



ZCAS University

SMS 5112 RISK MANAGEMENT IN MONITORING & EVALUATION

MID-SEMESTER TEST

DATE: 26TH OCTOBER 2023

TIME: 16:30-19:30

TIME ALLOWED: THREE (3) HOURS (plus 5 minutes to read through the paper)

INSTRUCTIONS:

1. **Section A:** This question is compulsory and must be attempted.
2. **Sections B:** There are four (4) questions in this section. Answer **ANY Three (3)** questions from this section.
3. This question paper carries a total of **100 marks**.
4. Candidates must not turn this page until the invigilator tells them to do so.

SECTION A: Question 1 is Compulsory and must be Attempted (40 marks)

Read the passage below and then answer the questions which follow it.

**Government Clinches a \$577 million Concession Agreement Deal for the Ndola-Lusaka
Dual Carriage Way**

(By Lusaka Times Chief Editor -February 28, 2023)

The New Dawn Government has clinched a USD 577 Million concession agreement deal with Macro-Ocean Investment Consortium for the financing, construction, operation and maintenance of the 327 Kilometers Ndola-Lusaka Dual Carriage Way.

Besides the 327 Kilometers Ndola-Lusaka Dual Carriageway Project, the 25-year deal will also see the rehabilitation of the 45 Kilometers Luanshya-Fisenge Masangano Road.

Minister of Finance and National Planning Dr. Situmbeko Musokotwane signed the concession agreement for the Public Private Partnership Project for the upgrading of the Ndola Lusaka Road into a dual carriage way on behalf of the Government with E Shangfa signing on behalf of the consortium.

Speaking after the signing ceremony at Protea Hotel in Ndola, Dr Musokotwane said there is a need to manage roads profitably and further highlighted the advantages of the project.

“This is our road. It is not a road for the concessionaires. So the responsibility is to make sure that we use this road responsibly so that we minimise the costs. If the cost rises, the tolls will go up. If we misuse the road and the maintenance costs go up, the tolls rise. It means that when we are given limits, generously we are saying don’t overload your trucks. It is in our interest as road users to ensure that we don’t overload because if we overload we are going to pay the cost. So it is our responsibility as citizens if you see somebody overloading the truck; it is actually your citizen’s duty to call RDA or police. If the road gets damaged, we are all affected. In the construction phase, jobs will be created. Those of you who are subcontractors prepare yourself but deliver quality. Along the road there will be so many businesses coming. The congestion that we will see today will disappear. There is everything good about this project,” Dr. Musokotwane said.

Macro Oceans Investment Director Consultant E Shangfa assured that the firm will put up quality works within the timeframe of three years (36 months).

“This project with a direct investment of USD 577 Million shall see the new Lusaka Ndola road be upgraded to a 327 Km dual carriage way all the way from Lusaka and the rehabilitation of 45 KMs of the Luanshya -Mafinge Road. This is a very big milestone in the history of the country as the road remained a single carriage-way from independence. The new dual carriage way shall not only ensure road safety for motorists and passengers following the many accidents that have claimed many lives on the road but it shall also provide better driving experience to motorists thereby reducing travel time and cost between the many cities along the road,” Shangfa said.

“We are confident that through efficiencies to be created by the new road there shall be exploitation of many export opportunities for Zambian goods and products and shall reduce the

cost of doing business as compared to the current situation. We would like to assure the government of our commitment to build a high quality road within 36 months of commencement of works. It is our hope that the financial negotiations shall be concluded within the next six months so that project construction can commence. It is also our pledge that we shall ensure smooth operation of the road while construction works are underway and provide good operation and maintenance service after the project is completed," he said.

"We further wish to assure the government of our commitment to involving local participants with opportunities for investment, construction, and maintenance, to ensure the local people and businesses also benefit from this project through its lifespan. Our company shall employ many experts and qualified staff and non-skilled labour during the construction phase of the project and a further more after construction is completed during operation and maintenance period. These jobs shall translate into stable incomes to over 500 households in Zambia thereby reducing the levels of poverty which is one of the major objectives of your government," Shangfa said.

Required:

You are the Risk Management Consultant for Macro-Ocean Investment Consortium and you have been tasked to provide the company with your expert analysis of risks within the project lifespan. In this Project which has been awarded to your consulting company to be completed within three (3) years beginning 1st November 2023 to 31st October 2026, you have identified and enlisted the following risks:

1. Technology
2. Technical
3. Human resource turnover
4. Supply chain
5. Price fluctuations
6. Environmental
7. Community reaction
8. None compliance to Labour laws
9. Change of government
10. Bad weather
11. Increase in minimum wages
12. Machinery / equipment
13. Operational
14. Time
15. Budget

- c. The launch date gets brought forward by 2 months (probability: 30%, positive impact: \$30,000)

Compute:

- (i) The EMV for each risk faced (8 marks)
- (ii) The total EMV and what is your expert advice on this project? (12 marks)

Question 5

You are working for ZCAS University under the Research and Innovation Unit and as a unit, you have discovered a formula for producing fuel from the solid waste and government has shown interest to fund your project. In a tabular format,

- a. Identify and describe the possible risks [(i.e. minimum of eight (8) risks] (10 marks)
- b. Describe the probabilities and effects of risks identified and assign mitigative strategies to each risk identified. (10 marks).

End of Test!