Percentage responses</b>
Upper Manyame	15	15	100%
Stakeholders in micro-catchments	15	10	67%
ZINWA Manyame Catchment	10	7	70%
ZINWA Head office	16	10	63%
<b>Total</b>	<b>56</b>	<b>42</b>	<b>75%</b>

*Source: primary data*

A high response rate of 75% was recorded and it surpassed the 50% suggested by Punch (2010) who opined that a response rate of 50% was adequate, 60% was good and 70% was

very good and more than 80% was excellent.

### Question (i) Age range of the participants

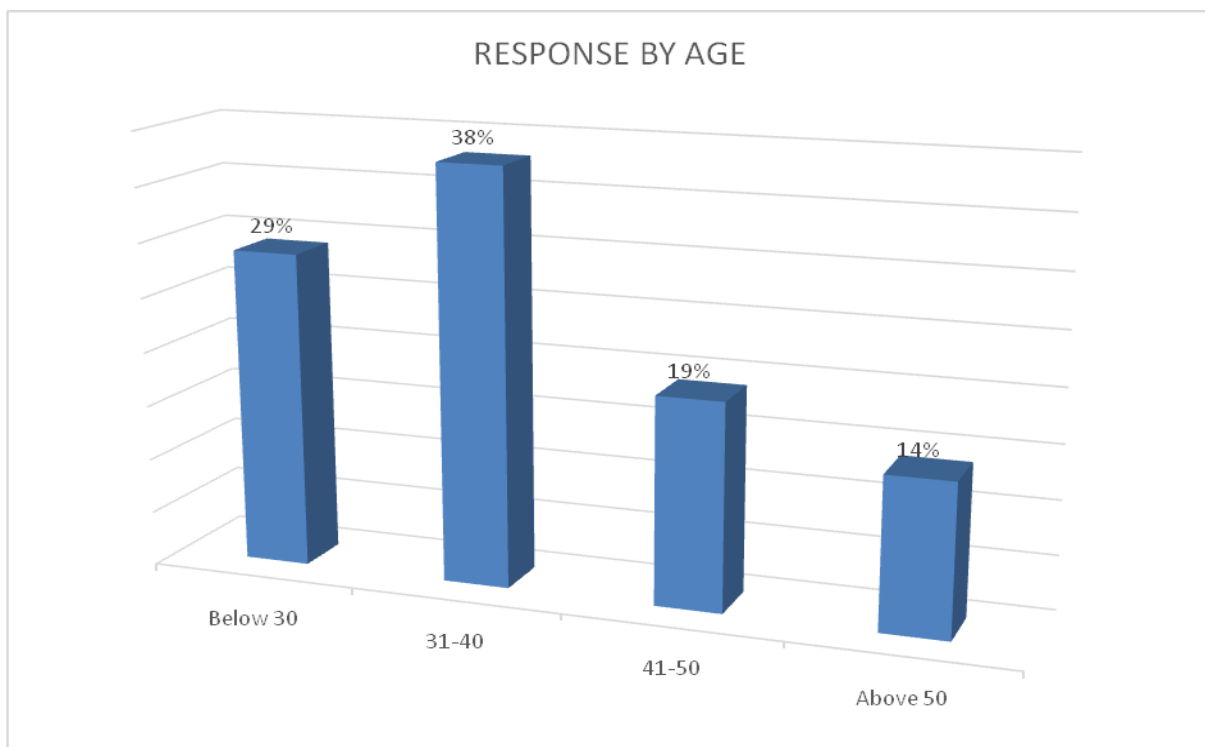
The ages of the respondents are as shown in the table below.

**Table 4.2 Age range of participants**

	<b>Below 30</b>	<b>31-40</b>	<b>41-50</b>	<b>Above 50</b>	<b>Total</b>
<b>Outcome</b>	12	16	8	6	42

*Source: primary data*

**Figure 2: Age range of respondents**



*Source: primary data*

Table 4.2 and figure 2, 12 out of 42 (29%) respondents fall under the age of 30, 16 out of 42 (38%) were between 30-39 years; 8 out of 42 (19%) were between 40-49 years and 6 out of 42 (14%) were above the 50 years. 30-49 (57%) represented the mature age group which provided almost reliable response. 14% had reached the retirement age.

**Question (ii): Academic qualifications**

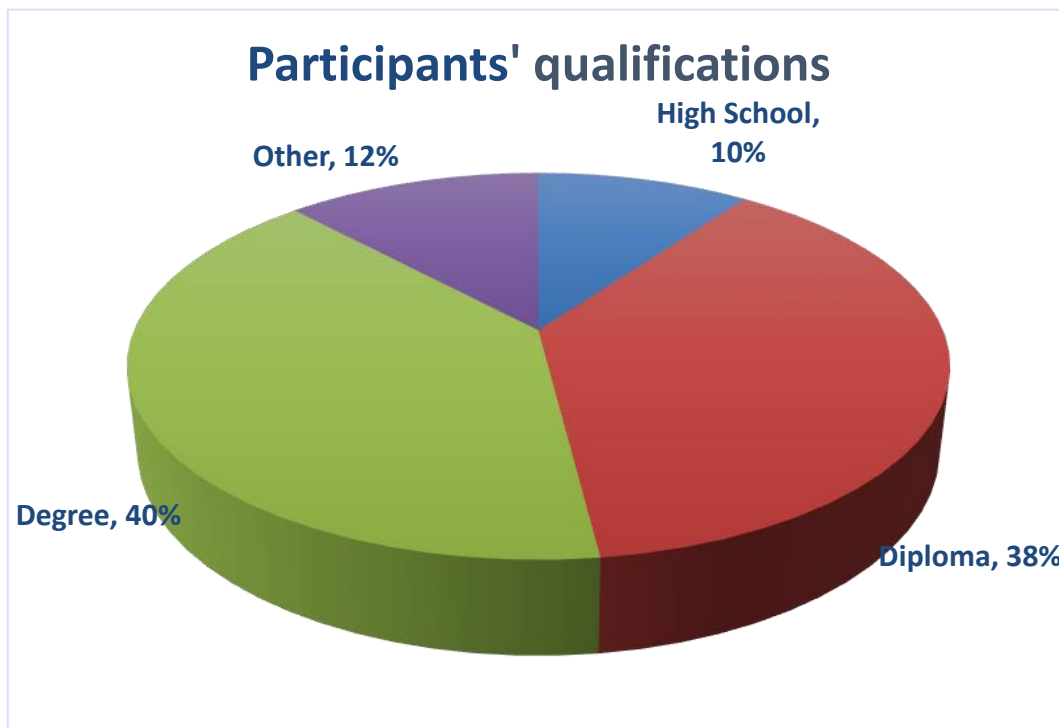
Respondents were ranked according to their academic qualifications as shown in the table below.

**Table 4.3 Participants qualifications**

	High School	Diploma	Degree	Other	Total
Outcome	4	16	17	5	42

Source: primary data

Figure 3 presents a pie chart showing the respondent’s qualifications.



Source: primary data

Table 4.3 and figure 3 showed that 4 out of 42(10 %) of the respondents had high school education meaning that the researcher cannot rely much on their responses as they have little knowledge of the subject being researched. 16 out of 42 (38 %) had diplomas; 17 out of 42 (40%) had degrees and 5 out 42 (12 %) had other qualifications on these, the researcher had reliance on the responses as they were substantiated by facts because of their level of

education. Overall, 38 out of 42 (90 %) of respondents were professionally qualified with managerial positions.

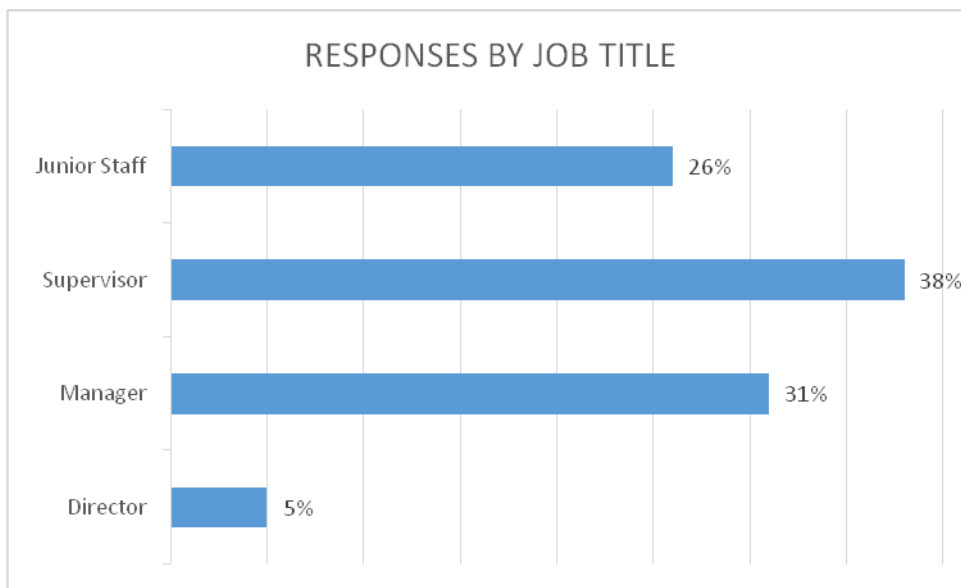
**Question (iii) Position held in the Organisation**

Respondents were asked to indicate positions they occupied in their respective jobs. The responses were as indicated below

**Table 4.4 Position held in the organisation**

	Director	Manager	Supervisor	Junior Staff	Total
Outcome	2	13	16	11	42

**Figure 4: Responses by job title**



*Source: primary data*

Table 4.4 and figure 4 showed that 2 out of 42 (5 %) were directors; 13 out of 42 (31 %) were in managerial level while 16 out of 42 (38%) in supervisory and 11 out of 42 (26%) junior staff. The response rate of managers and supervisors was high and represented 29 (69 %) 2 out 42(5 %) of the respondents were senior management. The mode of 16 was in the

supervisory group and management had a greater response as well. This group of people operationalized SBUs and PPPs so the researcher received reliable information.

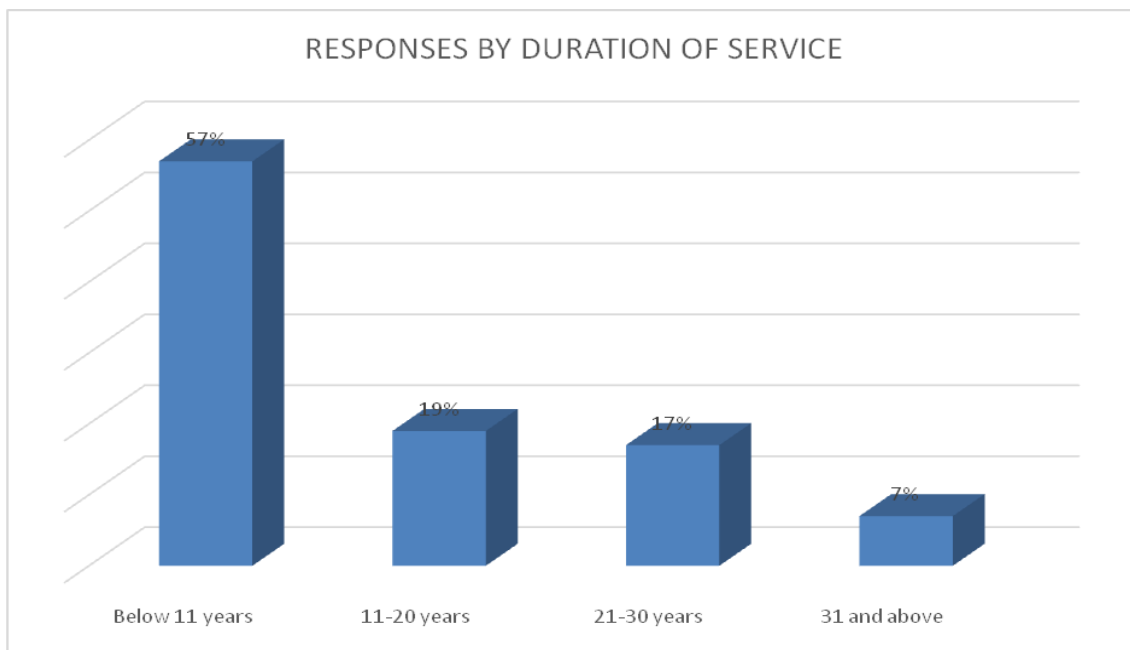
**Question (iv): Length of Service**

The research study probed length of service of the respondents and the results are as shown below in table 4.5

**Table 4.5 Period of service in the organisation**

	Below 11 years	11-20 years	21-30 years	31 and above	Total
Outcome	24	8	7	3	42

**Figure 5: Responses by duration of service**



*Source: primary data*

The results depicted on table 4.5 and figure 5 indicated that 24 out of 42 (57 %) had worked in their respective organizations for 11 years and below and; 8 out of 42 (19 %) had served

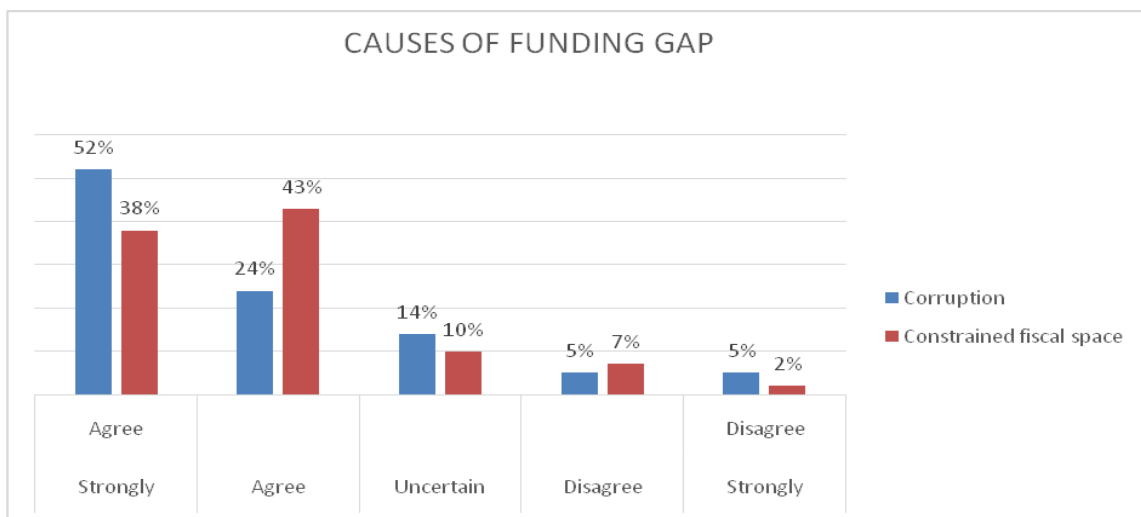
for 10-19 years. 7 out of 42(17 %) had served for between 20 and 29 years while 3 out of 42 (7%) had served the organization for more than 30 years. The majority 24 out of 42 (57 %) had been in the service for less than 11years while 18 out of 42 (42 %) had been in continuous employment for 11 years and more. 3/3 (100 %) of the respondents were employed for more than 11 years. Long serving personnel were assumed to have institutional memory.

**4.2 Question (v): The following are causes of funding gap in statutory bodies**

**Table 4.6 causes of funding gap**

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total
Corruption	22	10	6	2	2	42
Constrained Fiscal Space	16	18	4	3	1	42

**Figure 6: Causes of funding gap**



*Source: primary data*

Table 4.6 and figure 6 clearly showed that the majority of the respondents concurred that corruption and constrained fiscal space were causes of funding gap.

## **Corruption**

The responses showed that 22 out of 42 (52%) strongly agree that corruption causes funding gap, 10 out of 42(24%) agree, 6 out of 42(14%) were uncertain, 2 out of 42(5%) disagreed and 2 out of 42(5%) strongly disagreed. This showed that 32 out of 42 (76%) agreed with the sentiment that corruption results in a funding gap. This meant that the majority were in agreement as supported by Wei (2010) who stipulated that corruption facilitated the substantial indirect private transfer of funds from the budget to public officials thereby reducing the funds available for public services. The research also found that 6 out of 42(14%) were neutral which showed they were indifferent. These respondents had no idea what funding gap is. This was supported by Rotini et al. (2013) who posited that there is no relationship between an increase in corruption and economic growth in real output. 4 out of 42(10%) disagreed with the notion discussed above. This means that the minority disagreed which is insignificant to the study as supported by Heckelman and Powell (2012) who opined that reducing corruption alone without eliminating inefficiency will mean that business activity remains depressed and growth remains slow. The mode of the data 22, which is the majority of those in agreement with corruption supported that it was the main cause of the funding gap. Worldbank.org (2013) alluded that corruption is the greatest hindrance to development, which weaken institutional capacity on which economic growth depends.

## **Constrained Fiscal space**

As shown by the responses 16 out of 42(38%) strongly agreed that constrained fiscal space causes a funding gap, 18 out of 42 (43%) agreed, 4 out of 42 (10%) were uncertain, 3 out of 42(7%) disagreed and 1 out of 42(2%) strongly disagreed. This showed that 34 out of 42 (80%) agreed with the fact that constrained fiscal space resulted in a funding gap. This meant

that the majority were in agreement, which was supported by Bandara (2011) who highlighted that challenges obtaining in the fiscus had forced government to pursue policies that restrained. The research also found out that 4 out 42 (10%) were neutral which showed that they did not have the idea whether constrained fiscal space had an impact on funding gap or not. This was supported by Willems (2013) who posited that external factor like economic sanctions on Zimbabwe have attributed to low capacity utilisation in organisations. 4 out of 42 (10%) disagreed with the scenario discussed above. This means that a few of respondents disagreed which does not have a bearing to the study. This was supported by Emech (2012) posited that poor corporate governance and power abuse has led to underperformance in public entities. The mode of the data is 18 which showed that the majority of the respondents agreed that constrained fiscal space is a cause for the funding gap. According to Bandara (2011), low fiscal performance forces government to adopt contractional policies.

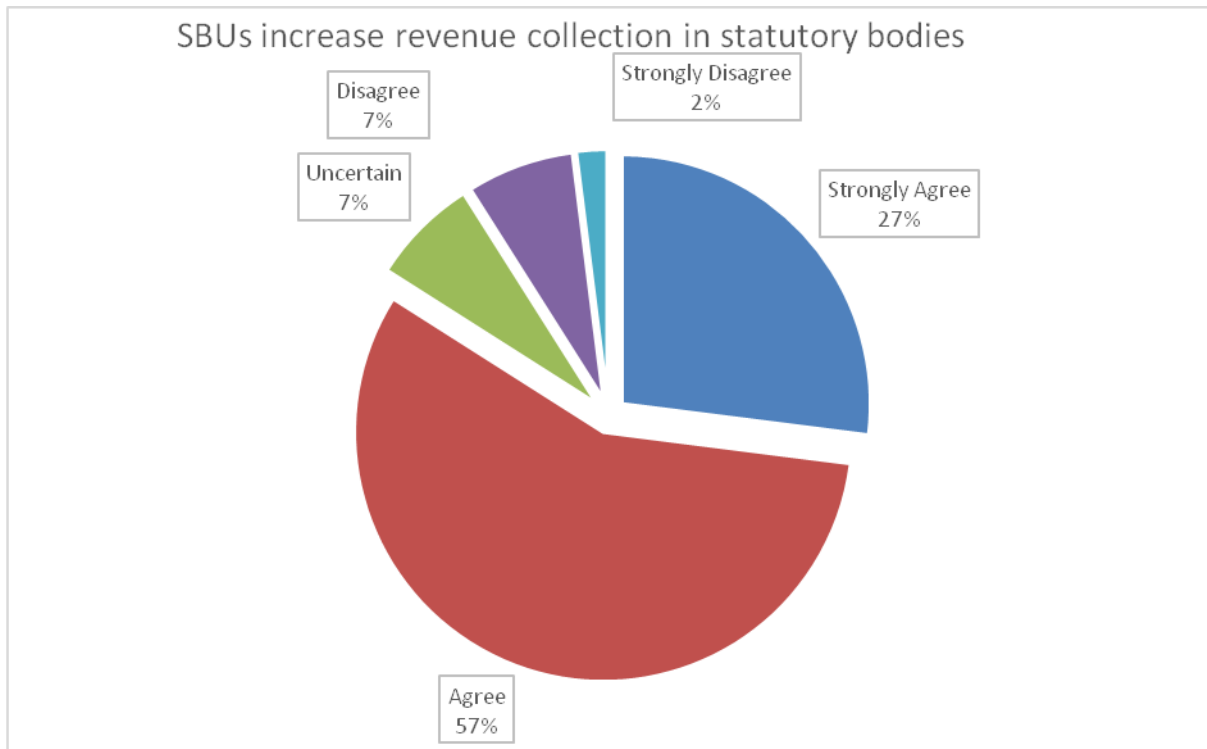
**Question (6): Strategic Business Units (SBUs) increase revenue collection in statutory bodies.**

**Table 4.7 SBUs increase revenue collection in statutory bodies**

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total
Outcome	11	24	3	3	1	42



**Fig 7 SBUs increase revenue collection in statutory bodies**



*Source: primary data*

The responses revealed that 11 out of 42 (27%) strongly agreed that Strategic Business Units increased revenue collection in statutory bodies. 24 out of 42 (57%) agreed, 3 out of 42 (7%) were uncertain, 3 out of 42 (7%) disagreed and 1 out of 42 (2%) strongly disagreed. This showed that 35 out of 42 which is the majority of respondents agreed with the notion that Strategic Business Units increased revenue in statutory bodies. Fong (2014) who agreed that the major aim of establishing SBUs is to raise revenue. The revenue would be channelled to close the funding gap of the main organisation. The research also found out that 3 out of 42 were neutral which showed that they do not have the knowledge of how SBUs operate. This was supported by Sergista (2013) who stated that SBUs mitigate problems of resource sharing in functional departments. 4 out of 42 (10%) disagree with the above facts discussed. This means that few of the respondents disagreed which does not constitute much to the

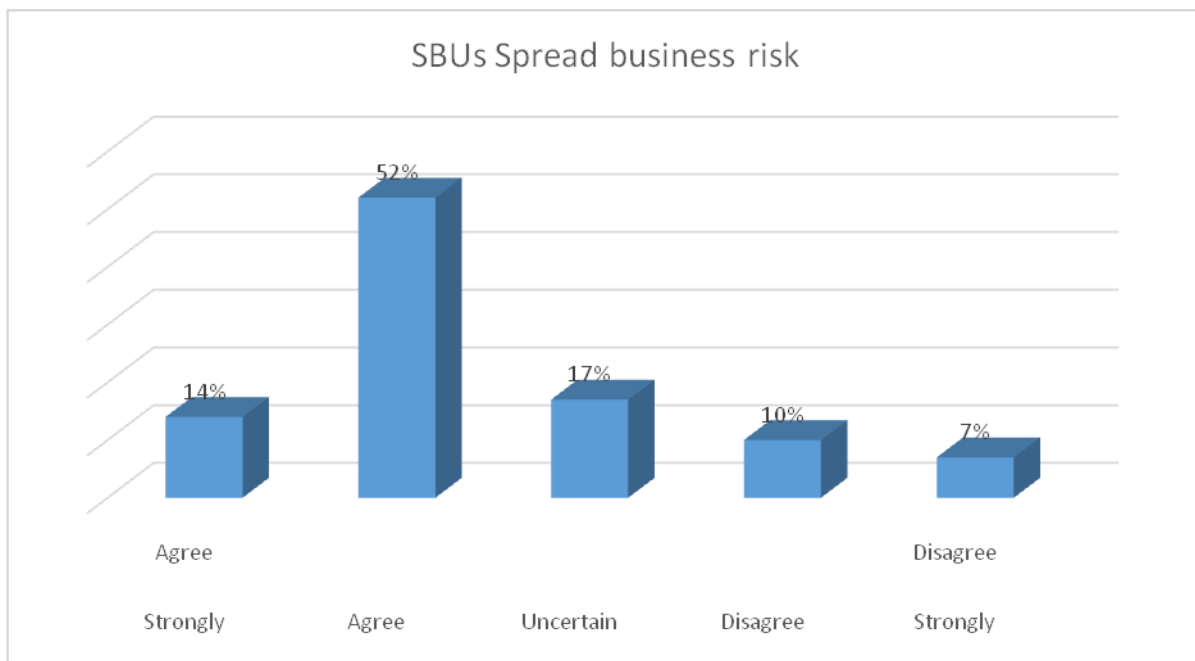
study. This was supported by Hookwits (2013) who argued that costs associated with running an SBU might surpass revenues generated by the SBU, which increased the financial burden of the main organization. The mode of the data is 24, which is the majority of those in agreement that SBUs increase revenue in statutory bodies and meaning that SBUs can be used as a means of bridging the funding gap.

**Question 7; Strategic Business Units (SBUs) spread business risk**

**Table 4.8** SBUs spread business risk

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total
Outcome	6	22	7	4	3	42

**Figure 8: SBUs spread business risk**



Source: primary data

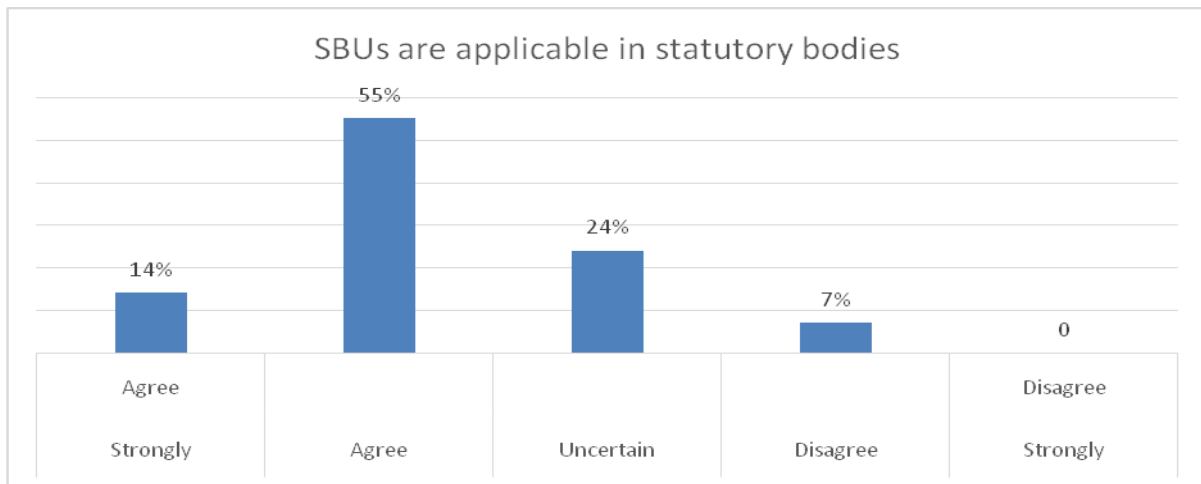
Table 4.8 and figure 8 responses showed that 6 out of 42 (14%) strongly agreed that SBUs spread business risk. 22 out of 42 (52%) agreed, 7 out of 42 (17%) were uncertain, 4 out of 42 (10%) disagreed and 3 out of 42 (7%) strongly disagreed. Overallly 28 out of 42 (66%) agreed with the sentiment that SBUs spread business risk. This means that the majority of the respondents were in agreement as supported by Darwin (2011) who argued that SBUs are more responsive to the environmental dynamics because of their relatively small size. They can become perennial sources of revenue inflow. The research also found out that 7 out of 42 (17%) were neutral which means that the respondents were not aware of the advantages of SBUs. 7 out of 42 (17%) disagreed with the scenario discussed above. This means that the minority disagreed which is insignificant to the study. This was supported by Kastberg (2013) who stated that lack of cohesion between departments can harm productivity and progress. The mode of the data is 22 which is the majority of those in agreement that SBUs spread business risk. Which means SBUs spread Business risk which was supported by Michels et al (2010) who posit that SBUs play an important role of diversifying risk

**Question 8: Strategic Business Units (SBUs) are applicable in statutory bodies**

**Table 4.9 Strategic Business Units (SBUs) are applicable in statutory bodies.**

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total
Outcome	6	23	10	3	0	42

**Figure 9 Strategic Business Units (SBUs) are applicable in statutory bodies.**



*Source: primary data*

The analysis in table 4.9 and figure 9 showed that 6 out of 42 (14 %) strongly agreed that SBUs are applicable in statutory bodies. 23 out of 42 (55%) agreed, 10 out of 42(24%) Uncertain and 3 out of 42 (7%) disagreed. This showed that 29 out of 42 (69%) agreed with the notion that SBUs are applicable in statutory bodies. This means that the majority are in agreement which was supported by the assertion of Aoki & Miyajima (2012) that SBUs fill in the funding gap and augment the resources available. They further asserted that SBUs make profit and should be in essence be established by private voluntary organizations to enable them to offer assistance in time of need. The research also found out that 10 out of 42(24%) were neutral which showed that they did not know whether SBUs are applicable in statutory bodies. 3 out of 42(7%) disagreed with the sentiment that SBUs are applicable in statutory bodies. This means that a few disagreed which is a smaller number that does not have a bearing to the study. This was supported by Antony et al (2013) who argued that some organizations have no appetite for setting up SBUs for increased cash outflows as a result of augmented operations, increased employment levels [salaries] and capital investments. The mode of the data is 23 which is the majority of those in agreement with the fact that SBUs are applicable in statutory bodies. This means SBUs are applicable in statutory bodies as was supported by Fong (2014) who argued that the strategic plan for establishing SBUs to

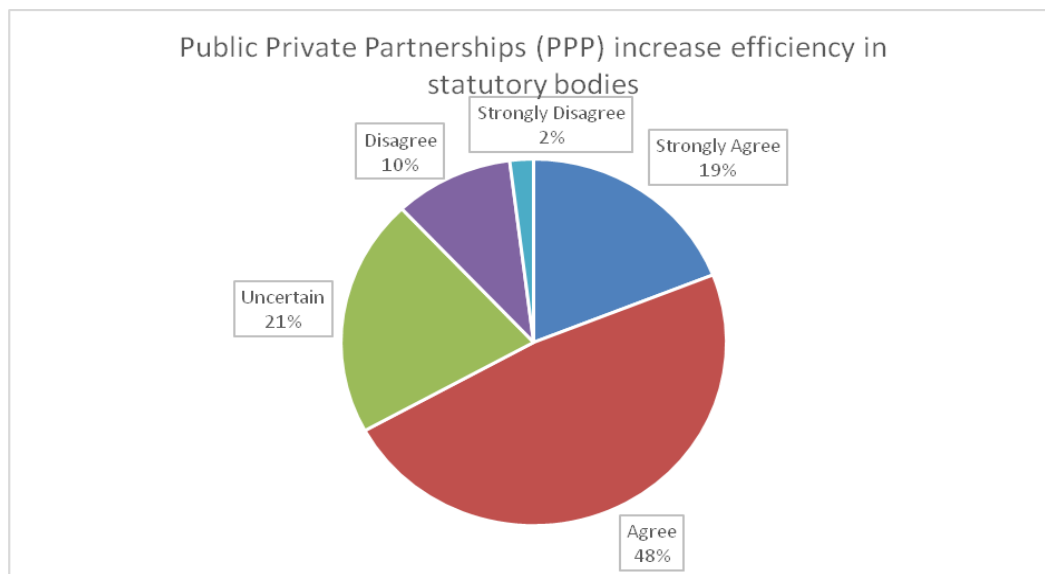
increase profit margins, the revenue of which is in turn channeled to bridging finance needs of the main organization.

**Question 9: Public Private Partnerships (PPP) increase efficiency in statutory bodies**

**Table 4.10 Public Private Partnerships (PPP) increase efficiency in statutory bodies**

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total
Outcome	8	20	9	4	1	42

**Figure 10 Public Private Partnerships (PPP) increase efficiency in statutory bodies**



*Source: primary data*

The analysis in table 4.10 and figure 10 showed that 8 out of 42 (19 %) strongly agreed that PPPs increase efficiency in statutory bodies, 20 out of 42 (48%) agreed, 9 out 42 (21%) Uncertain, 4 out of 42 (10%) disagreed and 1 out of 42 (2%) strongly disagreed. This showed that 28 out of 42 (68%) agreed with the fact that PPPs increase efficiency in statutory bodies. This meant that the majority were in agreement which was supported by Charles (2015) who stipulated that P3s provide a means of mobilizing funding and human skills from the private

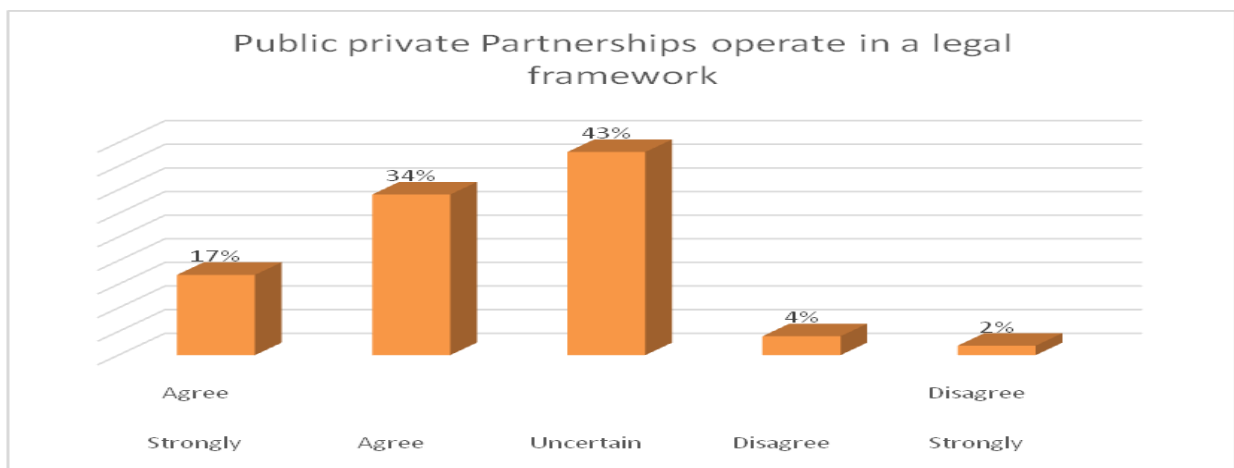
sector. The research also found out that 9 out of 42(21%) were neutral this showed ignorance of what PPPs are. This was also supported by Grimsey (2012) who posited that PPPs are increasingly becoming the preferred method of procuring public infrastructure and services. 5 out of 42 (12%) disagreed with the discussed notion above. This means the minority disagreed which is insignificant to the study. Lamech and Kazim (2013) who stated that PPPs are characterized by length bureaucratic processes supported this. The mode of 20 which is the majority of those in agreement that PPPs increase efficiency in statutory bodies. Agyemang (2011) stated that PPPs offer an opportunity to enhance efficiencies and reduce wastage supported which means PPPs increase efficiency in statutory bodies this.

**Question 10: Public Private Partnerships operate in a legal framework**

**Table 4.11 Public Private Partnerships operate in a legal framework**

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total
Outcome	7	14	18	2	1	42

**Figure 11: Public Private Partnerships operate in a legal framework**



Public Private Partnerships operate in a legal framework and transparent negotiation on multiple interests of key participants. The research also found out that 18 out of 42(43%)

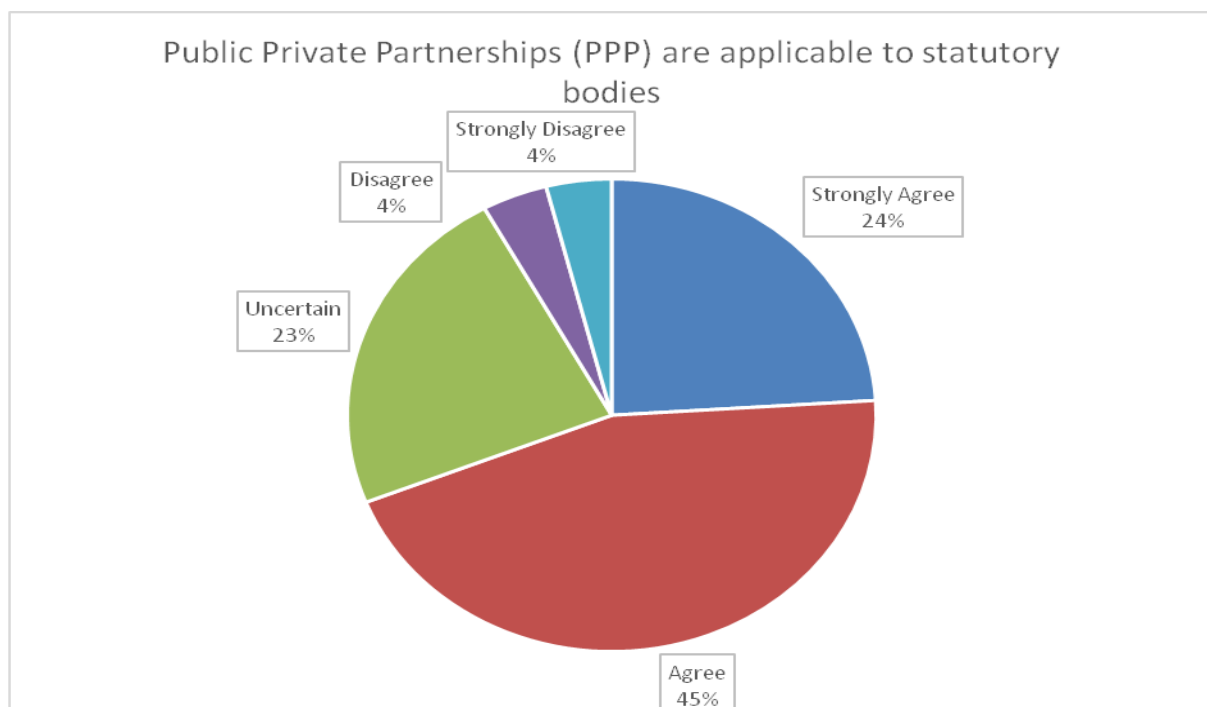
were neutral. The findings showed that nearly half were not aware of the legal frame work of PPP as supported by Forrer et al (2010) who stated that PPPs need to be stewarded by the government to ensure that public interest is met throughout the arrangement. 3 out of 42(6%) disagree with the notion discussed above this means that the minority disagree which is insignificant to the study this was supported by Jamali (2004) who stated that clear requirements with regard to the goals, inputs and expectations in PPPs. The mean of the data is 8.5, which meant that those in agreement were above average and PPPs operate in a legal framework. This was supported by Abdul-Aziz and Kassim (2011) who stated that a sound regulatory framework and transparent negotiation on multiple interests of key participants.

**Question 11: Public Private Partnerships (PPP) are applicable to statutory bodies**

**Table 4.12** Public Private Partnerships (PPP) are applicable to statutory bodies

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total
Outcome	10	19	9	2	2	42

Figure 12 Public Private Partnerships (PPP) are applicable to statutory bodies



Source: Primary data

The analysis in table 4.12 and figure 12 showed that 10 out of 42 (24%) strongly agreed that PPPs are applicable in statutory bodies. 19 out of 42 (45%) agreed, 9 out of 42 (23%) Uncertain, 2 out of 42 (4%) disagreed and 2 out of 42 (4%) strongly disagreed. This showed that 29 out of 42(69%) agreed with the fact that public private partnership was applicable in statutory bodies. This means the majority were in agreement which was supported by Agyemang (2011) who highlighted that the benefits of PPPs offer an opportunity to reduce inefficiencies and waste. The mode of 19 indicates that the majority of the respondents agree to the applicability of PPPs in statutory bodies. The research also found out that 9 out of 42(23%) were neutral which showed that they were indifferent with the applicability of PPPs in statutory bodies this was supported by Grimsey (2012) who posited that PPP is increasingly becoming the preferred method of procuring public infrastructure and services. 4 out of 42(8%) disagreed with the sentiments discussed above. This means that the minority disagreed which is insignificant to the study as was supported by Lamech and Kazim (2013) who stated that PPP is characterized by lengthy bureaucratic processes. The mode of the data is 19 which is the majority of those in agreement that PPP is applicable in statutory bodies. Which means PPP is applicable in statutory bodies. This was supported by Selsky and Parker (2015) who stated that PPP is means of providing funding a number of critical infrastructure projects that the public procurement sector would not be able to do on its own.

**Question 12: The following challenges affect applicability of Strategic Business Units (SBUs) and Public Private Partnerships (PPPs)**

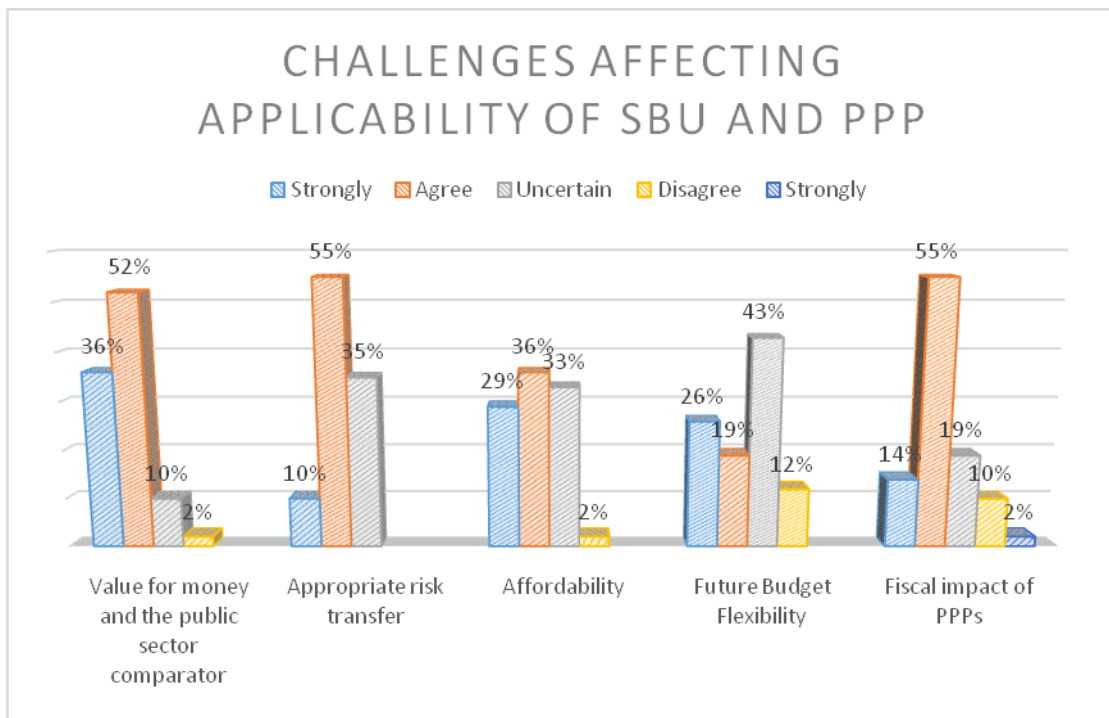
**Table 4.13 Challenges affecting applicability of SBU's and PPPs**

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total
Value for money and the public sector	15	22	4	1	0	42



comparator						
Appropriate risk transfer	4	23	15	0	0	42
Affordability	12	15	14	1		42
Future Budget Flexibility	11	8	18	5		42
Fiscal impact of PPPs	6	23	8	4	1	42

**Figure 13: Challenges affecting applicability of SBU's and PPPs**



Source: Primary data

The analysis in table 4.13 and figure 13 showed that 15 out of 42 (36%) strongly agreed that the assessment of the incremental value and cost benefit analysis are some of challenges affecting applicability of SBUs and PPPs. 22 out 42 (52%) agreed, 4 out of 42 (10%) uncertain and 1 out of 42 (2%) disagreed. This showed that 37 out of 42 (88%) agreed with the fact that incremental value and benefit over cost comparison were some of the challenges that affect applicability of SBUs and PPPs. This means that the majority are in agreement with a position which was supported by OECD (2012) that PPPs are underpinned by the value of money principle. indeed, Benefit over cost analysis should adjust cash flows for risk

and timing. The effectiveness of the analysis is prone to subjective manipulation that either weakens or strengthens its position. The research also found out that 4 out of 42(10%) were neutral which means that they did not have the knowledge of the consequential increase of value. 1 out of 42 (2%) disagreed with the notion discussed above. This means that the minority disagreed which is insignificant to the study.

### **Appropriate risk transfer**

The analysis in table 4.13 and figure 13 showed that 4 out of 42 (10%) strongly agreed then 55% agreed, 15 out of 42 (35%) uncertain. This showed that 27 out of 42 agreed with the sentiments that appropriate risk transfer is a challenge in applicability of SBUs and PPPs. This means that the majority were in agreement which is supported by Boeheim (2012) who argued that some risks can be difficult to manage leaving both parties to the contract exposed. The report also found out that 15 out of 42(36%) were neutral which means that they were indifferent. Non disagreed. The mode of the data 23 which is those in agreement showed that that appropriate risk transfer is a challenge in applicability of SBUs and PPPs which means appropriate risk transfer is a challenge in applicability of SBUs and PPPs.

### **Affordability**

The analysis in table 4.13 and figure 13 shows that 12 out 42 (29%) strongly agree that affordability is one of challenges affecting applicability of SBUs and PPPs,15 out of 42 (36%) agree, 14 out 42 (33%) uncertain and 1 out of 42(2%) disagree. This shows that 27out of 42(64%) agree with the fact that affordability is a challenge to SBUs and PPPs. This means that the majority agreed with Campe & Kaan (2013) who stated that a project is financially within reach when it can be accommodated within intertemporal budget challenges of the government support. The research also found out that 14 out of 42(33%)

were neutral this means they did not have knowledge of affordability as a challenge to SBUs and PPPs. 1 out of 42(2%) disagree with the notion discussed above. This means that the minority disagree which is insignificant to the study. The mode of 15 supported that most respondents agreed that affordability is a challenge to SBUs and PPPs. Which means affordability is a challenge to SBUs and PPPs.

### **Future Budget flexibility**

The analysis in table 4.13 and figure 13 showed that 11 out of 42 (26%) strongly agreed that future budget flexibility is one of the challenges affecting applicability of SBUs and PPPs, 8 out of 42 (19%) agreed, 18 out of 42 (43%) uncertain 5 out of 42 (12%) disagreed. The position was supported by Kamila (2011) who stated that PPP can stifle host governments' budget latitude and negatively impacts the efficiency and effectiveness with which they would want to allocate resources. 18 out of 42(43%) were neutral which means many people did not know this challenge. 5 out of 42(12%) disagreed with the facts above. This represented the minority, which is insignificant to the study. A mean of 10.5 means that the respondents agreed that future budget flexibility posed challenges to SBUs and PPPs applicability.

### **Fiscal impact of PPPs**

The analysis in table 4.13 and figure 13 showed that 6 out of 42 (14%) strongly agreed that fiscal impact of PPPs is one challenges affecting applicability of SBUs and PPP, 23 out of 42 (55%) agreed, 8 out 42 (19%) uncertain, 4 out of 42 (10%) disagreed and 1 out of 42 (2%) strongly disagreed. This showed that 29 out of 42(69%) agreed with the sentiment that Fiscal impact of PPPs is a challenge in applicability of PPPs. This means that the majority are in agreement which is supported by Huxham & Vangen (2014) who argued that budget and

accounting systems and procedures can be manipulated to sidetrack traditional investment controls in favour of P3 arrangements. The research also found out that 8 out of 42(19%) were neutral which showed they were indifferent. 5 out 42 (12%) disagreed with the notion discussed above. This means that the minority disagreed which is insignificant to the study. The mode of the data is 23 which is those in agreement that fiscal impact of PPPs is a challenge in applicability of PPPs. This means that fiscal impact of PPPs is a challenge in applicability of PPPs.

### **4.3 Analysis of interview responses**

#### **Question 1: What do you think are the causes of funding gap in statutory bodies?**

Interviewee one stated that constrained fiscal space and customer default to pay fees as cause of funding gap who was supported by interviewee 2 who posited that constrained fiscal space and corruption are the factors that causes funding gap. Interviewee 3 stated that government grants are no longer being given to statutory bodies hence shortage of funds. Most of the respondents agreed that constrained fiscal space and corruption caused a funding gap which was supported by Wei (2010) who stipulated that corruption facilitates the substantial indirect private transfer of funds from the budget to public officials thereby reducing the funds available for public services. Bandara (2011) highlighted that limited fiscal elbow room forced governments to adopt a cautionary spending policies. The interview finding is in line with the questionnaire finding which stated a mode of 22 and 18 respectively was in agreement that corruption and fiscal space caused funding gap. This was supported by Wei (2010) who stipulated that corruption facilitated the substantial indirect private transfer of funds from the budget to public officials thereby reducing the funds available for public services.

**Question 2: How applicable are Strategic Business Units (SBUs) as a bridge to funding gap?**

Interviewee one stated that SBUs are now recommended by the government who was supported by interviewee two who stated that SBUs is a better alternative for addressing funding gap in statutory bodies as they are alternative revenue streams to statutory bodies. Interviewee three had a concern that SBUs caused conflict of interest as statutory bodies may seem acting both as a regulator and a player and also a referee which will make the playing field uneven. Most of the respondents agreed that SBUs are applicable in statutory bodies as bridge to funding gap which was supported by Aoki & Miyajima (2012) who posited that SBUs augment investment funding and available resources. The interview findings were in line with the questionnaire findings with mode of 23 in agreement with the fact that SBUs are applicable in statutory bodies. Fong(2014) argued that the strategic focus of setting up SBUs was increased revenue inflow and closing of the funding gap as required by the parent organization.

**Question 3: How applicable are Private Public Sector Partnerships (PPPs) in bridging funding gap?**

Interviewee one stated that it is a practical solution which will make business easier as the private sector will bring in funding this enhances efficiency in Statutory bodies. Interviewee two and three concurred that PPPs had proven to be another alternative in addressing the funding gap. Most of the respondents agreed that PPPs are applicable to statutory bodies as a means of bridging the funding gap which was supported by Nyagwachi (2011) who stipulated that PPP benefits, included that they offer an opportunity to enhance efficiency and reduce wastage that are common within the public sector. The interview finding is in line with the

questionnaire finding which stated a mode of 19 in agreement that PPP is applicable to statutory bodies. This was supported by (Grimsey, 2012) who stated since the 1990's, PPPs are increasingly becoming the preferred method of procuring public infrastructure and services.

**Question 4: In your own view, what challenges are encountered in applying these two strategies?**

Interviewee one stated that misappropriation of funds for personal gains by the executives in SUBs at the expense of the core business as they enjoy autonomy. PPPs are affected by restrictive government policies supported by interviewee two who cited bureaucracy as it takes a lot of time for decisions to be concluded as they get guidance from the central government. Interviewee three viewed corruption as personal interest override company interest. Most of the respondents agreed that there were challenges encountered in applying these two strategies which was supported by Kaan (2013) who stated that other host governments sometimes ignore the concept of affordability because the P3 business arrangement can be outside the balance sheet. The interview findings which stated modes of 22,23,15 and 23, in agreement that incremental financial value arising from the project implementation, comparison of differential benefit streams arising from implemented projects, optimal risk transfer, affordability, future budget flexibility and fiscal impact of PPPs are challenges encountered in applying the two. This was supported by Beisheim (2012) who stated that some risks could be averted and in some instances both parties may fail to manage the risk and project benefits may have to be adjusted for the measurable risk factor.

**Question 5: How have other countries bridged the funding gap in statutory bodies?**

Interviewee one stated that by allowing the companies to run on commercial basis with very little government interference which was supported interviewee two who posited that countries have bridged funding gap through debt financing on equity participation. Interviewee three stated that by allocating a fraction of the central government budget towards funding state institutions which was supported by case studies and the interview findings.

#### **4.4 Chapter summary**

The foregone chapter presented data collected, its analysis and interpretation after computer statistical computation. Results were pictorially depicted in the forms of pie charts, bar graphs & tables. Analysis was done using the measures of central tendency, the mode. Findings on qualitative data were analysed using inductive approach that collected data that was synthesised to expose emerging themes and summarise outcomes.

## **CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.0 Introduction**

This chapter presents the research summary, findings of data collection, emerging recommendations and research conclusion

### **5.1 Chapter Summaries**

Chapter 1 highlighted that the statutory revenue of Upper Manyame Sub Catchment Council, which is water levy, is insufficient to meet the statutory duties of the Council. In the period under review, the sub catchment council failed to resolve the problems that are existing within its jurisdiction. For examples; contamination of Lake Chivero, the seepage at Pomona dumpsite that is contaminating ground water and the silting of Harava dam which has resulted in its low holding capacity. This is affecting pumping capacity at Prince Edward water works.

Chapter 2 analysed the causes of funding gap in statutory bodies narrowing to the case of Upper Manyame Sub Catchment Council. Constrained fiscal space and corruption were cited as some of the causes. ZimAsset (2013-2018) argued that regardless of the fact that the country experienced some measure of economic stabilization, it is still experiencing challenges with the decline in capacity utilization being the major cause of the insufficient funding of projects. Monyau and Bandara (2011) argued that Zimbabwe`s economy is still shaky and has a huge debt overhang while experiencing a debilitating deindustrialization and high informalization Wei (2010), Campos et al (2011) were the authors that highlighted corruption as the cause of funding gap. They argued that corruption facilitates the substantial indirect private transfer of funds from the budget to public officials there by reducing the



funds available for public services. The Chapter also explored strategies of bridging the funding gap and their applicability in statutory bodies. The challenges that may be encountered were also noted. Case studies were incorporated in the chapter to view how other countries bridged the funding gap. This research study focused on bridging the funding gap in statutory bodies.

In Chapter 3, Qualitative research approach and a descriptive research design was used in gathering the research data. The researcher used questionnaires and interviewees as research instruments and the data collected was analysed and presented on graphs and tables. The target population of 80 was used and this was made up of Upper Manyame Subcatchment Council employees, and stakeholders who among were ZINWA Head office, ZINWA Manyame Catchment and Water users in micro catchments. Simple stratified sampling was used and also quota sampling was used to pick individual respondents from various strata. A total of 42 stakeholders responded to questionnaires whilst the other 3 were interviewed.

Chapter 4 presented an analysis of data collection methodologies. It presented findings, recommendations and conclusions. The chapter used graphs, pie charts and tables to present findings and results. Different significant statistical values were computed and presented.

## **5.2 Major Research Findings**

### **5.2.1 Causes of funding gap**

The results of the research have indicated that inability of Upper Manyame Subcatchment Council to execute its statutory functions is caused by constrained fiscal space which is widening the funding gap.

### **5.2.2 Applicability of strategic business unit (SBU) as the bridge to funding gap**

Strategic business units have received an overwhelming response as a means of bridging the funding gap. SBUs has merits, among them are that they increase revenue which will enhance cash generation in organisations. This reduced the fund requirement gap. SBUs also reduces business risk as they are proactive and responds to the changing business environmental dynamics and by so doing they become perennial revenue generating sources because their risk of failure is low.

### **5.2.3 Applicability of Public Private Partnerships (PPP) as the bridge to funding gap**

PPPs are a means of financial leveraged as they bring funding and human skills of the private sector. The benefits that accrued with the public private partnerships included that they give the opportunity of overcoming inefficiency and wastage, which is experienced in public sector operations. Public private sector partnerships enhance government capacity to implement infrastructure projects PPPs operate in a legal framework to ensure public interest.

### **5.2.4 Challenges in implementing the two strategies**

- Appropriate risk transfer may not be realised as the part that best manages risk as it might fail to do so because some risks are exogenous.
- PPPs might not be included in the intertemporal budget this means that they will not be affordable as they will be off budget.
- PPPs reduce spending flexibility

Low fiscal capacity justifies the adoption of PPPs business arrangement.

### **5.2.5 How other Countries bridged the funding gap**

Other countries have bridged the funding gap by introducing better revenue collection methods, viable pricing structure, improved budget execution, external financing, retrenchment and the use public private sector partnerships.

### **5.3 Conclusions**

The research was adjudged successful because all the research objectives and the founding research questions were satisfactorily addressed. This research clearly demonstrated that indeed there is a challenge of underfunding in statutory bodies or quasi- government organizations of which. Upper Manyame Sub Catchment Council is done. Most of the dams are silted which require mechanisms to desilt them so that they retain water to desired capacity. Monitoring equipment is not available as it needs a huge capital outlay. In conclusion, the research has recommended a number of strategic action plans that UMSCC can adopt to close the funding gap to enhance service provision

### **5.4 Recommendations**

1. In the final analysis, the following recommendations were arrived at: UMSCC should set up Strategic Business Units (SBUs). An SBU can either be engaged in follow on activities to the existing business operations in an arrangement that is technically referred to as forward integration. In this instance, UMSCC can engage in bulk water delivery business which is proving to be a lucrative business. If the business unit is involved in earlier processes to those of the existing business, the expansion is referred to as backward integration. In this scenario, UMSCC can set up borehole drilling venture. All this will alleviate funding gap as the revenue will be utilized to fund the core business of UMSCC, which are statutory functions.

2. UMSCC should alternatively partner with private sector as these organisations bring in funds and expertise in the efficient running of UMSCC. UMSCC can have the modalities of building, operate and transfer.
3. UMSCC can employ viable pricing structure, improved budget execution, external financing and retrenchment means that were adopted by other countries in bridging funding gap.

## **5.5 Way forward**

Further researches are recommended to analyse the applicability of strategic business units in statutory bodies as researchers are mostly focusing on public private partnerships as a bridge to funding gap.

## **5.6 Summary**

This chapter has synthesised the summaries and recommendations of all the chapters of this research study and highlighted emerging issues, findings, relevant conclusions, recommendations and opined further areas for further research.

## 6.0 REFERENCES

### Books

1. Bard & Gall, 2010. *Educational research: An introduction*. 7th ed. Boston: Pearson.
2. Beisheim, 2012. *Partnership for sustainable development*. Politik: Stiftung Wissenscraft.
3. Boston Consulting group, 2013. *Bridging the Gap meeting the infrastructure challenge with public private Partnerships*. Boston: Boston Consulting Group.
4. Buras, Randels, Salaam & Center., S. a. t., 2010. *Pedagogy, policy, and the privatized city: Stories of dispossession and defiance from New Orlean*. New York.: Teachers College Press.
5. Campos, Dent, A., Fry, R. & Reid, A., 2011. *Impact of the recession*, s.l.: Office for National Statistics.
6. Dube & Chigumira, 2011. *The Scope for Public-Private Partnerships for Infrastructure Development in Zimbabwe*. Harare: Zimbabwe Economic Policy Analysis and Research Unit.
7. Eberhard, Vennemo, H., Shkaratan, M. & Rosnes, O., 2011. *Africa's Power Infrastructure*, Washington DC 20433: The International Bank for Reconstruction and Development/The World Bank.
8. Grimsey & Lewis, 2012. *Public Private Partnership Revolution in Infrastructure Provision and Project Finance*. s.l.:Cheltenham: Edward.
9. Hookwits, 2013. *Strategic Business Units*. Namibia : Cocktail Publishers, Kingstel.
10. Huxham & Vangen, 2014. *What makes partnerships work? In Osborne, Stephen (Ed) Public-PrivatePartnerships. Theory and practice in international perspective..* London.: Routledge.

11. Jackson, 2011. *Research Methods and Statistics A Critical Approach*. 4th ed. s.l.:Cengage.
12. Kamiya, 2011. *Partnership Design Guide: Creating Successful Cross-Sector Collaborations*. Toronto: MelonAge.
13. Kothari, 2011. *Research Methodologies and Techniques*. s.l.:Macmillan.
14. Malik, 2010. *Public–Private Partnerships in Education*. Philippines. : Asian Development Bank.
15. Marin, 2012. *PPP for Urban Water Utilities: A review of Experience in Developing Countries*. Washington DC: World Bank.
16. OECD, 2012. Changing Roles for the Public and Private Sector, Global Trends in Urban Water Supply and Waste Water. *Financing and Management*, p. Paris.
17. Oppenheim, 2010. *Questionnaire design, interviewing, and attitude measurement*. New York City: St. Martin's Press.
18. Prichard, 2011. *Crown Corporations in Canada*. Toronto: Betterworths.
19. Punch, 2010. *Survey Research: The Basics*. London: Sage Publications Ltd.
20. Richa, et al., 2013. *GOVERNANCE AND DEVELOPMENT*. New Delh: National Social Watch.
21. Saunders, P, L. & A, T., 2011. *Research Methods For Business Students*. 5Th Edition ed. London: Pricehouse.
22. Sumathi & Saravanavel, 2011. *Advertising and Salesmanship*. Chennai : Margham Publications.
23. Wei, 2010. *informational content of Treasury Inflation-Protected Security prices*, s.l.: Federal Reserve Board, Washington, D.C.
24. Wheeler & Holloway, 2010. *Qualitative research in nursing and healthcare*. 3rd ed. s.l.:lackwell Publishing Ltd – 3rd ed.

25. Williams & Ghamadan, 2010. *Determinants of Macro-Economic Development*. 2nd ed. New Delhi: Sage Publishers
26. Aoki & Miyajima, 2010. *Corporate Governance in Japan*. s.l.:Oxford University Press.
27. Heymans, M, S., J, P. & Slater, 2014. *Local Government Service Partnerships: A Background*". *Commonwealth Local Government Conference*.. Pretoria: s.n.
28. Leedy, 2010. *Proceedings of the American society for engineering education National Conference on Engineering Case Studies*. Ottawa : s.n.

## **Journals**

29. ADB, 2010. Rational and Conceptual frame work for using PPPs. *Financial Instruments*, 11(4), pp. 10-20.
30. Antony, et al., 2013. Challenges and benefits for management control in SME. *international Journal of Accounting Information Systems*, Volume 11, pp. 1-84.
31. Aziz, A. & Kassim, 2011. Objectives, success and failure factors of housing public-private partnerships in Malaysia.. *Habitat International*,, Volume 35, pp. 150-157.
32. Burger, 2011. How To Attain Value for MoneyComparing PPP and Traditional Infrastructure Public Procurement. *OECD Journal on Budgeting* , Volume 1.
33. Campe & Kaan, 2013. Transnational Public-Private Partnerships in International Relations. *Making Sense of Concepts, Research Frameworks, and Results*. *International Studies Review*,, Volume 11, pp. 451-474.
34. Darwin, 2011. How to set up SBUs. 5( 2), pp. 78-89 .
35. Fisher, 2010. Tough economic times. *Delta Pi Epsilon*, 52(3), pp. 109-110.
36. Flinders, 2010. The Politics of Public-Private Partnerships. *British Journal of Politics*

- and International Relations*, 7(2), pp. 215-239.
37. Fong, M., 2014. Chinese Charm School. *Wall Street Journal*, pp. B1-B6.
  38. Fraekel, H, A., Munnell & Cannon, R., 2010. PUBLIC SECTOR WORKERS AND JOB SECURITY. *RETIREMENT RESEARCH*, Volume 31, pp. 1-10.
  39. H, C. & Ueber-Sax, 2011. Population Index. *J Stor*, 23(1), pp. 1-10.
  40. Jamali, 2014. A critical assessment of a proposed public private partnership (PPP) for the management of water services in Lebanon. *Water Resources Management*, 21(3), p. 611–634.
  41. Kastberg, S., 2013. How National Libraries improves Knowledge and Skills. Volume 1, pp. 36-89 .
  42. Kumar, 2010. Infrastructure Development and Economic Growth in China. *Institute of Developing Economies*, 12(2), pp. 57-59.
  43. Machaira, E., 2014. Oral Surgery, Oral Medicine, Oral Pathology and Oral Radiology. *Business journal*, 118
  44. Igoumenakis, Dimosthenis; Athanasiou, Spyridon; Mourouzis, Constantinos; ; Mezitis, Michael. In: . Nov 2014, Vol. 118 Issue 5, p513, 6 p.; Elsevier B.V. Language: English, Databa), pp. 5-513.
  45. Matambanadzo & M., S., 2013. Tulane Law Review. *Law Reviews*, 2( ), pp. 87-457.
  46. Monyau & Bandara, 2011. Economic Modelling. *DOI: 10.1016/j.econmod.2016.07.008, Database: ScienceDirect*, Volume 59, pp. 102-115.
  47. Mutanda & Zinyama, 2015. Minister-Permanent Relationships: Lessons from Zimbabwe’s Government of National Unity. *Public Administration and Governance*, 4(1), pp. 2167-7104 .
  48. Nyanga, et al., 2013. In Food Control. *j.foodcont.2013.04.019, Database: ScienceDirect*, 34(1), pp. 126-131 .



49. Parasuraman, Zeithaml, A, V. & Leonard, B., 2012. A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49( ), pp. 41-50.
50. Reid, 2010. Facing the future.. *Education Journal*, Volume 120, pp. 18-18.
51. Rivera Santos, 2010. Understanding the governance of public-private partnerships. *Between commonwealth and competition*, Volume 36, pp. 1-21.
52. Russo, 2011. The Impact of Social Media on Service Quality. *Business Management Review*, 25(4), pp. 158-165.
53. Rusvingo, 2014. Public entities performance. *Business Journal*, Volume 2, pp. 5-57.
54. Saunders, 2010. Bridging the Financial Gap With PPPs. *Federal Highway Administration*, 70(1), pp. 87-89.
55. Saz-Carranza & Ospina, 2011. Behavioral Dimensions of Governing Interorganizational
56. Goal-Directed Networks—Managing Unity–Diversity Tension. *Journal of Public Administration and Research Theory*, 21( 2), p. 327–65.
57. Zheng, K, R. J. & A, L. M., 2010. The dynamics of contractual and relational governance: Evidence from long term public private procurement arrangements.. *Purchasing and Supply Management*, 14(1), pp. 43-54.
58. Kato, 2012. Methodology and survey procedure under the JARPN II. *Review Workshop*, 4(2. ), p. 27.

### **Statutory Acts**

59. Government of Zimbabwe, 2010. *Public finance Management Act*. Harare: Print flow.
60. Government of Zimbabwe, 2013. *ZIMASSET*. Harare: Print Flow.
61. Government of Zimbabwe, 2000. *Water Act [Chapter 20:24]*. Harare: Print Flow.

## **Working Papers**

62. Heckelman & Powell, 2012. Corruption and the Institutional Environment for Growth. *Research Working Paper No. 2008-6* .

## **Reports**

63. Saburi, 2014. RBZ Financial Markets. *Herald*, Thursday September, p. 17.
64. Upper Manyame SubCatchment Council, 2016. *Full Council Minutes*. s.l.:s.n.

## ANNEX 1 QUESTIONNAIRE

My name is Emmanuel C. Ndowa, a student at Midlands State University studying for a Bachelor of Commerce Accounting Honours Degree. I am undertaking a research on bridging the funding gap in statutory bodies and it is my great pleasure to include you in my research and hear your views. May you therefore complete this questionnaire, the answers you provide will be treated with strict confidentiality and it will be used for academic purposes only.

### SECTION A

1. Age range (years):

Below30  31-40  41-50  51and above

2. Highest level of education:

High school  Diploma  Degree  Other

Specify.....

3. Position in the organization:

Director  Manager  Supervisor  Junior staff

4. Duration in the organization (years):

1-10  11-20  21-30  31 and above

### SECTION B

5. The following are causes of funding gap in statutory bodies.

Causes	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Corruption					
Constrained fiscal space					

6. Strategic Business Units (SBUs) increase revenue collection in statutory bodies.

Strongly Agree      Agree      Uncertain      Disagree      Strongly Disagree

7. Strategic Business Units (SBUs) spread business risk

Strongly Agree      Agree      Uncertain      Disagree      Strongly Disagree

8. Strategic Business Units ( SBUs) are applicable in statutory bodies

Strongly Agree      Agree      Uncertain      Disagree      Strongly Disagree

9. Public Private Partnerships (PPP) increase efficiency in statutory bodies.

Strongly Agree      Agree      Uncertain      Disagree      Strongly Disagree

10. Public Private Partnerships operate in a legal frame work

Strongly Agree      Agree      Uncertain      Disagree      Strongly Disagree

11. Public Private Partnerships (PPP) are applicable to statutory bodies.

Strongly Agree      Agree      Uncertain      Disagree      Strongly Disagree

12. The following challenges affect applicability of Strategic business units (SBUs)and Public private partnerships(PPPs)

challenge	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Value for money and the public sector comparator					
Appropriate risk transfer					
Affordability					
Future budget flexibility					
Fiscal impact of PPPs					

**THANK YOU**

**ANNEX 2 INTERVIEW GUIDE**

1. What do you think are the causes of funding gap in statutory bodies?

.....  
.....  
.....  
.....

2. How applicable are Strategic Business Units (SBUs) as a bridge to funding gap?

.....  
.....  
.....  
.....  
.....

3. How applicable are Private Public Sector Partnerships (PPPs) in bridging funding gap?

.....  
.....  
.....  
.....

4. In your on view what challenges are encountered in applying these two strategies?

-----  
-----  
-----  
-----  
-----

5. How have other countries bridged the funding gap in statutory bodies?