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# YEAR 1 ANNUAL REPORT (OCTOBER 2011–SEPTEMBER 2012) & QUARTER 4 PROGRESS REPORT (JULY–SEPTEMBER 2012)

**ZIMBABWE STRATEGIC ECONOMIC RESEARCH AND  
ANALYSIS (SERA) PROGRAM**  
CONTRACT NO. AID-613-C-11-00001



This report was produced by Nathan Associates Inc. for review by the United States Agency for International Development (USAID).

# **YEAR 1 ANNUAL REPORT**

(OCTOBER 2011–SEPTEMBER 2012)

## **& QUARTER 4 PROGRESS REPORT**

(JULY–SEPTEMBER 2012)

### **ZIMBABWE STRATEGIC ECONOMIC RESEARCH AND ANALYSIS (SERA) PROGRAM**

CONTRACT NO. AID-613-C-11-00001

**Program Title:** USAID Strategic Economic Research & Analysis – Zimbabwe (SERA)  
**Sponsoring USAID Office:** USAID/Zimbabwe  
**Contract Number:** AID-613-C-11-00001  
**Contractor:** Nathan Associates Inc.  
**Date of Publication:** October 23, 2012  
**Authors:** Bruce R. Bolnick, SERA Chief of Party  
Emmanuella Matorofa, SERA Training/M&E Coordinator

**Cover Photo:** Ms. Method Muchinwe, RBZ, presents research on the effect of quasi-fiscal operations on inflation.

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## ACRONYMS

ACBF	African Capacity Building Foundation
ADSL	Asymmetric Digital Subscriber Line
BAZ	Bankers Association of Zimbabwe
BTS	Business Tendency Survey
CBR	Central Business Register
CIP	Census of Industrial Production
COP	Chief of Party
COS	Census of Services
COTR/COR	Contracting Officer's Technical Representative/ Contracting Officer's Representative
CCN	Cooperating Country National
CZI	Confederation of Zimbabwe Industries
DFID	UK Department for International Development
DG	Director General
DQA	Data Quality Assessment
ED	Executive Director
EG	Economic Growth
ESAMI	Eastern and Southern African Management Institute
GOZ	Government of Zimbabwe
HQ	Nathan Headquarters
IES	Institute for Environmental Studies
ICT	Information and Communications Technology
IMF	International Monetary Fund
LEDRIZ	Labor and Economic Development Research Institute of Zimbabwe
M&E	Monitoring and Evaluation
MEFMI	Macroeconomic and Financial Management Institute
MEPIP	Ministry of Economic Planning and Investment Promotion
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MTP	Medium Term Plan
NSDS	National Strategy for the Development of Statistics 2011-2015
NSSA	National Social Security Authority
OFAC	Office of Foreign Assets Control
PICES	Poverty, Income and Consumption Expenditure survey
PVO	Private Voluntary Organization
QEI	Quarterly Employment Inquiry
QPR	Quarterly Performance Report
RA	Resident Advisor

RBZ	Reserve Bank of Zimbabwe
SAPST	Southern Africa Parliamentary Support Trust
SDN	Specially Designated Nationals
SERA	Strategic Economic Research and Analysis
SNA	System of National Accounts
STTA	Short Term Technical Assistance
TCN	Third Country National
TIPS	Trade and Industrial Policies Strategies
UCT	University of Cape Town
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UZ	University of Zimbabwe
VAT	Value Added Tax
VMI	Volume of Manufacturing Index
WEO	World Economic Outlook
WIMAX	Worldwide Interoperability for Microwave Access
ZEPARU	Zimbabwe Economic Policy Analysis and Research Unit
ZIMRA	Zimbabwe Revenue Authority
ZIMSTAT	Zimbabwe National Statistics Agency

# USAID SERA PROGRAM HIGHLIGHTS

## Quarters 1-3, from previous Quarterly Progress Reports

- Launch of the Zimbabwe Economic Policy Analysis & Research Unit (ZEPARU) Economic Scholars bursary program. Through ZEPARU, SERA provided full bursary support for an initial cohort of 8 economists to pursue a part-time M.Sc. degree in Economics at the University of Zimbabwe.
- Sponsorship for 10 economists, including 4 women, to attend external short-courses relating to priority needs of our partner organizations. This included:
  - 5 people for a week-long course on Introduction to Economy-Wide Modelling for Policy Analysis, run by the Trade & Industrial Policy Strategies (TIPS) organization in Pretoria, South Africa.
  - 3 people for a two-week course on Economic Indicators run by the U.S. Bureau of Labor Statistics in Washington.
  - 2 people for a two-week course on Data Requirements for Economic Management, run by the Macroeconomic and Financial Management Institute (MEFMI), in Arusha, Tanzania.
- Provision of technical assistance to upgrade the ZEPARU Economic Barometer as a flagship product for the organization; this included a technical review of previous issues, development of a statistical appendix, and development of a (provisional) methodology for producing a Composite Index of Leading Indicators.
- Engagement of four regional and international experts to provide technical assistance to ZEPARU for producing studies on: Mining Sector Policy; Financial Sector Development; Agricultural Competitiveness; and Choice of Currency Regime. These studies will be completed early in Year 2.
- Review of 11 ZEPARU research products from 2011 and early 2012 for purposes of improving the quality of research, mentoring research staff, and establishing a baseline for assessing the impact of SERA support.
- Support for institutional capacity building at ZEPARU via provision of laptop computers and a high-speed printer to enhance capacity for research and training, and funding for three research interns for one year.
- Funding for data collection and data processing for the Zimbabwe National Statistics Agency's (ZIMSTAT) Poverty, Income and Consumption Expenditure Survey (PICES); this year-long nationally representative survey will produce the best data since 2002 on the economic condition of households in Zimbabwe.
- Support for the creation of a Central Business Register (CBR) as the primary sampling frame for most economic statistics; this support included funding for preparations and training; technical assistance to review preparations and assist with the project planning; and a study tour to Kenya and South Africa by members of the CBR core team.
- Similar support for planning, preparation and training for the first Census of Services (COS) to be carried out in Zimbabwe, in tandem with the CBR. The CBR, COS, and PICES will be cornerstones for a major revision of the national accounts statistics.

- Institutional capacity building for ZIMSTAT through the provision of hardware and software to support the CBR and COS activities and modernize the organization’s overall database warehousing system.

#### Quarter 4

- Financial and technical support to the Ministry of Finance and ZEPARU to assist in planning and managing a High-Level Economics Forum on Unleashing Zimbabwe’s Economic Growth Potential, held on August 29-30 at Victoria Falls. USAID SERA support included funding for 7 experts who presented research on key sub-themes, including four SERA consultants who are doing policy studies for ZEPARU (see bullet 4 in the previous sub-section).
- Co-sponsorship with the World Bank, through ZEPARU, a half-day workshop featuring a keynote presentation by Dr. Justin Lin, former World Bank Chief Economist, on Policies for Fostering Growth in Zimbabwe: Lessons from East Asian Tigers.
- Sponsorship of a half-day validation workshop featuring a ZEPARU study on Strengthening the Zimbabwe National Policy Making Process.
- Funding for the first in-country customized short-course. The two-week training on Macroeconomic Analysis and Management was run by MEFMI in Mutare, with 17 participants, including 4 women.
- Sponsorship for 4 economists, including 2 women, to attend external short-courses relating to priority needs of our partner organizations. This included:
  - 2 people for a four-week course on -- Financial Management for Donor Funded Projects, run by the Eastern and Southern African Management Institute (ESAMI), in Durban, South Africa.
  - 2 people for a two-week course on Quantitative Methods and Analysis for Debt and Reserves Management, run by MEFMI in Lilongwe, Malawi.
- Selection of 11 ZEPARU scholars for the second-round of bursaries to pursue the part-time M.Sc. degree in Economics at the University of Zimbabwe.
- Identification of first ZEPARU nominee for bursary support to pursue a Ph.D. in economics in South Africa.
- Technical assistance to ZIMSTAT to review the PICES data set and calculate weights for deriving national estimates from the survey data.

# 1. INTRODUCTION

The USAID Strategic Economic Research and Analysis — Zimbabwe (SERA) Program contract took effect on October 1, 2011, with Nathan Associates Inc. (hereinafter “Nathan”) as the prime implementing partner. The four-year program has three **Strategic Objectives**, which may be summarized as follows:

1. Improved economic environment for inclusive growth through evidence-based policy analysis and research.
2. Strengthened capacity for policy development institutions.
3. Improved economic data for use by researchers, policy makers, and other stakeholders.

To achieve these objectives, the program is structured to produce four major **results**:

1. Improved human capacity for evidence-based economic policy analysis and policy management.
2. Strengthened institutional capacity in Government Departments for analyzing, adapting and implementing evidence-based economic policy options.
3. Strengthened research institutions providing analytical support to the economic policy process in response to needs of policy makers.
4. Improved quality, timeliness, and availability of economic data and statistics.

To produce the intended results, the SERA contract specifies three components (**services and tasks**):

1. Management and Administrative Services
2. Technical Services: Assistance to the Zimbabwe Economic Policy Analysis & Research Unit (ZEPARU)
  - a. Research and Analysis
  - b. Parliamentarian Training
  - c. Training of Economists (short-term and long-term)
  - d. Workshops (research dissemination and policy dialogue events)
3. Technical Services: Assistance to the Zimbabwe National Statistics Agency (ZIMSTAT)

Nathan pursues these aims as a partnership with the Ministry of Finance, via two principal counterpart agencies: the **Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU)**, and the **Zimbabwe National Statistics Agency (ZIMSTAT)**. In essence, our mandate is to deliver *demand-driven* support to ZEPARU and ZIMSTAT in order to strengthen their human and institutional capacity; provide evidence-based research to the government in areas of vital policy concern; rebuild the statistical foundations for economic studies and policy management; and create platforms for research dissemination and public discussion of research findings, as a bridge from the technical analysis to influencing reforms.

**The present report summarizes activities of the USAID SERA program from the project start-date of October 1, 2011 through the end of the first year of operations on September 30, 2012.**

As explained in the report, significant progress has been made during Year 1 in the implementation of the project. The project implemented 16 short-term technical assistance (STTA) assignments; supported 9 training activities involving 31 participants through ZEPARU and 30 through ZIMSTAT; funded full bursaries for 18 government economists to pursue graduate degrees in economics; developed plans for

training Parliamentarians in economic literacy; supported several high-profile research dissemination workshops in conjunction with ZEPARU; and provided critical financial support to ZIMSTAT for three major surveys that will be a foundation for improving economic statistics.

Yet the project also faced difficulties in meeting work plan targets on some fronts. Aside from normal challenges of setting up and staffing the field office, we encountered unexpected delays in starting technical activities due initially to protocol formalities beyond our control. It then took time to establish an effective collaborative relationship with our primary partners, which is a pre-requisite for implementation of a demand-driven program. Other challenges stemmed from absorptive capacity constraints within our partner organizations, and the simple fact that it takes time to get things done in Zimbabwe, especially when working through partners who have their own staffing and financing constraints.

Important targets that were missed include funding for research outsourced by ZEPARU, and customized local short-courses for training economists. Other activities that fell behind schedule include implementation by ZIMSTAT of the Central Business Registry and Census of Services projects; and establishment of a program for training Parliamentarians in economic literacy, through ZEPARU. An important task for the early part of Year 2 is to get lagging activities on track.

The remainder of the report provides a more detailed discussion of each program component, as well as the challenges faced and lessons learned during Year 1. **Appendix A** highlights program activities that occurred during the period July-September 2012, to fulfill our requirement for submitting a Quarterly Progress Report for Quarter 4.<sup>1</sup> **Appendix B** lists short-term technical assistance assignments conducted during Year 1. **Appendix C** presents a table listing equipment procured for use by our partner organizations and USAID-supported bursary students. **Appendix D** reports on the adherence or variance between USAID SERA activities and targets for Year 1. **Appendix E** contains the latest data on our M&E indicators, by quarter. Finally, **Appendix F** presents success-story “Snapshots” summarizing two highlights from our first year of operation.

## 2. MANAGEMENT AND ADMINISTRATIVE SERVICES

Year 1 activities under this first component of the program involved the start-up of field operations, management and administration of operations, management of financial resources, and adherence to reporting requirements.

### Start-up of field operations

#### Administrative and logistical start-up

The contract for the USAID SERA Program became effective on October 1, 2011. Initial activities included mobilizing Key Personnel; locating and leasing the field office; procuring furniture and equipment; recruiting support staff; obtaining a legal review of registration options and employment agreements for local staff; formally registering our local entity as the SERA Program Trust; establishing field accounts; registering with the tax authority and the National Social Security Agency; obtaining residency papers for the COP; developing manuals, systems and procedures for field office operations; and formalizing subcontracts with our SERA partners.

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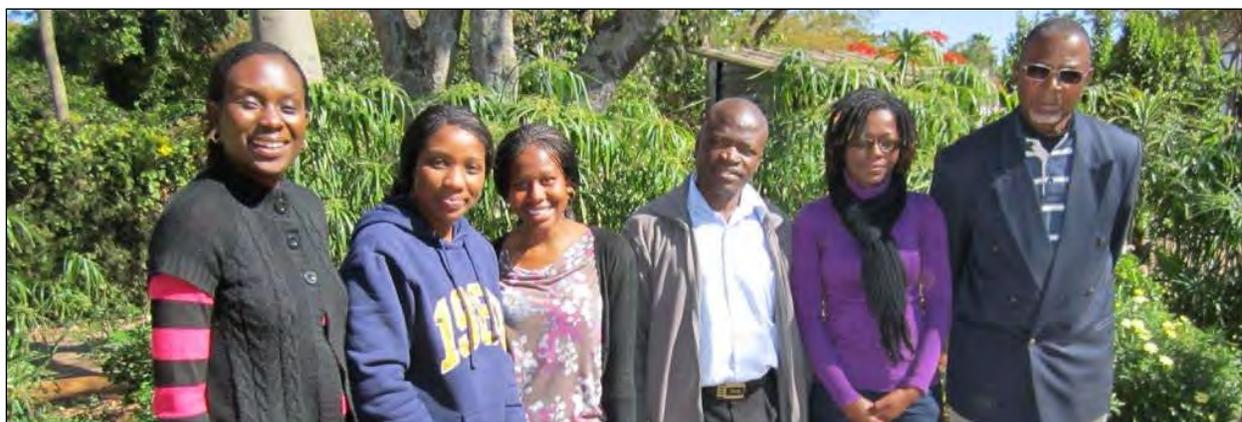
<sup>1</sup> Section C.5.f of the SERA Program contract stipulates that “the fourth quarter report and the annual report may be submitted as a single document....”

By October 10, the Project Director, Peter Miller, and Project Coordinator, Fiona McDonald, from Nathan’s head office, were in the field on temporary duty to deal with start-up logistics. The Chief of Party (COP), Dr. Bruce Bolnick, arrived on October 15. The Resident Advisor (RA) Dr. Daniel Ndlela, started part-time on October 17 and joined full-time on November 1. The field office opened on November 1, and was fully staffed by December 5. (See Table 2-1 for the staff list).

**Table 2-1. Long-Term Personnel – Field Office**

Team Member	Responsibilities	Start Date
Bruce R. Bolnick	Chief of Party	October 1, 2011
Daniel B. Ndlela	Resident Advisor	October 17, 2011
Angeline Zengeni	Program Manager	November 1, 2011
Patience Shuva	Finance Officer	December 5, 2011
Advent Emmanuella Matorofa	M&E/Training Coordinator	December 1, 2011
Monalisa Jenje	Administrative Assistant	November 1, 2011
Taona Masaraure	Driver	December 1, 2011
Secondment to ZEPARU: Evidence Ndari	ZEPARU Training Coordinator	March 1, 2012

**Figure 2-1. Staff at the SERA Program office in Harare**



The administrative and logistical start-up tasks were mostly finished by January. The procurement of project vehicles was delayed, though, by confusion on procedures for obtaining duty-free approval from the Ministry of Foreign Affairs. The purchase finally took place in early April, after nearly six months of relying on (low-cost) car-hire and taxi services.

In April, the COP discussed with the COR the question of whether to develop a USAID SERA Program website. In view of the program design, in which nearly all activities will be carried out via ZEPARU or ZIMSTAT and nearly all deliverables will be products of those organizations, USAID indicated that SERA should remain in the background and not develop a separate website.

One loose end remaining at the end of Year 1 involved a query from USAID in April, 2012 about whether all necessary steps had been taken to ensure compliance with local legal requirements for operating the project. This issue came as a surprise because Nathan had duly registered our local entity as the SERA Program Trust during the start-up phase, on the basis of legal opinion. In addition, at our initial meeting with the MOF, the Ministry stated that there was no need for a formal Memorandum of Understanding (MOU) with Nathan. Notwithstanding this prior information, Nathan immediately drafted and submitted a MOU to the Ministry for review, with a query on whether there would be a need to alter our legal registration. On 22 June, the MOF sent a letter through USAID indicating that the SERA Program Trust should lodge an application with the Registrar of Private Voluntary Organizations (PVOs) in the Ministry of Labour and Social Services. That office informed us, however, that we are not eligible to register as an international PVO because Nathan is a for-profit company, and that registration as a local PVO is also not possible if expatriates are involved in the management team, as is the case. Nathan promptly conveyed this information to the MOF. By the end of Year 1 no response from the Ministry had been received. Informal contacts indicated that the issue was still under review at the Ministry.

### **Technical start-up**

On the technical side, the start-up process focused on producing the Work Plan for Year 1 and the Monitoring and Evaluation (M&E) Plan, and establishing an effective working relationship with our primary partner organizations, ZEPARU and ZIMSTAT.

Drafts of the two plans were submitted on November 29 and final versions on December 30 taking into account comments from USAID, all on schedule. Given these contractual deadlines, the start-up planning process involved less-than-ideal collaboration with ZEPARU and ZIMSTAT due to three factors beyond our control. First, USAID and the Ministry of Finance had to complete protocol arrangements before the SERA team were allowed even to meet with our counterpart organizations; the necessary documents were signed on November 29. Second, top officials at ZIMSTAT and ZEPARU faced other demands on their time, which reduced their availability for start-up following completion of the protocol documents. Third, no meetings could be scheduled during the December holiday period beginning December 22. The lack of opportunity for the COP to confer with ZEPARU and ZIMSTAT management while preparing our Work Plan and M&E Plan is one reason for deviations between activities planned and completed during year 1, as reported below and summarized in Appendix D.

Two consultants provided useful inputs to the planning process. Dr. Tererai Trent, a senior gender expert, spent two weeks in Harare and prepared recommendations on gender mainstreaming for our Work Plan and M&E Plan (assisted by Ms. Leah Carey from subcontractor IBI). Dr. Beverley Carlson also spent two weeks in Harare conferring with technical officers at ZIMSTAT to identify priorities for USAID SERA support for statistical development.

The Year 1 Work Plan was approved as submitted, but USAID asked for further modifications to the M&E Plan. This was revised, resubmitted and approved in January, 2012. The M&E plan outlined our Results Framework and specified 24 output indicators, 14 intermediate results indicators, 8 outcome indicators, and 13 “context indicators.” The latter relate to ultimate outcomes, such as GDP growth, that should be influenced by USAID SERA program activities, but cannot be directly attributed to USAID assistance.

Technical discussions with ZEPARU and ZIMSTAT began in earnest in January 2012. Beginning in March, ZEPARU initiated weekly meetings with the SERA COP and RA. Between weekly meetings, the RA had frequent, often daily, discussions with ZEPARU management and staff on the development of research activities, planning training programs, and research dissemination events; quality control for ZEPARU research products; and coaching research fellows on analytical methods and technical writing skills. The COP was also actively involved in these discussions.

With ZIMSTAT, meetings have been scheduled as needed for negotiating agreements and monitoring implementation of SERA-supported activities. In this case the COP has been the primary point of contact. We also had frequent communications by email and telephone with the relevant directors and technical officers at ZIMSTAT.

## **Management and administration of operations**

The management and administration of SERA operations proceeded smoothly throughout the year. On the administrative side, this included maintenance of accounts and records, timely payment of wages and payroll taxes, and ensuring compliance with USAID regulations on procurements and activities. Nathan headquarters provided efficient backstopping on contract administration, recruitment of consultants, financial management, procurements, and reporting, among other services.

This component of the project also entails the management and administration of programmatic activities in collaboration with our partner organizations, including: developing STTA assignments; assisting in the design and implementation of training events; responding to other requests for assistance, including equipment procurements; negotiating contracts for technical activities; and assisting with planning and implementation of workshops or conferences. Sections 3 and 4 summarize the activities themselves.

### **Subcontracts**

By January, 2012, Nathan headquarters completed agreements with four approved subcontractors:

- Imani Development (Mauritius),
- Econsult (Botswana),
- J.E. Austin Associates, and
- IBI International.

The agreements with Imani and Econsult involved source/origin waivers from USAID.

A fifth subcontractor who had been proposed in our Technical Approach, GRM International, exited from the team due to circumstances encountered in the start-up, which reduced the scope for their participation. Nathan had envisioned that GRM would assist with the monitoring and evaluation and management of the bursary program. During start-up, we found that ZEPARU had a system in place for managing bursaries. This eliminated a major activity envisioned in our provisional teaming arrangement with GRM, prompting them to exit from the team. In place of using GRM for these functions, the field office hired a full-time Training Coordinator (Ms. Evidence Ndari) for secondment to ZEPARU to assist in managing their bursary system and assisting with SERA-supported training and research dissemination activities.

### **Short-Term Consultancies**

During Year 1, Nathan developed and implemented 16 STTA assignments involving a cumulative ceiling of 415 approved work days, of which 359 days were completed by year-end. The completed STTA involved 217 days of support to ZEPARU, 60 days of direct support to ZIMSTAT, and 82 days of assistance to the project team in planning and managing activities (including 62 days of technical backstopping on statistical development activities with ZIMSTAT).

Of the 359 days of STTA delivered, 54.6 percent were channelled through Nathan subcontractors, and 45.4 percent provided by Nathan consultants. The assignments included 162 days for expatriate

consultants (45.1%), 113 days for regional consultants (31.5%), and 84 days for local consultants (23.4%). Finally, 35.4% of the STTA days were carried out by women.

**Appendix B** lists all of the Year 1 STTA assignments and their status at year-end. The assignments are explained at appropriate points in this report.

## Equipment

During the start-up period, Nathan completed the procurement of equipment for the field office, including computers, phones, printers, a photocopier, and a diesel generator to back up the unreliable supply of electricity.

In February 2012, Nathan purchased eight laptop computers for use by the first cohort of SERA funded ZEPARU scholars (see Training of Economists). In August 2012, 11 additional laptops were purchased for use by the second cohort of bursary recipients. Following delivery delays, this equipment was still en route to the field office at the end of Year 1, with a handover event expected in mid-October.

Nathan also responded to several requests from ZEPARU and ZIMSTAT for the procurement of IT equipment for use in SERA-supported activities research, training and dissemination activities at ZEPARU, and implementation of statistical development activities by ZIMSTAT. (See sections 3 and 4 below.)

All of this equipment is provided for use by our partners on conditions that include quarterly check-ups by USAID SERA, and an understanding that the equipment remains property of the U.S. Government property until such time as USAID may approve a conveyance of title. Nathan's field office maintains full inventory records on project equipment, which is available on request from USAID.<sup>2</sup> **Appendix C** provides a partial list, showing equipment procured for use outside our field office by partner organizations and bursary recipients.

## Environmental Compliance

During the start-up period, Nathan consulted with USAID about procedures for compliance with USAID guidelines for environmental safeguards. We were informed at that time that the Mission Environmental Officer had determined that SERA activities would fall under the Categorical Exclusion provision of the regulation, and that no action was needed. The issue resurfaced during Quarter 3, without a clear conclusion. Near the end of quarter 4, USAID informed us that Nathan may need to produce an Environmental Mitigation and Monitoring Plan (EMMP) and review our environmental compliance documentation with the COR and the Regional Environmental Advisor. We will work with the COR during the first quarter of Year 2 to ensure compliance, as required.

## Financial management

All financial management functions have been carried out smoothly during Year 1. Our expenses for Year 1 will be presented separately in our Quarterly Financial Report for Quarter 4 (July-September 2012).

Financial management in the field is the responsibility of the Financial Officer under the immediate supervision of our Program Manager (who is a certified accountant with an MBA degree), with close oversight by the COP. The field office responsibilities have included: establishing and maintaining field accounts in QuickBooks On-Line; managing the field bank account and cash box; paying field expenses,

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<sup>2</sup> The USAID SERA Program contract calls for Nathan to submit a Property Report upon written notification from the COR. During Year 1 no request was received for this report.

with audit-ready documentation; submitting monthly financial reports to Nathan headquarters (HQ); producing cash forecasts and pipeline forecasts; handling payroll, including timely payments to ZIMRA, NSSA, and AltFin (for health coverage); submitting VAT refund requests via USAID; maintaining a complete inventory of project property; handling customs clearance logistics, as needed; and ensuring compliance with USAID regulations relating to expenses and financial management.

Financial management at HQ has been the responsibility of the Project Accountant, assisted by the Project Director and Project Coordinator. The major responsibilities include: preparing and submitting monthly invoices to USAID; dealing with invoices from and payments to subcontractors; producing quarterly financial reports and accrual reports for USAID; responding to technical queries and money transfer requests from the field office; handling contracts and payments for STTA consultants who are contracted through HQ; and ensuring compliance with USAID regulations relating to expenses and financial management.

## Reporting

During Year 1 Nathan Associates complied with all reporting requirements, including the submission of the Year 1 Work Plan, the M&E Plan, Quarterly Performance Reports, Quarterly Financial Reports and accrual reports, and monthly activity calendars.

In June, 2012, Nathan submitted a Data Quality Assessment (DQA) report, which USAID reviewed in detail. Based on feedback from USAID, Nathan prepared a DQA Action Plan and an updated version of the M&E Plan. These documents were submitted to USAID in September 2012, along with the Work Plan for Year 2.<sup>3</sup>

Nathan prepared two “Snapshot” success stories during Year 1, both of which were approved by USAID. The first Snapshot explains our contribution to ZIMSTAT for their vitally important PICES project. The second one tells about our support to ZEPARU and the MOF in planning and implementing a very successful High-Level Economic Forum at the end of August. These Snapshots are incorporated in the present report as **Appendix F**.

In addition to reporting requirements specified in the contract, USAID asked Nathan Associates in May 2012 to submit a plan for complying with legal restrictions on USG-funded work in Zimbabwe, with special attention to the restrictions imposed on by Specially Designated Nationals (SDNs) by the Department of Treasury’s Office of Foreign Assets Control (OFAC). This plan was submitted to USAID on June 7.

## 3. TECHNICAL SERVICES: ASSISTANCE TO ZEPARU

This section of the report reviews SERA support to ZEPARU during Year 1. A continuing element of our assistance has been the provision of Dr. Daniel Ndlela as a full-time Resident Advisor (RA) to ZEPARU. In this role, Dr. Ndlela’s first responsibility was to develop a close collaborative relationship with ZEPARU management, as a foundation for providing assistance in planning, developing and managing SERA-supported activities, mentoring ZEPARU research staff, and strengthening quality control for their research products. Due to physical constraints at the ZEPARU office, Dr. Ndlela works from the SERA Program office, but with frequent visits and daily communications with ZEPARU management and researchers. As mentioned earlier (see Technical Start Up), the COP and RA have held regular meetings with the Executive Director of ZEPARU since March, 2012, to discuss the agenda for SERA support; work

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<sup>3</sup> The M&E indicator data reported in **Appendix E** of this report are based on the updated M&E Plan.

out implementation plans; and establish a common understanding of the scope for USAID SERA assistance in light of USAID regulations.

Also starting in March, 2012, USAID SERA has provided ZEPARU with the services of a junior economist who is seconded full-time as their Training Coordinator. Her job is to assist ZEPARU in managing training activities, workshops and other research dissemination events, especially those being supported by USAID. In addition, the Training/M&E Coordinator at Nathan's field office has devoted approximately 70% of her time to working on ZEPARU-related activities during Year 1.

## **Research and Analysis**

For this fundamental component of the program, our attention in Year 1 focused on seven primary activities, discussed in turn below. All of these interventions aimed to mentor ZEPARU research staff, upgrade their product quality, and enhance the visibility of the organization as a center for policy research and analysis.

### **Upgrading the ZEPARU Economic Barometer (December 2011 – end year 1, continuing)**

ZEPARU launched the Economic Barometer in 2011 as its flagship publication. The Barometer is designed to take the pulse of the economy and discuss leading issues, based on a review of quarterly economic data and events affecting economic performance. As of 30 September 2012, they had published four quarterly volumes and completed work on volume 5. The COP and RA have provided detailed feedback on each issue since our program start-up, with the aim of upgrading the quality of the product and enhancing its market appeal. At the same time, we are using this intervention to mentor ZEPARU staff, with the aim improving the quality of their research overall.

Beginning in April 2012, Nathan engaged Dr. Keith Jefferis, from subcontractor Econsult, for STTA to ZEPARU to assist in upgrading the Barometer. Dr. Jefferis' assignment included commenting in detail on volumes 2 and 3 and providing on-the-job training during their work on volume 4. Dr. Jefferis also assisted ZEPARU's Barometer team in designing a new data annex and provided a road map for developing an innovative Composite Index of Leading Indicators (CLI). These two add-ons to the Barometer promise to be highly valued by policy makers and the public at large. As Year 1 ended, the data annex is in good shape, but the CLI is still a work in progress at ZEPARU.

### **Technical Review of Prior ZEPARU Research (March – August, 2012)**

Dr. Jefferis, Dr. Bolnick, Dr. Ndlela and 6 other senior economists<sup>4</sup> provided detailed technical reviews of 11 ZEPARU research products from 2011 and early 2012. The purpose was to mentor ZEPARU research staff via critical feedback on their work, while establishing a "baseline" that may be used to assess SERA's impact on ZEPARU research quality. For the papers from 2011, our reviews were also meant to provide feedback for possible publication in a ZEPARU book on Drivers of Growth. Our reviews, however, revealed serious deficiencies in the research procedures, technical writing, and quality control. In view of these findings, Nathan determined not use USAID funds to support production of this book.

### **Study of Mining Sector Policy (June 2012 - end year 1, continuing)**

A major element of ZEPARU's work plan for 2012 was the production of research on key industries as drivers of growth and development in Zimbabwe. Their top priority was a study of the mining sector. Following discussions with the Nathan team, ZEPARU shifted emphasis to focus initially on the policy

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<sup>4</sup> The six external consultants were Prof. Daniel Makina (University of South Africa); Prof. Theresa Moyo (University of Limpopo); Dr. Innocent Matshe (AERC/Nairobi); Dr. Godfrey Kanyenze (LEDRIZ); Prof. Tony Hawkins (UZ); and Dr. Peter Robinson.

regime for the mining sector, drawing on lessons from international experience. Through our subcontractor IBI, Nathan engaged Dr. Paul Jourdan, a leading regional expert on the mining sector, to be technical leader for the study. We also engaged Mr. Isaac Kwesu, a Cooperating Country National (CCN) mining sector economist (on leave from his position as Chief Economist for the Chamber of Mines) to assist with the study. Our consultants conducted the study in collaboration with two ZEPARU researchers, Dr. Gibson Chigumira, Executive Director, and Ms. Erinah Chipumhu, Senior Research Fellow, with the aim of building institutional capacity for future research in this area.

Dr. Jourdan presented his provocative preliminary findings at a High-Level Economics Forum convened by the MOF in late August (see Workshops, below). Among other things, he highlighted the need for Zimbabwe to adopt a system for auctioning resource deposits, and approaches for developing upstream and downstream industries. Dr. Jourdan also proposed measures for modernizing the fiscal regime for the mining sector, and offered a vision of the potential for spatial development driven by exploitation of mineral wealth. In closing the Forum, the Minister of Finance singled out some of Dr. Jourdan's ideas as a potential "game changer" for Zimbabwe.

We expect that this study will be finalized as a ZEPARU research product in October, 2012.

**Figure 3-1. Consultant Dr. Paul Jourdan discusses mining sector reforms at High-Level Economics**



### **Study on Agricultural Competitiveness (June 2012 - end year 1, continuing)**

At the request of the USAID Zimbabwe Agricultural Competitiveness Project (Zim-ACP), ZEPARU agreed to work with SERA consultant Martin Webber (from subcontractor J.E. Austin) to produce a research paper on lessons from international experience on strengthening agricultural competitiveness. A draft version of the paper was presented to a Zim-ACP conference on Agricultural Competitiveness, held in Harare on July 11-12, 2012. During his field visit, Mr. Webber also provided training to ZEPARU research staff in the area of competitiveness analysis and value chain analysis.

Although the Zim-ACP conference took place in July, work on the paper continued into September to incorporate contributions from ZEPARU research fellow Jacob Nyamadzawo. The paper will be finalized in October, 2012, as a ZEPARU research product.

### **Study on Financial Sector Reforms (July 2012 – end year 1, continuing)**

ZEPARU aims to develop capacity for producing policy studies on the financial sector as a major theme for future research. ZEPARU asked USAID SERA to provide assistance in the form of a financial sector expert to collaborate on a study on Financial Sector Development and Resource Mobilization. For this assignment, Nathan engaged Dr. Daniel Makina, a Zimbabwean economist who is Professor of Finance at the University of South Africa (through subcontractor Imani Development). Dr. Makina presented his analysis and policy recommendations to the Ministry of Finance's High-Level Economics Forum in late

August. Among other prominent points, Dr. Makina discussed how international banks contribute to a sound banking system, and the need for reform of the deposit insurance scheme in Zimbabwe to enhance confidence in the system.

The paper was finalized in September based on discussion at the Forum and comments from the USAID SERA team. Once the paper has approval from ZEPARU it will be formatted and published as a ZEPARU research study. Follow-on arrangements are being planned to involve Dr. Makina more directly in capacity building for ZEPARU research staff in this policy area.

### **Study on the Choice of a Future Currency Regime (August 2012 – end year 1, continuing)**

Another major issue that has received widespread attention is the choice of a future currency regime for Zimbabwe. To end the country's historic hyperinflation, Zimbabwe ended the use of local currency in 2009 and adopted a multi-currency regime with the U.S. dollar as the official unit of account. This policy has been a cornerstone for macroeconomic stabilization and economic recovery, but it remains highly controversial at the political level.

As a contribution to the Ministry of Finance's High-Level Economics Forum in August, USAID SERA provided technical assistance from Dr. Jefferis (from subcontractor Econsult) to deliver a presentation on the currency regime and monetary policy, and collaborate with ZEPARU on producing a policy paper on this topic. At the Forum, Dr. Jefferis' explained why reintroduction of a local currency is not a credible option. He proposed instead that Zimbabwe consider joining the regional Common Monetary Arrangement, based on the South African rand.

At the end of September, the policy paper was still a work in progress. It should be finalized as a ZEPARU research product in October 2012.

### **Developing capacity for outsourcing research (June 2012 – end year 1, continuing)**

The USAID SERA program contract calls on Nathan to provide both funding and management support to assist ZEPARU in developing capacity to outsource economic research. From the point of view of ZEPARU's management and Board, outsourcing was not a priority during Year 1 of our program, compared to capacity building for research and analysis by their own staff. Following extensive discussions with the Nathan team, ZEPARU recognized that both approaches are important for building institutional capacity, stimulating policy dialogue, and raising its institutional profile. In addition, outsourced research is an excellent vehicle for expanding the scope of ZEPARU's output in areas where internal staff have less expertise, and mobilizing independent researchers to produce influential policy studies under the ZEPARU brand. Outsourcing is also a valuable method for leveraging staff time by delegating research to other agents.

During quarter 4 of Year 1, ZEPARU initiated negotiations with leading local economists for outsourced research on two major issues: Policies for Inclusive Growth; and the Economics of Employment Creation. We also discussed the use of outsourcing a planned study on Institutional and Financial Sustainability for ZEPARU itself, and other options for outsourcing in Year 2. Importantly, the Nathan team also helped ZEPARU to gain a clear understanding of guidance from USAID on modalities and procedures for drawing on SERA program funding for outsourced research.

### **Other support for research and analysis**

Beyond the primary research and analysis activities cited above, USAID SERA also provided other assistance to ZEPARU for this component of the program:

- Funding three interns (all recent M.Sc. graduates in economics from local universities) to provide research assistance to ZEPARU’s professional staff, for a period of one year, beginning in March 2012.
- Providing 7 laptop computers and a high-speed printer for use for by ZEPARU professional staff, interns, and research affiliates. This equipment will be used for research and training activities, including many of the activities to be supported by USAID SERA.
- Assisting with a major upgrade of ZEPARU’s website. Our role began with a review of proposals from website developers in response to a ZEPARU solicitation. As a result of our input, ZEPARU agreed on the need to engage a senior ICT consultant (via SERA) to develop better specifications, which were used for a second solicitation in August. ZEPARU completed their procurement decision in late September and requested USAID SERA support for funding the technical work. At the end of Year 1, a request for approval was pending at USAID (it came through on October 2).
- Funding the printing of 300 hard copies of the January-March issue of the Economic Barometer (volume 4). USAID approved this expense on two conditions: that ZEPARU would distribute free copies electronically, and provide data on unit costs and sales for the hard-copy issue. At year-end, these conditions had not been met, and USAID regarded the printing of hard copies as less cost-effective than electronic distribution.

In addition to our support to ZEPARU on policy research and analysis, the SERA contract directs the Nathan team to provide “assistance to a range of Government of Zimbabwe ministries, agencies and civil society organizations.” In line with this provision, the RA has been involved intermittently in confidential discussions with senior officials at the Ministry of Finance (MOF), the Ministry of Economic Planning and Investment Promotion (MEPIP) and the Reserve Bank of Zimbabwe (RBZ) on a wide range of macroeconomic policy issues. In addition, the COP and the RA had substantive discussions with many local economists and representatives from non-government organizations such as the Labor and Economic Development Research Institute of Zimbabwe (LEDRI), the Confederation of Zimbabwe Industries (CZI), the Bankers Association of Zimbabwe (BAZ), and the Institute for Environmental Studies (IES), among others.

## **Training Parliamentarians**

USAID SERA support for training parliamentarians in economic literacy developed more slowly than expected during Year 1. Discussions to develop a plan for presentation to Parliamentary leaders, jointly with ZEPARU and the Southern Africa Parliamentary Support Trust (SAPST), started in early March, on schedule. SAPST then submitted an ambitious proposal, through ZEPARU, which we could not entertain due to the high cost and inconsistency with USAID restrictions on paying per diems or “sitting fees.”

To address these problems, ZEPARU and SERA held further discussions with SAPST to develop a new proposal involving short seminars on economic literacy and budget literacy, drawing on a needs assessment produced by ZEPARU in 2011. The proposal went through several iterations, each involving a lengthy delay due to slow responses from our partners. All three parties finally agreed on a workable proposal near the end of Quarter 4, for presentation to parliamentary leaders early in Year 2. The proposal includes a launch workshop targeted for October 2012, to discuss modalities and priority issues for a series of half-day seminars for a selected group of current parliamentarians, and repeat offerings once the new parliament convenes in 2013. Under the proposal, parliamentarians will also have the chance to earn a certificate in basic economics, through regular participation in the seminars.

## Training of Economists (short-term)

In collaboration with ZEPARU, USAID SERA provided a total of 14 sponsorships during Year 1 for local economists to attend five external short-courses relating to their training priorities. This included two individuals (both from ZEPARU) who went to two programs each. Hence, 12 people benefited from our support to attend external training events, including 6 women.

Table 3-1 shows the courses and individuals covered. A summary of the course content has been provided in our quarterly reports (for Quarter 4, see **Appendix A**).

**Table 3-1. Year 1 Support for External Training**

Name	Gender	Organization	Position
<b>Introduction to Economy Wide Modeling for Policy Analysis 5-9 March 2012, Pretoria, South Africa (one week) Course conducted by Trade and Industrial Policy Strategies (TIPS)</b>			
Chinembiri, Tawanda	M	ZEPARU	Research Fellow
Nyamadzawo, Jacob	M	ZEPARU	Research Fellow
Dube, Cornelius	M	ZEPARU	Research Fellow
Ndaona, Auxillia	F	Ministry of Finance	Senior Economist - Fiscal Policy and Advisory Services Department
Tito, Josephine	F	Ministry of Economic Planning and Investment Promotion	Acting Chief Economist - Economic Affairs Department
<b>International Seminar on Economic Indicators 7-18 May 2012, Washington D.C. (two weeks) Course conducted by United States Bureau of Labor Statistics</b>			
Chinembiri, Tawanda	M	ZEPARU	Research Fellow
Moyo, Sifikile	F	Ministry of Economic Planning and Investment Promotion	Acting Chief Economist
Mushayi, Jonah	M	Ministry of Finance	Deputy Director – Fiscal Policy and Advisory Services
<b>Data Requirements for Economic Management System of National Accounts SNA 2008 4-15 June 2012, Arusha, Tanzania (two weeks) Course conducted by MEFMI</b>			
Paketh, Vimbai nee Mtariswa	F	Ministry of Economic Planning and Investment promotion	Acting Deputy Director, Policy Planning and Coordination
Matangira, Tidings	M	ZIMSTAT	Labour Market Information System Manager
<b>Financial Management for Donor Funded Projects 20 August – 14 September 2012, Durban, South Africa (four weeks) Course conducted by the Eastern and Southern African Management Institute (ESAMI)</b>			
Munaki, Itai	M	Ministry of Finance	Economist
Mavhinga, Petronella	F	Ministry of Finance	Economist

**Quantitative Methods and Analysis for Debt and Reserves Management**  
**3- 13 September 2012, Lilongwe, Malawi (two weeks)**  
**Course conducted by MEFMI**

Mwale, Abel Sanderson	M	ZEPARU	Senior Research Fellow
Mutswiri Nyasha	F	Reserve Bank of Zimbabwe	Debt Monitor

The process for identifying external short courses started with compilation of courses offered by leading organizations for training government economists in the region for CY2012. ZEPARU then informed the key economic ministries and RBZ about the training options and solicited candidates, emphasizing the importance of gender balance. Candidates applied directly to the training organizations and notified ZEPARU if they were accepted and required funding. ZEPARU then submitted nominations to USAID SERA, along with information providing justification for the funding requests.

In most cases, we promptly accepted nominations from ZEPARU. In one case, however, the SERA office turned down two nominations for a MEFMI course on revenue forecasting in Lesotho. The reason was that one nominee, from the Zimbabwe Revenue Authority (ZIMRA), had recently completed two similar courses, while the second nominee, from ZEPARU, was not assigned to any research activity requiring these tools. Under these circumstances, it was important to send a signal to our partner organizations that nominations require adequate justification based on the value of the training for the individuals and their jobs.

As a condition of USAID SERA sponsorship for external short-courses, we require each participant to submit a short report on highlights and main lessons from the training. (The reports are available from the SERA office, on request.) Participants also agree to provide briefings to their colleagues, if asked by their superiors to do so. In addition, every economist receiving USAID SERA sponsorship to attend an external short-course agrees to complete a questionnaire six months after the event, for monitoring knowledge retention and utilization of the training. The first evaluation of this sort was initiated in September 2012, with reference to the TIPS course from March. We will have a short summary of the results in October.

In addition to sponsoring participants for external training, our Work Plan for Year 1 called for Nathan to support ZEPARU in developing and delivering up to 5 customized in-country short-courses. As it turned out, just one in-country course took place. This was a two-week session on Macroeconomic Analysis and Management, run jointly by MEFMI and ZEPARU. The course was held in Mutare with 17 participants from the MOF, RBZ, the Ministry of Industry and Commerce, ZIMSTAT, and ZEPARU.

The development of in-country training evolved more slowly than expected. For the Mutare course, ZEPARU began the planning in March and April, with MEFMI. They presented the proposal to USAID SERA in early May, with the intention of running the course later that month. It had to be postponed because MEFMI's model of paying professional fees to faculty drawn from their network of Fellows was incompatible with USAID restrictions against payment to host-government employees. ZEPARU then arranged co-financing (from the African Capacity Building Foundation (ACBF)) to cover this expense, and the course was rescheduled for late June. Again it was postponed because of a mismatch between USAID rules on travel and subsistence allowances and expectations of the participants.<sup>5</sup> This

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<sup>5</sup> The absence of any participants from the Ministry of Economic Planning and Investment Promotion was due to the issue of travel allowances, which was not sorted out for that Ministry in time for the course.

necessitated further negotiations between ZEPARU and the economic ministries. The course finally took place from July 10-20.

Despite the problems encountered with this first in-country short-course, the experience helped all concerned to understand the USAID regulations and policies, and the need for longer lead time in planning the events. In the course of these discussions, USAID also conveyed their preference for involving international faculty in these courses, along with local counterparts, for the purpose of capacity building and cross-fertilization of ideas. Accordingly, Nathan provided ZEPARU with a menu of options for engaging international experts to develop customized short-courses in Zimbabwe.

Following the Mutare course, Nathan and ZEPARU discussed ideas for other in-country training courses. Action was delayed, however, by the pressure of preparing for the Ministry of Finance's High-Level Economics Forum in late August (see Workshops, below). Also, ZEPARU decided that more systematic consultations were needed with our partner ministries before determining training priorities and schedules. ZEPARU organized two workshops for this purpose; one on economic modeling took place in mid-September (not funded by USAID SERA); a second, focused on training priorities, took place just after the end of Year 1. These events set the stage for a more active schedule for in-country training in Year 2.

In addition to short-term training activities through ZEPARU, USAID SERA also supported training as part of our program of support to ZIMSTAT. These activities are discussed in Section 4.

## **Training of Economists (long-term)**

A major contribution of the USAID SERA program to training government economists is the provision of full bursary support for up to 20 individuals to pursue the part-time M.Sc. program in Economics at the University of Zimbabwe, and up to 5 individuals to pursue Ph.D. programs in economics at the University of Cape Town or other major regional institutions outside Zimbabwe. This bursary support is limited to government economists (broadly defined) who must be accepted on merit into the respective academic programs, have written approval from their home ministry, and remain in good academic standing.

For both the M.Sc. and the Ph.D. bursaries, the selection process is as follows. Beginning in March, 2012, ZEPARU's Executive Director notified key economic ministries about the availability of the bursaries. He also spoke with senior officials about the program, with the expectation that the news would pass through the organizations. Prospective candidates from the economic ministries then had to apply for and gain admission to the respective academic program. Admission is generally limited to students with strong undergraduate degrees (upper seconds). Those admitted then apply to ZEPARU for bursary support. ZEPARU reviews the applications, checks the employment status, and nominates candidates for USAID SERA funding, in consultation with the SERA team. The criteria for final selection include gender balance, academic potential, and record of government service, with a strong preference for economists from the MOF and MEPIP.

### **M.Sc. Bursary**

The M.Sc. bursary program was launched in February, 2012, with the selection of eight government economists who had already enrolled in the program at UZ, and faced financial hardship in continuing due to doubling of the tuition. Our bursary support for this program covers tuition and fees; laptop computers for the duration of the studies; thesis support for third-year students (when they reach that point); and a calibrated transportation allowance. SERA also procured copies of required core-course textbooks for use by the scholars. Two copies of each book went to ZEPARU, with one remaining at the SERA Program office.

For the first round of bursaries, we found that no women government economists were already enrolled in the part-time M.Sc. program. This created a serious gender imbalance at the outset that we strove to address in the second round of selections. In late July, 2012, the SERA team and ZEPARU reviewed 15 candidates who had been accepted into the part-time M.Sc. program for the new academic year. Also listed were 5 government economists who were already pursuing this degree, but not known to us during the February selection round. Out of the 20 candidates, four were women.

Given the contract ceiling of funding 20 bursaries for this program, we agreed to accept 12 new ZEPARU Scholars, including all four women. Subsequently, we learned that one member of the first cohort dropped from the program due to poor grades and one woman turned down the bursary after getting



full financing from another source to attend a full-time master's degree program in Zambia.

**Figure 3-2. First cohort of SERA-funded scholars for M.Sc. degree in Economics at UZ**

To prepare the bursary recipients for their academic work, USAID SERA funded refresher courses that the Economics Department offered to the part-time M.Sc. students prior to beginning the new academic year in August 2012. This included two-day courses on econometrics and statistics for incoming students, and a two-day course on research methods for those entering their thesis year.

After starting the refresher course, another woman dropped out, finding that the program was too demanding given her other responsibilities. At the same time, an eligible male candidate stepped forward who previously was not on the list; he was approved as a replacement for the student who dropped due to low grades.

At the end of Year 1, we therefore provided bursary support to 18 economists as ZEPARU Scholars at UZ (see Table 3-2). Two of these students still had to sit supplementary exams due to marginal grades at the end of the previous term. As Year 1 ended the Economics Department had not yet scheduled these exams; however, students in this situation usually pass the exams and are allowed to continue with their studies.

The problems faced by four of the individuals who were selected for bursary support indicates the difficulty government economists face in balancing full-time work and part-time study, especially after being out of school for several years.

This group of scholars includes 8 economists from the MOF, 3 from ZIMRA, 3 from Ministry of Industry and Commerce, and one each from the MEPIP, RBZ, the Ministry of State Enterprise and Parastatals, and the Ministry of Transport, Communications and Infrastructural Development.

**Table 3-2. Bursary Recipients in the Part-time M.Sc. Program in Economics at UZ as of end-Year 1**

	Name	Gender	Organization	Year of Study
Bursaries awarded in February 2012, effective beginning second semester of 2011/2012 Academic Year				
1	Mtisi, Kosheni	M	Ministry of Transport, Communications and Infrastructural Development	3
2	Mugandani, Alwyn Save	M	Zimbabwe Revenue Authority	3
3	Shenje, Tawanda Emmanuel	M	Zimbabwe Revenue Authority	3
4	Tuluzawu, Patrick	M	Ministry of Finance	2
5	Willie, Adam	M	Ministry of State Enterprises and Parastatals	2
6	Smart, Manda	M	Reserve Bank of Zimbabwe	2
7	Mfunda, Felix	M	Ministry of Finance	2
Bursaries awarded in August 2012, effective beginning first semester of 2012/2013 Academic Year				
8	Chigumira, Takesure	M	Ministry of Finance	1
9	Chimombe, Shaw	M	Ministry of Industry and Commerce	1
10	Chivore, Pepukai	M	Ministry of Industry and Commerce	1
11	Gwandiregera, Benson	M	Ministry of Economic Planning and Investment Promotion	1
12	Makacha, Karakadzai	M	Ministry of Finance	1
13	Masiwa, Innocent	M	Ministry of Finance	1
14	Mudhunguyo, Cathebert	M	Ministry of Finance	1
15	Muzimba, Douglas	M	Ministry of Finance	1
16	Njokwe, Getrude	F	Ministry of Industry and Commerce	1
17	Chihava, Edwin	M	Ministry of Finance	3
18	Manyere, Anna Kudzai	F	Zimbabwe Revenue Authority	3

### Ph.D. Bursary

By end-September, ZEPARU had only one nominee for a Ph.D. bursary: an RBZ economist who has been admitted to the part-time Ph.D. program by research only at the Nelson Mandela Metropolitan University in Port Elizabeth (which is rated among the top 50 universities in Africa). After interviewing the nominee, the SERA COP determined that the candidate and his dissertation proposal were very

strong. We will be submitting a formal approval request to USAID in October, after compiling more information about the budget requirements for this program.

For the Ph.D program in Economics at UCT, the formal deadline for applications was end-July, 2012. By the end of Year 1, they had received no applications from Zimbabwe government economists for matriculation in January, 2013. The department has notified Nathan Associates that they are willing to leave the door open for SERA-supported applicants until the end of October.

We had expected to receive a flood of applicants for the Ph.D. bursary. The lack of candidates to date is therefore a disappointment and a puzzle. It may reflect unwillingness within the key ministries to encourage their economists to take leave of absence for Ph.D. study, either from lack of a felt need for staff with a research degree, or concern any qualified staff economist would use the Ph.D. to seek another job.<sup>6</sup> On the latter concern, it is important to note that our bursary scholars have to sign an agreement to remain in government service for at least as many years as they receive USAID SERA support. This condition will be enforced by ZEPARU.

To identify more candidates, the Nathan field office contacted economics departments at other major universities in South Africa to inform them about the Ph.D. bursary for Zimbabwe government economists. We asked them to contact potential candidates from Zimbabwe, once admissions decisions were finished, to let them know about USAID funding that may be available through the ZEPARU scholars program. We are also making further effort to inform government economists about the bursary program.

## **Workshops and Other Research Dissemination Events**

Workshops and other dissemination events provide a critical bridge from the production of policy research to actually influencing reforms via policy dialogue. Through ZEPARU, USAID SERA provided funding for four events during Year 1, including three major workshops in the fourth quarter which are highlighted here. In addition, the training coordinator that USAID SERA seconded full-time to ZEPARU, Ms. Evidence Ndari, was instrumental in organizing and managing the events implemented by ZEPARU.

### **Policies for Fostering Growth in Zimbabwe**

On July 2, 2012, USAID SERA and ZEPARU partnered with the World Bank in sponsoring a high-profile half-day workshop featuring a keynote presentation on “Policies for Fostering Growth in Zimbabwe: Lessons from East Asian Tigers,” by Dr. Justin Lin, former Chief Economist at the World Bank. Dr. Lin has been one of the world’s leading proponents of the “New Industrial Policy” for fostering economic transformation. This approach departs from old-style protectionism and focuses instead on the dynamics of comparative advantage and the role of government in creating a supportive environment.

The aim of this event was to introduce these new concepts to members of the government’s Economic and Social Sector Working Groups and other stakeholders. Preceding Dr. Lin’s lecture, short statements were presented by Dr. D.M. Sibanda, Secretary for Economic Planning and Investment Promotion (EPIP), Honourable S. Undenge, Deputy Minister of EPIP, Mr. C. Mujajati, Director for EPIP, Mr. N.M. Lenneiye, World Bank Country Manager for Zimbabwe. In addition, Prof. Rob Davies and Mr. M. Ndudzo, Chairman of the Board for ZEPARU served as discussants.

The event was attended by 81 registered participants, including 20 women.

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<sup>6</sup> It appears that two main economic ministries currently have no Ph.D. economists on staff, though the Secretary for Planning has an Ph.D. in a related field.

## High-Level Economics Forum on Unleashing Zimbabwe's Growth Potential

By far the main event of the year was a High-Level Economics Forum on Unleashing Zimbabwe's Growth Potential, which the Minister of Finance convened at Victoria Falls on 29-30 August, 2012. The Forum attracted 202 registered participants, including 41 women. One senior MOF official remarked that the event involved an unprecedented fusion of international experts who have been conducting serious research on key policy issues, along with government officials (up to the Prime Minister and Deputy Prime Minister), business leaders, researchers and other stakeholders.

Beginning in March, the Ministry approached ZEPARU and USAID SERA with a request to be partners in planning and presenting the forum. After further discussions in May and early June, the SERA RA and the Executive Director of ZEPARU became heavily involved in drafting a concept paper for the event. Over the same period, Nathan initiated four related STTA assignments in collaboration with ZEPARU. One involved technical assistance to the Ministry on conference planning and management (via subcontractor Imani). The other assignments brought in international experts to conduct research on key sub-themes for the conference (see Research and Analysis, above).

USAID SERA co-financed some of the conference costs, including the public notices in local newspapers and the production of conference folders. We also covered the lodging expenses for fourteen delegates, including seven of the experts who presented policy research to the Forum:

- USAID SERA consultant Dr. Paul Jourdan, on mining sector policy,
- USAID SERA consultant Dr. Daniel Makina, on financial sector reform and resource mobilization,
- USAID SERA consultant Dr. Keith Jefferis, on the currency regime and monetary policy,
- USAID SERA COP Dr. Bruce Bolnick, on cash budgeting,
- Dr. Godfrey Kanyenze, Director of the Labor and Economic Development Research Institute of Zimbabwe (LEDRI), on the path to "employment-rich growth,"
- Dr. Gibson Chigumira, ZEPARU Executive Director, on regional integration,
- Mrs. Erina Chipumu, ZEPARU Senior Research Fellow, on export competitiveness.

In opening the Forum, the Minister of Finance challenged delegates to produce 15 concrete proposals with new thinking that he could take to Cabinet as recommendations for reform. This challenge is met in a Conference Report being prepared by officials from the Ministry, with ZEPARU assistance. At the end of the event, the Minister assured delegates that they would see ideas from the Forum in his forthcoming Budget for 2013.

**Figure 3-3. Finance Minister Tendai Biti challenges Vic Falls delegates to produce concrete policy**



For more information on USAID's contribution to the Forum, see the Success Story "Snapshot" that is reproduced in Appendix F.

### **Strengthening the Zimbabwe National Policy Making Process**

On September 12, USAID SERA funded a half-day validation workshop for a ZEPARU study on Strengthening the Zimbabwe National Policy Making Process. The study examined the theory of policy reform, discussed obstacles to implementing processes for evidence-based and participatory policy making in Zimbabwe, and provided recommendations for strengthening these processes.

Dr. D.M. Sibanda, Secretary for the MEPIP, opened the workshop by congratulating ZEPARU on the study, pointing out these issues are vitally important for improving the lives of the people. He then gave a presentation on the highly interactive process used to formulate the country's Medium Term Plan (MTP) for 2011-2015. ZEPARU's Executive Director, Dr. Gibson Chigumira, then presented the analytical framework and findings from the study. One of the main conclusions was that policy makers have been underutilizing policy research. The study also found a need for more systematic approaches to policy formulation, given that some policies (such as the MTP) benefited from broad consultations while others involved little or no public participation.

The event was attended by 52 registered participants, including 11 women.

### **Other Events**

USAID SERA also funded a ZEPARU Scholars Seminar in Harare, on May 3. This event showcased thesis research for Master's degrees by previous ZEPARU bursary recipients (who had been funded by the ACBF) and current ZEPARU research fellows.

In addition to supporting workshops and seminars aimed at research dissemination within Zimbabwe, USAID SERA also provided funding for two ZEPARU researchers to participate in international conferences relating to policy discussions or research dissemination. First, Dr. Gibson Chigumira, Executive Director of ZEPARU, participated in a Zimbabwe Investment and Trade Conference in Gauteng, South Africa, on March 1-2; his role included chairing a panel featuring the Minister of Finance. Second, on April 2-3, ZEPARU Research Fellow Alex Bara (who later left for another job) presented a ZEPARU study on recent experience with mobile money in Zimbabwe, at an Africa Mobile Money Research Conference on Mobile Technology and Financial Inclusion, at the Kenyatta International Conference in Nairobi, Kenya. The conference was organized by the University of Nairobi School of Computing and Informatics. Nairobi.

## **4. TECHNICAL SERVICES: ASSISTANCE TO ZIMSTAT**

In line with our Work Plan, USAID SERA support to ZIMSTAT focused on three priority projects during Year 1: the 2011-2012 Poverty, Income and Consumption Expenditure Survey (PICES); creating a Central Business Register (CBR); and conducting a Census of Services (COS). These surveys are cornerstones for improving the quality of economic statistics in Zimbabwe.

The SERA COP met regularly with senior ZIMSTAT managers, first to develop arrangements for supporting these projects, and then to monitor their progress. He also met periodically with officials of other major agencies supporting ZIMSTAT in the area of economic statistics and institutional capacity building, notably the United Nations Development Programme (UNDP), the World Bank, and DFID.

Beginning in February, 2012, and continuing throughout the year, senior statistics specialist Dr. Beverley Carlson provided intermittent technical assistance to the COP in developing and managing our program of support to ZIMSTAT. Her tasks included, among other things: recruiting statistics consultants for STTA;

reviewing scopes of work for these assignments; reviewing technical aspects of SERA funding agreements with ZIMSTAT; putting ZIMSTAT in touch with the African Statistical Working Group on Business Registers; producing a review of the ZIMSTAT websites in comparison with websites of other statistical agencies in the region; and researching statistics issues at the request of the COP.

## Support for PICES

PICES is a year-long survey (June 2011 - May 2012) covering a nationally representative sample of nearly 32,000 households. The PICES will provide the best data in a decade on household characteristics; poverty status; education and health attributes of the population; household consumption expenditure patterns and asset holdings; physical living conditions; agricultural activities; employment; migration and remittances; and sources of income including informal sector activities. This data will be invaluable for policy makers, researchers, national income statisticians, donor agencies, local businesses, foreign investors, and civil society groups.

During Year 1, USAID SERA provided the following support for the PICES project:

- Funding to overcome an urgent financing gap for the December 2011 round of field work, which threatened to jeopardize the validity of the entire year-long survey. The SERA COP also pursued discussions with other donor agencies that mobilized resources to cover a similar funding gap in early 2012. Without these resources, ZIMSTAT could not have carried out the PICES project in full and on schedule.
- Funding to accelerate the PICES data processing by engaging extra personnel to work outside of normal work hours and beyond normal job duties. The tasks include data entry, data coding, and data cleaning. By our calculation, it would have taken more than a year to complete this work using ZIMSTAT's normal complement of data processing staff. With our support the data processing was completed in July.
- STTA from Dr. David Megill, a senior mathematical statistician. Dr. Megill first reviewed the 6-month data set to identify technicalities needing attention and calculate weights for scaling up sample observations to obtain national, provincial and district level estimates. Once ZIMSTAT finished the data processing, he conducted a similar review for the full 12 months of data.
- The SERA COP participated actively in the PICES Technical Committee, which monitors progress in the implementation of PICES, and provides technical feedback to ZIMSTAT's PICES team. The COP also provided detailed comments on the preliminary draft PICES report, which was presented to the Technical Committee in August 2012.

**Figure 4-1. Data collection – 68% of the population lives in rural areas**



At the end of September ZIMSTAT was completing a draft of the final PICES report (which they circulated to the Technical Committee on October 5). Publication of the final PICES results is expected in December 2012.

## Support for the CBR and COS

The CBR and COS projects are central to the USAID SERA program mandate to help ZIMSTAT improve the quality and timeliness of economic statistics as the basis for evidence-based policy analysis and effective policy management.

The CBR project will create a central register of establishments operating in all sectors and regions of the economy, classified by primary activity using the latest international standard industrial codes. When finished, the CBR will constitute the master sampling frame for the collection of basic statistics on private sector activity, including the Quarterly Employment Inquiry (QEI), the Census of Industrial Production (CIP), the Volume of Manufacturing Index (VMI), and the Business Tendency Survey (BTS).

The purpose of the COS project is to improve the statistical infrastructure for estimating the economic contribution of the services sector. With rapid worldwide expansion in ICT, finance, international trade, tourism, and leisure activities, the services sector has become a major source of growth in many countries. Yet Zimbabwe has never conducted a census of the full service sector.

ZIMSTAT initially conceived the CBR and COS as distinct projects involving separate field surveys. In the interest of cost-effectiveness, they decided to implement the two projects through a single field exercise. They also scaled back the scope of the COS to exclude informal (unregistered) enterprises, which will be covered by the PICES household survey.

During Year 1, USAID SERA provided the following support to ZIMSTAT for these surveys:

- Funding for phase 1 of the CBR-COS project, covering procurement of supplies; printing of survey materials; a workshop for training of trainers, which took place in June <sup>7</sup>; and a workshop for training enumerators, which was delayed to October (see below).
- Funding for week-long study tours to Nairobi (by four members of the CBR-COS core team) and Pretoria (six members) in May. These visits proved to be highly valuable to the team. Among other things, they led to critical reconsideration of the importance of administrative data from ZIMRA. The trip reports were submitted to USAID, and are available from the SERA office on request.
- STTA from senior statistician David Chapman, to support the CBR team at ZIMSTAT. Dr. Chapman spent two weeks in Harare working hand in hand with the team. His activities included offering lessons on best practices for CBR development and maintenance; reviewing the draft CBR questionnaire and training manual; assisting in revision of the questionnaire; helping the CBR team gain a better understanding of how to handle multi-unit enterprises; practical issues relating to the compilation of field lists from administrative records; and preparing a draft CBR plan for consideration by ZIMSTAT.
- STTA from senior statistician James Aanestad, to support the COS team at ZIMSTAT. For personal reasons, Mr. Aanestad was unable to travel to Harare. His support was therefore conducted through email and phone communications with the COS team. In parallel to Dr. Chapman (and in collaboration also), Mr. Aanestad reviewed COS plans, questionnaires and field

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<sup>7</sup> The USAID SERA COP participated in the first day of the week-long training of trainers workshop.

manuals; provided practical insights from international experience in conducting enterprise censuses and surveys; and provided guidance on the COS workflow, as well as the format and content of data reports.

- Provision of hardware and software required by the CBR and COS teams, including an Oracle database system that will be the foundation for modernizing ZIMSTAT's overall data warehousing system.

In July, the COP began negotiations with ZIMSTAT on providing funding for the CBR-COS field work, data processing, report writing, and dissemination activities. At that point the CBR-COS team had determined that more time was needed to revise their implementation plan, timetable and budget, based on results of the study visits, the STTA advice, and discussions at the training-of-trainers workshop. Progress was delayed further when CBR-COS team members were diverted to work on the 2012 national population census in August.

Discussions on the CBR-COS resumed near the end of September, including news that ZIMSTAT would conduct the training of enumerators in early October. We expect to reach agreement on funding the CBR-COS field work in October, and envision completion of the CBR-COS project by June 2013.

## **Other support for ZIMSTAT**

In addition to supporting PICES, the CBR and the COS, the USAID SERA COP had intermittent discussions with ZIMSTAT officials during the year on other potential areas of support, including training courses, upgrading their website, developing metadata materials, and information events to improve public understanding of economic statistics. Three activities were undertaken during the period under review:

- In addition to his work on PICES (discussed above), Dr. Megill provided a similar review of data from a FINSCOPE/ZIMSTAT survey of financial inclusion, including a review of weights for scaling up survey data to national estimates.
- SERA sponsored Mr. Tidings Matangira, Labour Market Information Systems Manager at ZIMSTAT, to attend the regional short-course on Data Requirements for Economic Management: System of National Accounts (SNA 2008) in Arusha, conducted by MEFMI.
- Dr. Beverley Carlson wrote a report on the ZIMSTAT website, in comparison to statistical agency websites in South Africa, Kenya, Tanzania, Malawi, Uganda, and Zambia. The report suggested practical recommendations for improving ZIMSTAT's electronic front door. Her report was submitted to ZIMSTAT and USAID in July 2012. From our discussions with ZIMSTAT, it appears that management will be using other donor resources for upgrading the website. We stand ready to assist in this area, conditional on our budget position.

## **5. CROSS-CUTTING ISSUES**

The SERA contract identifies three cross-cutting issues as "general program parameters and guidance." These are: (1) coordination with other USAID programs, primary partner organizations, and other donors; (2) prioritization of pro-poor policies and inclusive growth strategies; and (3) application of a gender lens to all programmatic undertakings.

### **Coordination**

Full and open communication with USAID/Harare is an on-going element of our field operation. For the first half of the year, the COP and RA held weekly meetings with the COR, Joshua Smith. The meetings

shifted to a biweekly schedule for the remainder of the year (except late June and July, when the COR was on home leave). These discussions covered a full range of implementation issues including contract interpretations, STTA assignments, technical approvals, and activity updates. Between meetings, the COP maintained almost daily communication with the COR by email or phone, as needed.

The COP also participated in the quarterly EG Partners Meeting, chaired by Dr. Dooley-Jones, and in two Business Round Tables organized by the Economics section of the U.S. Embassy. Several other meetings were also held with Embassy economists to discuss economic conditions.

Our main collaboration with other USAID programs involved the Agricultural Competitiveness Project (Zim-ACP). At the request of the Zim-ACP COP, the SERA COP participated in their advisory board meeting in May. We then engaged consultant Martin Webber, from our subcontractor J.E. Austin Associates, to produce a paper on lessons from international experience in strengthening agricultural competitiveness, for presentation at a Zim-ACP conference that was held on July 11-12, 2012 (The SERA RA also participated, chairing one session). Mr. Webber's assignment included a presentation to ZEPARU researchers on competitiveness and value chain analysis, and collaboration with a ZEPARU researcher to add Zimbabwe content to the study.

Outside the USAID community, the COP and RA held intermittent meetings to discuss program and policy issues with officials from the World Bank, UNDP, DFID, the Economics Department at UZ, MEFMI, and SAPST. Less frequent meetings were held with the Africa Capacity Building Foundation and the African Development Bank. In addition, the COP and RA had numerous discussions on economic policy issues and program activities with officials from the MOF, the MEPIP, and the Reserve Bank, as well as local economists and business leaders.

On several occasions these coordination activities led to important results. Examples include identifying critical gaps in donor funding to ZIMSTAT for the PICES project, and avoiding duplication in areas such as funding ZIMSTAT for the CBR-COS projects, and assisting the key economic ministries with training in economic modeling. This type of networking will be a continuing feature of our program management.

## Poverty

With the SERA program being demand driven, our involvement with poverty issues has necessarily been defined by needs of our client agencies. However, poverty concerns underlie virtually all of our assistance in dealing with economic policy issues. Indeed, a fundamental goal of our support to ZEPARU for research, training, and outreach is to improve policy analysis and research dissemination *in order to foster inclusive growth* as the primary engine for poverty reduction. Examples during Year 1 include our support for studies of mining sector policy, financial sector reforms, and agricultural competitiveness; workshops and conferences on growth policies and policy formulation; and training programs in areas of macroeconomic management and debt management.

The most direct activity relating to poverty during Year 1 has been our support to ZIMSTAT for the PICES project. As explained in section 4, this national household survey will provide policy makers, researchers and other stakeholders with the best information in a decade on the incidence and distribution of poverty and economic attributes of poor households. Beyond PICES, the COP discussed with ZEPARU, ZIMSTAT and other organizations the possibility of developing a quick-survey methodology for producing annual poverty estimates to inform policy makers about poverty conditions in between the years when full-scale national surveys are conducted. For now, this idea remains at the concept stage.

Another poverty-related activity involved our statistics consultant David Megill, who assisted ZIMSTAT in reviewing survey data on financial inclusion, in addition to his work on PICES.

Finally, during Quarters 3 and 4 the RA worked with ZEPARU to develop an outsourced research paper on policies to promote inclusive growth, and another outsourced study on the economics of employment creation. We expect both of these poverty-oriented studies to get on track in the first quarter of Year 2.

## Gender

The Nathan team has actively applied a gender lens to all aspects of the program during Year 1. As with our focus on poverty, however, the demand-driven design of the SERA program means that our focus on gender mainstreaming is filtered through decisions made by ZEPARU, ZIMSTAT and the economic ministries. Consequently, the results have fallen short of our targets and expectations.

In addition to adhering to the standard practice of tracking participation in our activities by gender, Nathan has addressed gender considerations during Year 1 in the following ways:

- Developing systematic criteria for reviewing the gender content of research designs and assessing the gender content of studies, as part of our Data Quality Assessment.
- Consistently emphasizing our commitment to gender equity in discussions with ZEPARU and our partner ministries, with respect to research, training and outreach activities.
- Compiling baseline data on the number of women economists employed in the key economic ministries. We found that as of July 2012, women represent 33 percent of the economists at MEPIP (11 out of 33), and 37 percent of the economists at the MOF (28 out of 75).
- Striving for gender balance in our training and outreach activities. This is an aspirational target that we are unlikely to achieve in full, given gender imbalances within our partner organizations. But we try to come as close as possible.
- Working with ZEPARU to achieve approximate gender balance in sponsoring economists to short-term training courses.
- Ensuring that ZEPARU informed the economic ministries of our preference for women candidates for bursaries to the M.Sc. program at UZ and Ph.D. programs in South Africa.
- Instructing STTA consultants to incorporate gender aspects of their technical assignments.
- Requiring ZIMSTAT to include extra items in the CBR and COS questionnaires (see section 4) to establish baseline data on registered businesses *that can be identified as majority women-owned*.
- Negotiating with ZIMSTAT to include a report on women-owned businesses as a CBR and COS product, once the surveys are completed.
- Engaging women experts for 5 out of 16 STTA assignments (although three of them involved Beverley Carlson as our senior statistical specialist).
- Hiring women for 5 out of 7 local employee positions: Program Manager; Finance Officer; Training/M&E Coordinator; ZEPARU Training Coordinator; and Administrative Assistant.<sup>8</sup>

Appendix E presents data on gender-related M&E indicators for Year 1, by quarter, relative to targets. We intend in Year 2 to improve on the gender balance in our training activities and the extent of gender mainstreaming in our research activities.

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<sup>8</sup> Also of interest, our night guards are provided by a woman-owned security company that was featured in an Economist article in September, on women in business in Africa.

## 6. IMPLEMENTATION OF THE WORK PLAN

As discussed earlier in this report, all of our activities had to be developed in collaboration with ZEPARU or ZIMSTAT and in response to their expressed needs. For this reason, most of the activities targeted in the Work Plan started slowly. Nonetheless, many elements of the program were carried out more or less on schedule during Year 1. Other activities are significantly behind schedule, but now on track for implementation in Year 2. A few activities were not addressed during Year 1 because they turned out not to be priorities for our principal partners.

Appendix D provides a table comparing our actual performance during Year 1 to activities targeted in the Work Plan.

## 7. CHALLENGES AND LESSONS LEARNED

Looking back over our activities during Year 1, the SERA team faced eight notable challenges:

1. Building relationships with our primary counterparts. Building strong and trusting relationships with counterpart organizations is a fundamental requirement for any new project. In the present case, the process of confidence building was delayed by protocol complications that hindered early access to our primary partners, ZEPARU and ZIMSTAT. Once this hurdle was overcome, we provided both organizations with a written overview of the project scope, the resource envelope for our assistance, and procedures that Nathan has to follow for contract compliance.

As we developed programmatic activities, we found that ZEPARU had expectations that were inconsistent in some ways with USAID regulations or policies. Examples included ZEPARU's expectation that USAID would fund operational costs, and their standard practice of paying fees to speakers or facilitators who are host-government employees (as defined by State Department regulations). With each issue of this sort, we provided ZEPARU management with a clear explanation of the pertinent regulations or contract conditions. This process slowed the start-up of several program activities, but also served to build trust, manage expectations, and facilitate the development of other activities going forward.

A fundamental lesson here is that open and frequent communication with our primary partner organizations is essential. Our job is to find ways to best help our primary partners achieve their goals, within the terms of our contract.

2. Funding for outsourced research. Another challenge arose when we initiated our support to ZEPARU for research and analysis. This involved a critical question about use of our budget line for "Research—Subcontracts and Grants in support of ZEPARU." ZEPARU's management expected that the funds could be used to support their own research program. This expectation was based on language in our contract calling for the contractor (Nathan) to respond to ZEPARU needs and help ZEPARU develop the capacity to fulfill its mandate. However, the contract goes on to say that the contractor "will provide support and technical assistance to ZEPARU as it outsources certain short and long-term research projects..." In response to a query from ZEPARU, via Nathan, USAID indicated that the budget line in question was intended for outsourced research. The mission also provided guidance on acceptable modalities for "outsourcing."

Resolving this issue involved difficult discussions with ZEPARU management, because they did not regard outsourcing of research to be one of their priorities. Year 1 of the SERA program ended without any outsourced research being funded through ZEPARU. But plans for outsourcing were well advanced by year-end, and we expect this to be a major program activity during Year 2.

In addition, this restriction on use of our budget for funding Research (as distinct from STTA) left ZEPARU with a large gap between their budget requirements and funding available from other sources, mainly the ACBF and GOZ.

3. Absorptive capacity at ZEPARU. Operational and financial capacity constraints within ZEPARU were another factor contributing to delays in program implementation. We addressed this challenge in several ways. First, we urged ZEPARU to take more advantage of Dr. Ndlela's services as Resident Advisor, to assist with research management, technical work, capacity building and mentoring. Over the second half of the year, Dr. Ndlela became increasingly involved in helping ZEPARU with these activities. Second, we hired a full-time junior economist for secondment to ZEPARU as Training Coordinator, to enhance their capacity for planning and running training activities and research dissemination events. Third, we obtained USAID approval for certain types of financial support, including for research interns, new IT equipment, and redesign of their website. In addition to easing some of ZEPARU's institutional constraints (consistent with our contractual responsibility to help ZEPARU fulfill its mandate), these arrangements helped to strengthen our relationship with ZEPARU.
4. Structuring our funding for statistical development activities. Another challenge arose in managing our funding for the CBR and COS projects. These priorities for assisting ZIMSTAT involved large amounts of money to cover in advance expenses relating to the production of ZIMSTAT statistical products. From the outset, we were concerned that the timetable set by ZIMSTAT for the CBR and COS projects did was not adequate for resolving some important issues. To deal with this concern we structured the initial funding to cover only the preparation phase of the CBR-COS projects, leaving open the door to a revision of the implementation plan. We also funded study tours and technical assistance for the CBR and COS teams. This assistance helped ZIMSTAT decide to take more time for revision of the implementation plan and timetable.
5. Identifying candidates for Ph.D. bursary support. At the outset, the Nathan team anticipated a flood of applicants for USAID SERA-funded bursaries to pursue Ph.D. degrees at the University of Cape Town or another major regional institution outside Zimbabwe. We also expected that information about the bursary would flow like honey through the target group of government economists (including economists at RBZ) following our initial efforts to announce the program and inviting nominations. This was done through formal letters from ZEPARU to Secretaries for the MOF and MEPIP, and through word of mouth in meetings with government economists at various levels.

As Year 1 ended, however, we had just one nominee for bursary support to a part-time Ph.D. program, and none for the full-time program at UCT. We also learned that many government economists had not heard about the bursary program. We therefore renewed our effort to inform the key ministries about the Ph.D. bursary, and also contacted five leading universities in South Africa to let them know about this funding opportunity, in case any government economists from Zimbabwe were being accepted into their Ph.D program. These actions may bring in new nominations, but it appears unlikely that we will reach our target of funding 5 bursaries for Ph.D. studies in South Africa for the 2013 academic year.

There are two major lessons here. First, we must not assume that information sent through normal channels within the government ministries will reach all of the target audience. We will work with ZEPARU to ensure that when important notifications are sent to the Secretaries, they are also copied to relevant Directors. We will be more active in providing information through informal channels.

Second, we conclude from this experience that the effective demand for Ph.D. studies in South Africa *among government economists* is much less than we had expected. Evidently, many

government economists do not feel a need for a research-level degree for their career path in public service. There may be others who strongly desire a Ph.D. but lack support from their superiors, due to fear of losing bright economists to other jobs. Also, many government economists may balk at the personal cost of taking leave for several years from their jobs to study in South Africa. Finally, many government economists lack the academic qualification for admission to a Ph.D. program at a major regional university. (An upper second undergraduate degree is usually required.)

In any case, we now anticipate falling below our budget target for this component of the program; if that proves to be the case, we will work with the COR to reallocate the residual funds to other training and capacity building activities.

6. Resource utilization rate. Each of the five challenges cited above had the effect of slowing implementation of our programmatic activities relative to our initial plans and expectations. These delays are reflected in a budget utilization rate of just over 50% for Technical Services during Year 1. In particular, the low “burn rate” derived mainly from four factors: the slow start-up of technical work, with most activities only getting on track in the second half of the year; zero use during the year of the budget line for outsourced research; the decision by ZIMSTAT to take more time in planning the CBR and COS projects; and zero spending over this time frame on bursaries for Ph.D. programs (see Training of Economists – Long Term). These factors were particular to Year 1 and should not recur in Year 2.
7. Gender mainstreaming. As discussed in the Gender section above, we fell well short of our targets for gender mainstreaming during Year 1. One basic challenge is that we faced a large gender imbalance within the groups we target for support. For example, for the first round of bursaries for the part-time M.Sc. degree at UZ, there were no women on the list of eligible candidates. i.e., government economists attending the program. For the second round, during Quarter 4, women were again under-represented among the eligible candidates, and two of the four women whom we accepted decided to decline the bursary.

Second, for most of the activities we support, participation is determined by our partner agencies. We urge our partners at every step to make special efforts to include more women, but the decisions are beyond our direct control. One area where we have been reasonably successful has been in seeking to include women in our support for economists attending external short-courses.

Third, our research support to ZEPARU has engaged highly qualified subject experts to lead studies on major policy issues. We regularly discuss with these consultants the importance of taking gender considerations into account, but they generally lack expertise in this area. The result has been very thin coverage of gender issues. An important lesson from this experience is that we need to a more systematic and concerted approach to mainstreaming gender considerations. Starting in Year 2, we will work with ZEPARU to strengthen the gender element of SERA-supported research.

8. Dissemination of research findings. Another challenge for USAID SERA is to help ZEPARU bring research findings to a broader audience, where it might influence public opinion and strengthen the political incentives for progressive reforms. ZEPARU’s standard approach to disseminating research has been to hold a workshop where papers are presented and discussed within a limited audience involving selected government officials, representatives of the business community, and several other stakeholders. This approach can be effective in conveying research findings to a small group of “influential.” But ZEPARU has not done much to disseminate research more broadly, either through electronic or hard copy distribution, or posting research products on their website for public access. Nor have they an established practice of sending out press releases or arranging press coverage for their research products.

During Year 1, we discussed with ZEPARU supporting publication of a book of 2011 research papers on drivers of growth. Our technical reviews, however, indicated that most of the papers required extensive revision to be worth publishing as a book using SERA funds. We also funded hard-copy publication of one issue of the ZEPARU Economic Barometer, on the condition that they take steps to improve its distribution. Third, we initiated support for redesigning the ZEPARU website as a major vehicle for research dissemination.

In addition, the Nathan team discussed with ZEPARU the idea of introducing a series of research seminars for a broader public audience, and distributing press releases following research workshops. We hope to make progress on these ideas in year 2.

The issue of public information also arose in connection with our support to ZIMSTAT for the CBR and COS projects. When revising the CBR-COS budget to fit available resources, ZIMSTAT dropped the idea of holding public information events to help stakeholders understand the purpose of the surveys, prior to the field work. These stakeholder events could also be instrumental in improving the response rate to these unprecedented exercises. The SERA COP repeatedly suggested that these events should be included in the budget, without success.

## 8. PERFORMANCE MONITORING

**Appendix E** provides three matrices reporting the latest data on our indicators for monitoring program performance at the level of outputs, results, and outcomes, respectively. A fourth matrix provides data on “context indicators,” which track Zimbabwe’s progress towards the USAID objective of improving the macroeconomic environment for growth. Although changes in these indicator values are not attributable to USAID SERA activities, several observations from Year 1 are worth noting:

- The IMF estimate for 2012 GDP growth increased to 3.1% as of mid-2011, to 4.7% as of September 2012. This is comparable to the MoF growth projection for 2012 which has been revised downward to 5.6%. The IMF has also increased its projected growth rate for 2013-2015, relative to their baseline projections from mid-2011.
- Through September, non-mineral revenue collected by the government in 2012 was up 20.6% over the same period in 2011. The rate of increase is well above the rate of nominal GDP growth, indicating that collection performance has continued to improve. Mineral revenues, however, fell far short of the budget estimate, creating a serious squeeze on expenditures.
- The fiscal squeeze has been heightened by the extremely high percentage of expenditure required for personnel costs. Government expenditure on social services and productive infrastructure, excluding personnel costs, declined from 18.4% in 2011 to 16.4% during the first semester of 2012 (Nathan estimates).
- Latest data from RBZ show that net inflows of Foreign Direct Investment in 2011 amounted to \$387 million, more than double the (revised) 2010 figure of \$165.9 million. RBZ estimates that FDI inflows will reach \$550 million in 2012. Although the improvement is encouraging (and surprising, considering the political uncertainties) the absolute amount of FDI is still very low by regional standards.
- There has been serious progress towards negotiations on debt relief. Early in the year the government produced the Zimbabwe Accelerated Arrears Clearance and Debt Management Strategy. They have also taken major steps to enter a Staff Monitored Program with the IMF, and continued the process of validating and consolidating national debt records. In addition, the PICES data will provide a statistical base for preparing an Interim Poverty Reduction Strategy, as a contribution to the debt relief process.

- Through September, the Registrar General recorded 7693 new business registrations. This indicates a significant upward trend relative to 2011 when 8550 registrations were recorded for the full year.
- Zimbabwe's score on the World Bank's Statistical Capacity Indicator improved from 49 in 2011 to 53 in 2012.

## **APPENDIX A. QUARTERLY PROGRESS REPORT FOR JULY-SEPTEMBER 2012 (QUARTER 4)**

The Annual Report for Year 1 includes a summary of activities and results during Quarter 4 of the USAID SERA program (July-September 2012). However, the program contract also requires submission of Quarterly Progress Reports (QPRs) within thirty days following the end of each quarter, including quarters ending September 30 each year. In fulfillment of this requirement, in line with guidance from the COR, we hereby submit a condensed QPR for Quarter 4 as an Appendix to the Annual Report. Additional details on these activities are provided in the Annual Report.

### **Management and Administrative Services**

Management and Administration activities proceeded smoothly during Quarter 4. In addition to routine office operations, activities included management of STTA, timely compliance with all reporting requirements, including preparation of the Annual Work Plan for Year 2 (in consultation with ZEPARU and ZIMSTAT leaders) and an update of the M&E Plan, in light of results from our Data Quality Assessment exercise. The Nathan team also held regular coordination meetings and almost daily communications with USAID, except in July and early August, when the COR, the alternate COR and Nathan's COP were out of the country. During the COP's three-week leave, Nathan's project director from the head office, Peter Miller, came out to Harare on temporary duty to assist with management of the field office.

One new administrative issue arose in September regarding ADS 548 requirements relating to information technology (IT) expenses. At the end of the quarter, Nathan was compiling supporting data, reviewing the required documentation, and assessing the applicability of the Independent Verification and Validation (IV&V) requirement to our present situation, for discussion with USAID early in Year 2.

Also near the end of Q4, USAID informed Nathan that we may need to produce an Environmental Mitigation and Monitoring Plan (EMMP) and review our environmental compliance documentation with the COR and the Regional Environmental Advisor. During the start-up period, Nathan had consulted with USAID about this requirement. We were informed at that time that SERA activities would fall under the Categorical Exclusion and that no action was needed. We will work with the COR during the first quarter of Year 2 to ensure compliance as required.

### **Technical Services: Assistance to ZEPARU**

The Technical Services component of the program entails the provision of technical and financial assistance to ZEPARU in four areas: research and analysis; training of parliamentarians; training of economists, long-term and short-term; and workshops or other research dissemination events. The following sections summarize our activities during Quarter 4 in each of these areas.

#### **Research and Analysis**

Dr. Daniel Ndlela, SERA Resident Advisor (RA), continued to provide daily hands-on support to ZEPARU management and research staff during the period under review. The COP was also heavily involved in assisting ZEPARU with the development and management of research activities and reviewing drafts of research and analysis products from SERA-funded STTA and ZEPARU research staff. In addition, the SERA program continued to fund three interns (recent M.Sc. graduates from local universities) to provide research assistance to ZEPARU's professional staff.

The following technical activities were conducted during the quarter with USAID SERA support:

- Consultant Martin Webber, from subcontractor J.E. Austin Associates, completed a draft of his study on lessons from international experience on strengthening agricultural competitiveness.

He also conducted a one-week visit to Harare to present his paper to a conference on agricultural competitiveness run by the USAID Zim-ACP project, on July 11-12. During his field visit, Mr. Webber also provided training to ZEPARU research staff in the area of competitiveness analysis and value chain analysis. Following his field trip, he continued to work on the paper to incorporate contributions from ZEPARU Research Fellow Jacob Nyamadzawo. The paper will be finalized in October, 2012 as a ZEPARU research product.

- Through subcontractor Imani Development, Nathan engaged Dr. Daniel Makina, a Zimbabwean economist who is Professor of Finance at the University of South Africa, to collaborate with ZEPARU on a study on Financial Sector Development and Resource Mobilization in Zimbabwe. Dr. Makina presented his analysis and policy recommendations to the Ministry of Finance's High-Level Economics Forum in late August. The paper was finalized in September. ZEPARU intends to engage Dr. Makina, through SERA, for further collaboration on financial sector studies during Year 2 of our program.
- Through subcontractor IBI, Nathan engaged Dr. Paul Jourdan, a leading regional expert on the mining sector, to collaborate with ZEPARU on a major study of the policy regime for the mining sector, drawing on lessons from international experience. Nathan also engaged Mr. Isaac Kwesu, a CCN mining sector economist (on leave from his position as Chief Economist for the Chamber of Mines) to assist with the study. Our consultants worked with two ZEPARU researchers, Dr. Gibson Chigumari, Executive Director, and Ms. Erinah Chipumhu, Senior Research Fellow, with the aim of building capacity for future research on mining sector issues. To assist this capacity building element of the study, SERA also funded travel costs for the ZEPARU team members to accompany our STTA on two short trips within Zimbabwe to conduct interviews and gather information.

Dr. Jourdan presented his preliminary findings at a High-Level Economics Forum convened by the MOF in late August. At the end of the quarter, he was finalizing the study in light of comments from the SERA COP, the SERA RA, and the Executive Director of ZEPARU.

- As another contribution to the Ministry of Finance's High-Level Economics Forum in August, USAID SERA engaged Dr. Jefferis (from subcontractor Econsult) to deliver a presentation on the choice of currency regime and monetary policy, and collaborate with ZEPARU on producing a policy paper on this topic. At the end of September, the paper was still a work in progress. It should be finalized as a ZEPARU research product in October 2012.

Also during this quarter, Nathan submitted the final technical report from a STTA assignment that Dr. Jefferis conducted during Quarter 3. This assignment included providing a detailed technical review of three ZEPARU research products; training ZEPARU researchers to upgrade the quality of their quarterly Economic Barometer; and developing a methodology for creating a Composite Index of Leading Indicators as a feature for future volumes of the Barometer.

- Dr. Jefferies, Dr. Bolnick, Dr. Ndlela and 6 other senior economists<sup>9</sup> provided detailed technical reviews of 11 ZEPARU research products from 2011 and early 2012. The purpose was to mentor ZEPARU research staff via critical feedback on their work, while establishing a "baseline" that may be used to assess SERA's impact on ZEPARU research quality. Dr. Ndlela also provided very detailed technical comments on a draft of volume 5 of the Economic Barometer.
- Nathan engaged CCN consultant Saratheil Chaipa to assist ZEPARU in developing specifications for a major upgrade of their website, which should be their primary window to the world. Peter Miller, from Nathan headquarters, also assisted in finalizing the specifications. ZEPARU used

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<sup>9</sup> The six external consultants were Prof. Daniel Makina (University of South Africa); Prof. Theresa Moyo (University of Limpopo); Dr. Inocent Matshe (AERC/Nairobi); Dr. Godfrey Kanyenze (LEDRIZ); Prof. Tony Hawkins (UZ); and Dr. Peter Robinson.

this documentation to solicit quotations from three local vendors. The website upgrade will be implemented starting in October.

- Several members of the SERA team (including the RA, the COP, the Program Manager, and headquarters staff) worked with ZEPARU management to establish contract arrangements for supporting outsourced research. The RA and COP also helped ZEPARU develop a Call for Papers for outsourcing industrial value chain studies to identify measures for strengthening the competitiveness of selected local industries.
- The COP and RA participated actively in ZEPARU's Strategic Planning Workshop on September 11, and a Workshop on Macroeconomic Modeling Capacity Needs in Key Economic Ministries, convened by ZEPARU on September 14. Both of these events will inform ZEPARU's research (and training) plans for 2013.

### **Training Parliamentarians**

The SERA Work Plan for Year 1 targeted a program for training parliamentarians in economic and budget literacy to begin in Quarter 3. Discussions to develop a proposal, jointly with ZEPARU and the Southern Africa Parliamentary Support Trust (SAPST), started in early March. This process involved several iterations, each entailing lengthy delays due to slow response from our partners. All three parties (SERA, ZEPARU and SAPST) finally agreed on a proposal near the end of Quarter 4, for presentation to parliamentary leaders in Year 2.

The proposal includes a launch workshop targeted for October 2012, to discuss modalities and priority issues for a series of half-day seminars for a selected group of current parliamentarians, and repeat offerings once the new parliament convenes in 2013. Under the proposal, parliamentarians will also have the chance to earn a certificate in basic economics, through regular participation in the seminars.

### **Training of Economists (short-term)**

During Quarter 4, the SERA program supported one customized local training course for government economists, and sponsored four economists to attend regional training courses in priority areas for capacity building.

- From July 10-20, USAID SERA funded our first customized in-country training event: a two-week long course on Macroeconomic Analysis and Management, run jointly by MEFMI and ZEPARU. The course was held in Mutare with 17 participants from the MOF, RBZ, the Ministry of Industry and Commerce, ZIMSTAT, and ZEPARU. In the process of planning this first course to be funded by USAID SERA, ZEPARU and MEFMI encountered several obstacles relating to expenses that are ineligible for coverage by USAID. ZEPARU arranged co-financing from the ACBF to cover these expenses.
- USAID SERA funded two economists to attend a two-week long MEFMI regional course on Quantitative Methods and Analysis for Debt and Reserves Management in Lilongwe, Malawi, from September 3-13. The beneficiaries were Ms. Nyasha Mutswiri, Debt Monitor, Department of Economic Research and Policy Enhancement, Reserve Bank of Zimbabwe, and Mr. Sanderson Abel, Senior Research Fellow, ZEPARU.
- We also funded two economists from the Aid and Debt Management department in the Ministry of Finance to attend a four-week long regional training course on Financial Management for Donor-Funded Projects that was conducted by the Eastern and Southern African Management Institute (ESAMI) in Durban, South Africa, from 20 August to 14 September, 2012. The beneficiaries were Mr. Itai Munaki (Economist) and Ms. Petronella Mavhinga (Economist).

In addition to the three activities listed above, we also received nominations from ZEPARU for two economists to attend a MEFMI regional training course on revenue forecasting, in Lesotho. In this case, the SERA COP turned down the nominations, because one nominee, from ZIMRA, had recently

completed two similar courses, while the second nominee, from ZEPARU, was not assigned to any research requiring these tools.

### **Training of Economists (long-term)**

In late July the SERA team and ZEPARU reviewed 15 candidates for bursary support who had been accepted into the part-time M.Sc. program at UZ for academic year 2012-13. Also listed were 5 government economists who were already pursuing this degree, but not known to us during the selection of our first cohort last February. Out of the 20 candidates, four were women.

Given the contract ceiling of funding 20 bursaries for this program, we accepted 12 new ZEPARU Scholars, including all four women. Subsequently, we learned that one member of the first cohort dropped out of the program due to poor grades, and one woman from the second cohort turned down the bursary after getting financing from another source to attend a full-time master's degree program in Zambia.

To prepare the bursary recipients for their academic work, USAID SERA funded refresher courses that the Economics Department offered to the part-time M.Sc. students prior to beginning the new academic year. This included two-day courses on econometrics and statistics for incoming students, and a two-day course on research methods for those entering their thesis year.

After starting the refresher course another woman dropped out, finding that the program was too demanding given her other responsibilities. At the same time, an eligible male candidate stepped forward who previously was not on the list; he was approved as a replacement for the student dropped for low grades.

At the end of the quarter, we were therefore providing bursary support to 18 economists as ZEPARU Scholars at UZ (see Table 3-2 in the text). Two of the students still had to sit supplementary exams due to marginal grades the previous term. As the quarter ended the Economics Department had not yet scheduled these exams; however, students in this situation usually pass the exams and are allowed to continue with their studies.

For our Ph.D. bursary, ZEPARU had identified only one nominee by the end of the quarter: an RBZ economist who has been accepted into the Ph.D. program by research only at the Nelson Mandela Metropolitan University in Port Elizabeth. After interviewing the nominee, the SERA COP determined that the candidate and his dissertation proposal were very strong. We will be submitting a formal approval request to USAID in October, after compiling more information about the budget requirements for his program.

For the Ph.D program in Economics at UCT, the deadline for applications was end-July, 2012. By the end of the quarter, the department reported that they had no applications from Zimbabwe government economists for matriculation in January, 2013. The department notified Nathan that they would leave the door open for SERA-supported applicants until the end of October. We conveyed this message to ZEPARU and to the key economic ministries at several meetings and workshops. In addition, to identify more candidates, the Nathan field office contacted economics departments at other major universities in South Africa to inform them about the Ph.D. bursary for Zimbabwe government economists. We asked them to pass this information to any potential candidates from Zimbabwe once their admissions decisions were finished. We are also making further effort to inform government economists about the bursary program through informal channels.

### **Workshops and Other Research Dissemination Events**

Through ZEPARU, USAID SERA provided funding for three major workshops during Quarter 4.

- On July 2, USAID SERA and ZEPARU partnered with the World Bank in sponsoring a high-profile half-day workshop featuring a keynote presentation on "Policies for Fostering Growth in Zimbabwe: Lessons from East Asian Tigers," by Dr. Justin Lin, former Chief Economist at the

World Bank. Dr. Lin has been one of the world's leading proponents of the "New Industrial Policy" for fostering economic transformation. The event was attended by 81 registered participants, including 20 women.

- By far the main event of the year was a High-Level Economics Forum on Unleashing Zimbabwe's Growth Potential, which the Minister of Finance convened at Victoria Falls on 29-30 August, 2012. The Forum attracted 202 registered participants, including 41 women. USAID SERA co-financed certain conference costs, including public notices in local newspapers and the production of conference folders. We also covered lodging expenses for fourteen delegates, including seven experts who presented policy research to the Forum:
  - SERA consultant Dr. Paul Jourdan, on mining sector policy,
  - SERA consultant Dr. Daniel Makina, on financial sector reform and resource mobilization,
  - SERA consultant Dr. Keith Jefferis, on the currency regime and monetary policy,
  - SERA COP Dr. Bruce Bolnick, on cash budgeting,
  - Dr. Godfrey Kanyenze, Director of the Labor and Economic Development Research Institute of Zimbabwe (LEDRI), on the path to "employment-rich growth,"
  - Dr. Gibson Chigumira, ZEPARU Executive Director, on regional integration,
  - Mrs. Erina Chipumu, ZEPARU Senior Research Fellow, on export competitiveness.
- On September 12, USAID SERA funded a half-day validation workshop for a ZEPARU study on Strengthening the Zimbabwe National Policy Making Process. The study examined the theory of policy reform, discussed obstacles to implementing processes for evidence-based and participatory policy making in Zimbabwe, and provided recommendations for strengthening these processes.

The training coordinator hired by SERA for full-time secondment to ZEPARU, Ms. Evidence Ndari, was instrumental in organizing and managing the research dissemination events implemented by ZEPARU, in addition to her role in supporting training events.

In addition to the workshops that SERA has funded, we also provided technical support to a conference on Agricultural Productivity run by USAID's Agricultural Competitiveness Project (Zim-ACP) on July 11-12, in Harare. Our support included a presentation by SERA consultant Martin Webber on lessons from international experience (see Research and Analysis, above). Also, the SERA RA chaired one session of the conference. The RA also chaired a session at a two-day Infrastructure Financing Summit, on 19-20 September, which was organized by a local private sector association, ZIMBUILD. In this capacity, he emphasized to the delegates the importance of strengthening domestic linkage effects, rather than focusing only on infrastructure development activities as such.

## **Technical Services: Assistance to ZIMSTAT**

USAID SERA support to ZIMSTAT continued in Quarter 4 to focus on three priority projects: the 2011-2012 Poverty, Income and Consumption Expenditure Survey (PICES); creating a Central Business Register (CBR); and conducting a Census of Services (COS). These activities are cornerstones for improving the quality of economic statistics in Zimbabwe.

For PICES, we provided both financial and technical assistance during the quarter. Nathan consultant Dr. David Megill, a senior mathematical statistician, completed his STTA assignment by reviewing the full 12-month PICES data set to resolve technical problems with the coding and calculate weights for scaling up sample results to obtain national, provincial and district level estimates. In addition, COP Bruce Bolnick participated actively in the PICES Technical Committee, which monitors progress in the implementation of PICES, and provides technical feedback to ZIMSTAT's PICES team. His involvement included providing detailed comments on the preliminary draft PICES report.

On the financial side, funding from USAID SERA was instrumental in providing the resources needed by ZIMSTAT to complete the data processing (i.e., data entry, cleaning, and coding) by the end of July – less than two months after finishing the field work. In contrast, it took nearly a year after field work was finished for ZIMSTAT to complete data entry for their 2011 Labour Force Survey.

We also provided technical and financial support for the CBR and COS projects. In July we submitted the final technical reports from Nathan consultants Dr. David Chapman and Dr. James Aanestad, who provided very effective technical support to the ZIMSTAT core team in June. COP Bruce Bolnick was also involved in technical discussions and regular email exchanges with the CBR-COS team regarding issues with their implementation plan, in the context of negotiating further funding for these important activities. We also released the final tranche of funding under our agreement for supporting phase 1 of the CBR-COS projects, covering planning activities, procurement of supplies, training of trainers (which took place in June), and training of enumerators (which took place just after the end of this quarter).

With regard to the CBR and COS, the major development during Quarter 4 was a decision by ZIMSTAT to take more time in planning the field work. This (welcome) decision was motivated, in large part, by the SERA-funded study tours and STTA, which helped convince the CBR-COS team of the need for revising their initial implementation plan.

Finally, Nathan consultant Dr. Beverley Carlson continued this quarter to provide technical backstopping support to the COP on a variety of issues relating to our support to ZIMSTAT. Among other things, Dr. Carlson reviewed the CBR and COS implementation plans and draft scopes of work for our funding agreements; completed an analysis of ZIMSTAT’s website attributes in comparison with other regional statistics agencies; and prepared a report on on-line training resources that might be used by ZIMSTAT for capacity development.

## Cross Cutting Issues

The SERA contract specifies three cross-cutting issues as “general program parameters and guidance.” These are: (1) coordination with other USAID programs, primary partner organizations, and other donors; (2) prioritization of pro-poor policies and inclusive growth strategies; and (3) application of a gender lens to all programmatic undertakings.

On coordination, the COP and RA continued our practice of holding bi-weekly meetings with the COR for SERA (except when he was out of town). The EG team leader, Dr. Tina Dooley-Jones, also attended several of these meetings. We also maintained daily communication with the COR by email and phone. Our coordination with other USAID programs was confined during this period to collaboration with the Zim-ACP project (see Workshops, above). Outside USAID, the COP and/or the RA held programmatic or technical meetings with officials from the MOF, MEPIP, RBZ, the World Bank, UNDP, DFID, AfDB, SAPST, the ACBF, the IMF and the US Embassy, among others.

Our involvement with poverty issues continues to be defined by the needs of our client agencies. However, poverty concerns underlie virtually all of our assistance in addressing economic policy issues. Examples during Quarter 4 include our support for studies of mining sector policy, financial sector reforms, and agricultural competitiveness; workshops and conferences on growth policies and policy formulation; and training on macroeconomic management and debt management.

Our most direct focus on poverty during the quarter involved our support to ZIMSTAT for the PICES project. As explained in the main report, this national household survey will provide policy makers, researchers and other stakeholders with the best information in a decade on the incidence and distribution of poverty and economic attributes of poor households. Also during quarter 4, the RA worked with ZEPARU to develop scopes of work for outsourced research on policies to promote inclusive growth, and the economics of employment creation. We expect these poverty-oriented studies to get on track in the first quarter of Year 2.

On the gender guidance, the Nathan team continued actively to apply a gender lens to all of our activities during Quarter 4. As with our focus on poverty, however, the demand-driven design of the program means that our effort to ensure gender mainstreaming is filtered through decisions made by ZEPARU, ZIMSTAT and the economic ministries. Consequently, the results have fallen short of our targets and expectations. For more details, see the Gender section of the Annual Report.

The most notable development during Quarter 4 on gender was the introduction of a system for scoring and ranking the gender content of SERA-supported research products. The system was developed by a local gender specialist, in collaboration with the COP and our M&E Coordinator, in response to a request from USAID in the context of our Data Quality Assessment exercise. From our initial application of this system to studies counted for Output Indicator #1 and Results Indicator #1 in our M&E report (see Appendix E), the scores are as follows:<sup>10</sup>

*Table A.1 Gender Scoring for SERA-supported Policy briefs and Studies*

Policy Brief/Study	USAID SERA support	Gender Content Score (max = 9)	Gender Content Ranking
<b>Studies counted for Output Indicator #1</b>			
ZEPARU Economic Barometer Volume 3	Tech. review	0	None
ZEPARU Economic Barometer Volume 4	Tech. review	0	None
Composite Leading Indicators	STTA	0	None
Restructuring of Public Enterprises	Tech. review	0	None
<b>Studies counted for Results Indicator #1</b>			
Mining Sector Policy Study	STTA	2	Low
Choice of Currency Regime	STTA	0	None
<b>Studies counted for both Indicators</b>			
Financial Sector Development and Resource Mobilization	STTA	2	Low
Building Agriculture Competitiveness in Zimbabwe	STTA	1	Low
Regional Integration	Tech. review	0	None
Assessing Zimbabwe's Export Competitiveness	Tech. review	0	None

For the five studies where our support took the form of a detailed technical review to strengthen the quality of ZEPARU drafts or working papers, we had no involvement in determining the research design. All of these studies had a zero score on gender content. For the five studies where we provided STTA, the SERA team did collaborate with ZEPARU in developing the Scope of Work. Two of these studies (on Composite Leading Indicators, and Choice of Currency Regime) involve no direct gender content.

The other three STTA-supported studies registered positive but low scores, showing minimal gender content. Even though the SERA COP specifically advised the consultants to incorporate gender considerations in the papers, the low scores indicate that gender aspects were not sufficiently emphasized in the scopes of work and verbal instructions.

<sup>10</sup> **Output Indicator #1:** Number of completed policy studies by ZEPARU with SERA support: total, and with gender content.

**Results Indicator #1:** Number of policy briefs/studies drafted and presented for public/stakeholder consultation with USG assistance(USAID PMP indicator): total, and with gender content.

We intend during Year 2 to improve these scores substantially by strengthening the emphasis on gender mainstreaming in our discussions with ZEPARU on research designs, and in scopes of work for SERA consultants.

## Plans for Next Quarter

This section outlines key activities in process or anticipated for implementation during the first quarter of Year 2.

### Assistance to ZEPARU

- Initiation of funding for outsourced research, starting in October with a Call for Expressions of Interest for studies on industrial value chains, with a view to identifying policies, strategies or measures to improve the competitiveness of local industries.
- Funding for outsourced research on the Economics of Employment Creation.
- Completion of outstanding STTA contracts and publication of the reports as ZEPARU research products, including work by Daniel Makina (financial development); Paul Jourdan (mining sector policy); Keith Jefferis (currency regime); and Martin Webber (agricultural competitiveness).
- New STTA assignments for collaboration with ZEPARU on studies in the areas of tourism development; financial sector reforms (follow-on to Makina's study); capital account liberalization.
- STTA to conduct a study on financial and institutional sustainability for ZEPARU.
- STTA for capacity building in the area of identifying grant opportunities and writing grant proposals.
- STTA and funding for upgrading the ZEPARU website.
- STTA for capacity building in the area of disseminating and publicizing research products.
- Technical assistance (either by the RA or STTA) for completing development of a Composite Index of Leading Indicators, as a value-added feature for the Economic Barometer.
- Technical assistance (either by the RA or STTA) in developing an inflation forecasting model, as a value-added feature for the Economic Barometer.
- Initiation of our proposed program for training parliamentarians in economic and budget literacy.
- Sponsorship of two economists to attend a MEFMI regional course on Economic Modeling and Forecasting in Lilongwe Malawi (October 15-20); and two or three economists to attend a MEFMI regional course on Public Expenditure Analysis and Management, in Namibia (November 5-9).
- Development and implementation of a customized local short-course on Financial Programming.
- Development of a customized local short-course on research methods.
- Development of customized local short-course on Advanced Microsoft Excel skills for economic analysis.
- Capacity building seminars by USAID SERA staff on grant proposals and research methods.
- Handover of laptops to the second cohort of ZEPARU Scholars receiving bursary support for the part-time M.Sc. program in economics at UZ.
- Selection and approval of at least two ZEPARU Scholars to receive bursary report for Ph.D. studies in economics in South Africa.

### Assistance to ZIMSTAT

- Implementation of SERA-funded Training of Enumerators workshop for the CBR-COS projects
- Completion of an agreement for funding the next phases of the CBR-COS project: first, development of the master list and assignment plan for the field work; and second, implementation of the data collection.

- Identify priorities and negotiate plans for supporting the development of on-line training modules for ZIMSTAT staff.

## **Performance Monitoring**

Performance monitoring data for Quarter 4 are included in Appendix E of this Report, which provides a quarterly breakdown of our M&E indicator data for Year 1 of the program.

## APPENDIX B. SHORT-TERM TECHNICAL ASSISTANCE DURING YEAR 1 <sup>1A</sup>

	Consultant	Expat/TCN/CCN	Organization	Assignment	Days approved/used	Dates (o/a)	Status at 30-Sept
1	Tererai Trent	Expat	IBI	Gender inputs to Year 1 Work Plan and M&E Plan	20/20	Oct 10-Nov 27, 2011	Complete
2	Beverley Carlson	Expat	Nathan	ZIMSTAT - Priorities for SERA support	22/22	Nov 5-Dec 18, 2011	Complete
3	Beverley Carlson	Expat	Nathan	ZIMSTAT - Stats backstopping for COP	22 /22	Jan 16-May 31, 2012	Complete
4	David Megill	Expat	Nathan	ZIMSTAT - Technical data review, FinScope and PICES	32/32	Feb 13-Oct 15, 2012	Awaiting final report
5	Keith Jefferis	TCN	Econsult	ZEPARU Barometer upgrade, research review	30 / 19	Apr 1-July 15, 2012	Complete
6	David Chapman	Expat	Nathan	ZIMSTAT - Central Business Register	18 /16	May 28-June 25, 2012	Complete
7	James Aanestad	Expat	Nathan	ZIMSTAT - Census of Services	12/12	June 1-25, 2012	Complete
8	Paul Jourdan	TCN	IBI	ZEPARU - Study on mining sector policy	54 /54	June 1–Oct 15, 2012	Awaiting final report
9	Isaac Kwesu	CCN	Nathan	ZEPARU - Study on mining sector policy study	35/35	June 1–Aug 3, 2012	Complete
10	Martin Webber	Expat	JAA	ZEPARU - Study on Agriculture Competitiveness	18 /18	June 1 – July 15, 2012	Awaiting approval from ZEPARU
11	Beverley Carlson	Expat	Nathan	ZIMSTAT - Stats backstopping for COP (renewal of assignment)	30/18	June 1- Dec 31, 2012	Ongoing
12	Daniel Makina	CCN (regional)	Imani	ZEPARU - Study on Financial Sector Development	30/30	June 6-Aug 31, 2012	Awaiting approval from ZEPARU
13	Rita Choto & 2 assistants	CCN	Imani	ZEPARU - Conference Management	62/45	July 2 – Sept 7, 2012	Final report awaiting ZEPARU approval
14	Peter Miller	Expat	Nathan	ZEPARU Website specifications	3/1.5	July 15- August 3, 2012	Complete
15	Keith Jefferis	TCN	Econsult	ZEPARU - Study on Currency Regime and Monetary Policy	23/10	July 18-Sep 7, 2012	In process

	<b>Consultant</b>	<b>Expat/TCN/CCN</b>	<b>Organization</b>	<b>Assignment</b>	<b>Days approved/used</b>	<b>Dates (o/a)</b>	<b>Status at 30-Sept</b>
16	Sarathiel Chaipa	CNN	Nathan	ZEPARU Website specifications	4/4	July 23-27, 2012	Complete

\a Six other experts were engaged to produce external reviews of ZEPARU research papers, but not as STTA. These arrangements involved small honorarium payments based on purchase orders. The experts were: Prof. Daniel Makina (University of South Africa); Prof. Theresa Moyo (University of Limpopo); Dr. Innocent Matshe (AERC/Nairobi); Dr. Godfrey Kanyenze (LEDRIZ); Prof. Tony Hawkins (UZ); and Dr. Peter Robinson (consultant).

## APPENDIX C. EQUIPMENT PROCURED BY USAID SERA FOR USE BY ZIMSTAT AND ZEPARU

Description	Serial Number	Acquisition Date	Value	Location as of 30-Sep
<b>A. Procurement for ZIMSTAT CBR-COS Project</b>				
HP 4530s Laptop Computer w/case	CNU212408L	21-May-12	\$1,045	ZIMSTAT
HP 4530s Laptop Computer w/case	CNU21241LY	21-May-12	\$1,045	ZIMSTAT
HP Compaq Pro 3400 MT PC Workstation	PC: CZC21712BD/ Monitor: CNC207QRL3	21-May-12	\$1,070	ZIMSTAT
HP Compaq Pro 3400 MT PC Workstation	PC: CZC21712B9/ Monitor: CNC207QRYP	21-May-12	\$1,070	ZIMSTAT
HP Compaq Pro 3400 MT PC Workstation	PC: CZC21712BN/ Monitor: CNC207QS7M	21-May-12	\$1,070	ZIMSTAT
HP Compaq Pro 3400 MT PC Workstation	PC: CZC217129Y/ Monitor: CNC209QXJ3	21-May-12	\$1,070	ZIMSTAT
HP Proliant ML 150 G6 Server Desktop	HU1147AOGI	21-May-12	\$2,240	ZIMSTAT
HP 18.5" LCD monitor, keyboard, mouse	CN420904B1	21-May-12	\$225	ZIMSTAT
HP LaserJet P4015DN Printer (Enterprise 600 M602dn)	CNBVD2S048	21-May-12	\$1,600	ZIMSTAT
HP LaserJet P4015DN Printer (Enterprise 600 M602dn)	CNBVD2S049	21-May-12	\$1,600	ZIMSTAT
HP LaserJet P4015DN Printer (Enterprise 600 M602dn)	CNBVD2S046	21-May-12	\$1,600	ZIMSTAT
HP LaserJet P4015DN Printer (Enterprise 600 M602dn)	CNBVD2S04G	21-May-12	\$1,600	ZIMSTAT
<b>B. Procured for ZEPARU Bursary Program</b>				
Dell Latitude E5420 Laptop w/case	DNMQ5S1	16-Feb-12	\$1,345	SERA office (returned)
Dell Latitude E5420 Laptop w/case	DNMN4S1	16-Feb-12	\$1,345	Manda S.
Dell Latitude E5420 Laptop w/case	DNMN5S1	16-Feb-12	\$1,345	Willie A.
Dell Latitude E5420 Laptop w/case	DNML4S1	16-Feb-12	\$1,345	Mtisi K.
Dell Latitude E5420 Laptop w/case	DNMQ4S1	16-Feb-12	\$1,345	Mugandani A.
Dell Latitude E5420 Laptop w/case	DNML5S1	16-Feb-12	\$1,345	Tuluzawu P.
Dell Latitude E5420 Laptop w/case	DNMM5S1	16-Feb-12	\$1,345	Shenje T.
Dell Latitude E5420 Laptop w/case	DNMP5S1	16-Feb-12	\$1,345	Mfunda F.
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office

Description	Serial Number	Acquisition Date	Value	Location as of 30-Sep
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office
Dell Latitude E5420 Laptop w/case	TBA in October	24-Aug-12	\$1,666	In transit to SERA office
<b>C. Procured for ZEPARU Researchers</b>				
Dell Latitude E5420 Laptop w/case	JNCPLQ1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCQ4S1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCP5S1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCPKQ1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCPWL1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCQ5S1	14-May-12	\$1,489	ZEPARU
Dell Latitude E5420 Laptop w/case	JNCP4S1	14-May-12	\$1,489	ZEPARU
HP LaserJet P4015nPrinter (Enterprise 600 M602n)	CNBVCCY1XQ	12-Jun-12	\$1,675	ZEPARU

## APPENDIX D. IMPLEMENTATION OF SERA WORK PLAN TASKS FOR YEAR 1 \*

Task	Status at end of Q4
<b>1. Management and Administration Services</b>	
<b>1.1. Project start-up activities</b>	
Field start-up team, COP, Resident Advisor	Done
Locate and equip SERA Program office, identify and hire staff, complete office manuals	Done
Register as SERA Program Trust, open SERA bank account, establish field accounts	Done
Establish field accounts	Done
Register with ZIMRA, NSSA, other formalities as needed	Done
Select and procure project vehicles	Done
Coordinate with COTR, other USAID programs, other key donors	Ongoing
Complete SERA Grants Manual	Done
Complete approved sub-contracts	Done
Develop and manage STTA and MTTA assignments	Ongoing
Develop SERA Program website ( <i>subject to COTR approval</i> )	Dropped
<b>1.2. Reports</b>	
Submit Annual Work Plan for Year 1	Done
STTA (Dr. Tererai Trent) to assist with mainstreaming gender in Work Plan and M&E Plan	Done
Work Plan revision, if necessary	No revision
Submit M&E Plan for Years 1-4	Done
M&E Plan revision, if necessary	Submitted in September 2012, small revisions requested by USAID
Submit Quarterly Progress Reports	Done
Submit Quarterly Financial Reports	Done
Submit Quarterly Accrual Reports	Done
Submit Annual Work Plan for Year 2	Done
Submit Activity Reports, Success Stories, Dissemination tools	Activity reports submitted for approval as finalized. 2 Success Stories approved to date
Submit reports and information products to DEC	No reports and products finalized yet for DEC submission
<b>2. Assistance to ZEPARU</b>	
Provide Senior Advisor to ZEPARU, Dr. Daniel Ndlela	Ongoing

Task	Status at end of Q4
Coordinate with ZEPARU on priorities, activities	Ongoing
Liaise with MOF, MEPIP, Parliament, and ZIMSTAT, through ZEPARU	Ongoing, but liaison with Parliament delayed (see text)
Liaise with other USAID projects & other donors to coordinate SERA support for ZEPARU	Intermittent; SERA STTA to support Zim-ACP conference in July
Liaise with other partner organizations and stakeholders, through ZEPARU	Occasional
<b>2.1. Research and Analysis</b>	
Review ZEPARU's research agenda on priority issues for 2012	Done
Determine initial priorities for SERA support to ZEPARU on policy research and analysis	SERA priorities for Year 1 reflected in ZEPARU Work Plan for 2012; SERA priorities for Year 2 reflect discussions with ZEPARU
Review ZEPARU data systems for economic analysis to assess capabilities and needs	To date this has not been a priority for ZEPARU
Review ZEPARU research products from 2011, as tool for mentoring/training	Done
Assist ZEPARU in developing data base of economic statistics, national and international	Work begun in Q3 through STTA from Dr. Jefferis to add data content to Economic Barometer
Assist ZEPARU in establishing Research Reference Groups to guide research and strengthen buy-in	This was requested by ZEPARU during SERA start-up, but no follow-through by ZEPARU
Provide technical support and mentoring for ZEPARU to conduct high quality and timely policy research in response to needs of MOF and MEPIP.	Technical support and mentoring via RA and STTA (see text)
Support SERA researchers with study tours, as appropriate	No study tour requests from ZEPARU during Year 1
Assist ZEPARU in developing the capacity to outsource and manage policy research	During Q4, reviewed draft SOWs for two outsourced studies, and assisted in drafting call for papers for series of outsourced studies. Assistance in managing research is an ongoing task for the RA.
Establish guidelines/procedures for SERA contracts or grants for outsourcing	Clarifications obtain during Q3 on USAID guidance for funding outsourced research; agreement reached with ZEPARU during Q4 on contracting instruments for outsourced research.
Implement, monitor and complete at least 2 contracts or grants for policy research	At end of year 1, two SOWs for outsourced policy research were in process, plus call for papers for series of outsourced studies.
Assist ZEPARU in strengthening capacity to respond to ad hoc requests from government	During Q3 and Q4, SERA assisted ZEPARU in responding to MOF request to partner on High-Level Economics Forum (see text). MOF request for study on manufacturing competitiveness under discussion for outsourced research.
Assist ZEPARU in developing policy briefs and press releases on research findings	Requirement for policy briefs included in SOWs for three STTA research assignments in Q4. No press releases prepared to date.
Assist ZEPARU in developing financial sustainability plan	Discussions underway with ZEPARU since June. Concept paper developed in late September; study now targeted for first quarter of Year 2.

Task	Status at end of Q4
<b>2.2. Parliamentarian Training</b>	
Determine training needs and priorities for SERA supported seminars, through ZEPARU	ZEPARU assessed parliamentary training needs for economic literacy in 2011 study. Based on this analysis and extensive discussions with SAPST and ZEPARU, SERA finalized training proposal for discussion with parliamentary leadership.
In collaboration with SAPST, determine modalities, scheduling, staffing for these seminars or trainings	Training proposal finalized in September. The proposal involves an initial full-day workshop followed by a series of half-day seminars on economic literacy, with opportunity for earning a certificate in basic economics.
Design, develop and deliver SERA-supported seminars for Parliamentarians.	Awaiting discussions with parliamentary leadership to be arranged by ZEPARU or SAPST.
Collect and evaluate data on participants, and participant evaluations	No activities yet
<b>2.3. Short-term Training of Economists</b>	
With ZEPARU, identify training priorities for SERA supported short-courses-- local & regional	Ongoing: Regional training opportunities identified and priorities selected. For local short-courses, discussions on priorities with ZEPARU continual; focus at year-end was on convening a workshop on training priorities to establish more systematic coordination with partner ministries.
Design, develop and deliver up to 5 short-courses for govt economists.	Start-up lags and procedural complications delayed development of in-country short-courses. Only one 2-week training course held during Year 1 with USAID SERA support. (See text)
Sponsor up to 8 individuals in Year 1 to attend regional short-courses	12 individuals sponsored to date to attend external training courses of 2 weeks or less (see text)
Sponsor 4 individuals in Year 1 to attend longer training courses in Africa	2 individuals sponsored attend external training course of more than 2 weeks – ESAMI course on Debt and Reserve Management, in Durban.
Collect and evaluate data on participants, and participant evaluations	Data collected for each event – see M&E indicators table of Output indicators
Liaise with USG agencies about possible customized short-courses for SERA Year 2	Contacted BLS, Census Bureau, and BEA about training opportunities. Sponsored 3 individuals to attend BLS course on Economic Indicators, in Washington (they are included above among the 12 individuals sponsored for external training)
<b>2.4. Long-term Training of Economists</b>	
Develop conditions and procedures for bursaries starting in Jan 2012	Done
Clarify with USAID the eligibility requirements (meaning of "government economists")	Done
Provide bursaries for part-time MSc in Economics at U Zimbabwe, through ZEPARU	Done
Screen gov't economists already in MSc program, for bursaries starting Jan 2012	Done
Determine rules for allocating laptop computers to support MSc program participants	Done
Implement bursaries for term starting Jan 2012	Done
Procure and deliver laptop computers	Done
Develop system for identifying and screening new candidates for entry MSc program in Sep. 2012	Done

Task	Status at end of Q4
Select candidates for MSc bursaries starting in Sep. 2012	Done
Implement bursaries for term starting Sep 2012	Done
Provide bursaries for PhD in Econ at UCT, through ZEPARU	To begin Year 2 due to academic schedule in S. Africa (see text).
Develop, with ZEPARU, system for tracking progress of bursary students	Done
Track SERA bursary recipients progress from start to finish	Ongoing
<b>2.5 Workshops/Research Dissemination Events</b>	
Determine priorities for SERA research dissemination workshops (3 to 6 months at a time)	Ongoing process through regular meetings with ZEPARU
Design, develop and deliver 10 outreach/dissemination workshops - topics TBD	6 events supported; see text.
Assist ZEPARU in planning, organizing and implementing International Economics Conference (date TBD)	ZEPARU and USAID SERA invited by MOF to partner in planning and managing a High-Level Economics Forum, held at Victoria Falls on 29-30 August..
Collect and evaluate data on participants, and participant evaluations	Data on participants collected for each event, but not participant evaluations (at suggestion of USAID)
Confer with ZEPARU on grant to revive Zim Economics Society as host for research seminars	Discussed with ZEPARU but not pursued to date; the Economics Society appears to have funding from the UNDP
<b>3. Assistance to ZIMSTAT</b>	
Coordinate with ZIMSTAT to define priorities for SERA technical and financial support	Done
STTA (Beverley Carlson) to conduct ZIMSTAT needs assessment as input to SERA Work Plan	Done
Liaise with ZEPARU, MOF, MEPIP to determine data needs for SERA support	Year 1 and Year 2 priorities determined through discussions directly with ZIMSTAT, reflecting MOF priorities
Coordinate with other partner org's and NSS stakeholders on SERA support for ZIMSTAT	Intermittent
Establish guidelines and procedures for SERA contracts and grants relating to support for ZIMSTAT	Done
Implement and monitor SERA funding for contracts or program relating to support for ZIMSTAT	Done
<b>3.1. Improve organization and coordination of the NSS</b>	
Review ZIMSTAT data products and data information materials and needs for development of materials	Ongoing
Develop specifications for upgrading ZIMSTAT website and populating website with data content	SERA provided review of website upgrade needs, but ZIMSTAT (to date) chooses to use funding from other donors for this purpose.
Provide funding, equipment and STTA to improve accessibility of	See previous item. SERA supplied Oracle software and some equipment needed for upgrading data warehousing

Task	Status at end of Q4
timely data on ZIMSTAT website	system, as basis for improving accessibility of data on their website
Provide funding and STTA to establish direct data link with ZEPARU and other gov't agencies	Discussions with MEPIP indicate that they have system in place. ZEPARU has not indicated a need for assistance in this area.
Develop and produce meta-data and manuals for data producers and users	Development and dissemination of meta-data is a condition for funding implementation of the CBR-COS project; discussions with ZIMSAT also held on importance of producing meta-data for PICES.
Develop and deliver public information events or trainings for producers and users of economic statistics	CBR-COS stakeholders workshop discussed but not included in revised Phase 1 budget, due to USAID SERA budget constraints.
<b>3.2. Develop physical, IT and statistical infrastructure</b>	
Determine specific role for SERA in meeting priority needs for data development	Ongoing intermittent discussions with ZIMSTAT management
Provide financial support, as needed, for completion of PICES survey	Financial support provided for PICES field work in December, and data processing phase completed in July
Provide technical support, as needed for PICES data analysis	Done
Provide TA and funding for modernization and overhaul of central business registry (CBR)	Funding provided for Phase 1 (preparations and training); STTA assignment completed. Negotiations begun for funding implementation and completion of CBR.
Provide TA and funding for Census of Services (COS)	Funding provided for Phase 1 (preparations and training); STTA assignment completed. Negotiations begun for funding implementation and completion of COS.
Determine training needs for ZIMSTAT staff development	SERA funded CBR-COS Training of Trainers (completed) and Training of Enumerators (scheduled for early October).
Assess other resources available for delivering training in applied statistics	STTA provided review of available on-line training resources; ZIMSTAT management requested development of on-line training modules as USAID SERA activity during Year 2.
Develop and deliver training for ZIMSTAT staff, or fund staff for training provided by other org's.	Funded CBR-COS Training of Trainers (completed) and Training of Enumerators (scheduled for early October). One ZIMSTAT staff member sponsored for external training on economic indicators, through ZEPARU.
Review IT systems and database management systems in ZIMSTAT	SERA supplied hardware for CBR-COS projects and Oracle software for upgrading data warehousing system based on specifications provided by ZIMSTAT management.
Develop specifications for strengthening the internal data management system at ZIMSTAT	Specifications developed by ZIMSTAT in connection with IT needs for CBR-COS project
Identify and deliver TA and IT equipment to strengthen internal data management systems	Requested hardware and software delivered
Identify and deliver other equipment such as motorbikes and GPS units to facilitate field work	ZIMSTAT has not indicated provision of motorbikes or GPS units as priorities for USAID SERA support during Year 1 or Year 2; Year 2 work plan includes STTA to introduce electronic technology to economic surveys.

\* Several items from the Year 1 Work Plan are omitted here because they were sub-task details or illustrative examples only.

## **APPENDIX E: PERFORMANCE MONITORING INDICATORS**

Table E-1. Output Indicators

Table E-2. Intermediate Results Indicators

Table E-3. Outcome Indicators

Table E-4. Context Indicators

Table E-1. Output Indicators

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct – Dec	Jan – Mar	Apr – June	July – Sept	
<b>Assistance to ZEPARU</b>									
<b>A. Research and Analysis</b>									
1.	Number of completed policy studies by ZEPARU with SERA support: total, and with gender content	0	ZEPARU	6, 3	0	Total: 1 Barometer vol. 3  With gender content: 0	Total 3 Barometer vol.4; Composite Leading Indicators; Restructuring of Public Enterprises  With gender content: 0	Total: 4 Regional Integration; Financial Sector Development; Agriculture Competitiveness; Export Competitiveness  With Gender content: 2 (Financial sector; agriculture competitiveness)	8, 2 (details shown by quarter)
2.	Number of completed policy studies outsourced by ZEPARU with SERA support: total, and with gender content	0	SERA	2, 1	0	0	0	0	0
3.	Person-hours of training in fiscal policy and fiscal administration supported by USG assistance (USAID PMP indicator): total, women	0	SERA	1500, 750	0	200, 80	1120, 140	360, 180	Total: 1680 Women: 400
4.	Number of days of SERA technical assistance in fiscal policy and fiscal administration (USAID PMP indicator)	0	SERA	150	0	2	92	191 (provisional, pending final time sheets for STTA through subs)	285
<b>B. Parliamentarian Training</b>									
5.	Number of SERA-supported seminars for Parliamentarians,	0	SERA	4 seminars	0	0	0	0	0

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct – Dec	Jan – Mar	Apr – June	July – Sept	
	on economic policy and economic literacy.								
6.	Number of Parliamentarians trained with SERA support: total, women	0	SERA	60, 30	0	0	0	0	0
<b>C. Short-term Training of Economists</b>									
7.	Number of SERA-supported customized short-courses for training economists.	0	SERA	4 customised short courses	0	0	0; plans made for course to begin in July	1	1
8.	Number of economists attending customized short-courses: total, women	0	SERA	80, 40	0	0	0	17, 4	Total: 17 Women: 4
9.	Number of individuals sponsored to attend external short-courses: total, women	0	SERA	8, 4	0	5,2	5, 2	2, 1	Total: 12 Women: 5
10.	Number of individuals sponsored to attend longer external courses: total, women	0	SERA	4, 2	0	0	0	2, 1	Total: 2 Women: 1
<b>D. Long-term Training of Economists</b>									
11.	Number of individuals w/ SERA bursaries to part-time MSc in Economics at U Zimbabwe: total, women	0	SERA	20, 10	0	8,0	8,0	18, 2	Total: 18 Women: 2
12.	Number of individuals w/ SERA bursaries to PhD in Economics at UCT - total, women	0	SERA	5, 3	0	0	0	0	0
<b>E. Workshops (for outreach/dissemination)</b>									
13.	Number of SERA-supported outreach/dissemination workshops	0	SERA	8	0	0	1	3	4
14.	Number of participants in	0	SERA	a) 400, 200	0	0	a) 32,9	a) 334, 72	a) Total: 366

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct – Dec	Jan – Mar	Apr – June	July – Sept	
	SERA-supported outreach/dissemination workshops: a) total, women b) government, private sector, ZEPARU/SERA, other			b) no targets set			b) Gov.....11 PrivSec..... 0 ZPR/SERA..13 Other..... 8	b) Gov.....145 PrivSec..... 62 ZPR/SERA... 36 Other..... 81	Women: 81 b) Gov.....166 PrivSec..... 62 ZPR/SERA.. 49 Other..... 89
<b>Assistance to ZIMSTAT</b>									
<b>A. Improve organization and coordination of NSS</b>									
15.	Number of meta-data documents and data manuals produced and posted on-line with SERA support	0	SERA	0	0	0	0	0	0
16.	Number of SERA-supported public information events on economic statistics, through ZIMSTAT	0	SERA	2	0	0	0	0	0
17.	Number of participants in SERA-supported public events through ZIMSTAT - total, women	0	SERA	100, 50	0	0	0	0	0
<b>B. Develop physical, IT and statistical infrastructure</b>									
18.	Number of SERA-supported training events for ZIMSTAT staff	0	SERA	1	0	0	3 (2 study tours, 1 training workshop)	0	3 (2 study tours, 1 training workshop)
19.	Number of participants in SERA - supported training courses for ZIMSTAT staff - total, women	0	SERA	20, 10	0	0	32, 6	0	Total: 32 Women: 6
20.	Cum. number of online courses in economic statistics developed/supported by SERA	0	SERA	plans established	0	0	Review initiated over available online courses in economic statistics	Online training courses to be developed with ZIMSTAT in SERA Year 2	Online training courses to be developed with ZIMSTAT in SERA Year 2

Table E-2. Intermediate Result Indicators

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct - Dec	Jan – Mar	April - Jun	Jul – Sept	
<b>Assistance to ZEPARU</b>									
<b>A. Research and Analysis</b>									
1.	Number of policy briefs/studies drafted and presented for public/stakeholder consultation with USG assistance(USAID PMP indicator): total, and with gender content	0	ZEPARU	8, 4	0	0	0	Total: 6 Mining Sector Policy; Regional Integration; Financial Sector Development; Agriculture Competitiveness; Export Competitiveness; Choice of Currency Regime  With gender content: 3 Mining; Financial Sector; Agric. Competitiveness	Total: 6 With gender content: 3 (Details shown by quarter)
2.	Number of economic research material available through online library on the ZEPARU website	12 (9 Periodic articles, 3 serials)	ZEPARU	>=30 papers	= Baseline	No change	No change	Data not available. Website currently down. SERA support for website upgrade begun	Data not available. Website currently down. SERA support for website upgrade begun.
<b>B. Parliamentarian Training</b>									
3.	Survey on knowledge retention and on the job utilization of content from SERA supported training, 6 months after each course, results disaggregated by sex	0	ZEPARU	Results for each seminar	0	Survey tool being developed	Survey tool being developed	Survey tool developed. Parliamentarian training planned for Year 2	Survey tool developed. Parliamentarian training planned for Year 2
4.	Number of MPs completing Certificate Program: total , women	0	Parliament	Programme established	Discussed with ZEPARU	Discussed with SAPST	Discussion cont'd with SAPST	Proposal completed. Awaiting discussion with Parliament.	Proposal completed. Awaiting discussion with Parliament.
<b>C. Training of Economists</b>									

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct - Dec	Jan – Mar	April - Jun	Jul – Sept	
5.	Survey on knowledge retention and on the job utilization of content from SERA supported training, 6 months after each course, results disaggregated by sex	0	ZEPARU	Results for each course	0	Survey tool being developed	First survey scheduled for September 2012	1 underway (for TIPS course). Summary of results to be submitted to USAID in October	1 underway (for TIPS course). Summary of results to be submitted to USAID in October
6.	Cum. number of semesters completed by gov't economists pursuing MSc-Econ at U Zim w/ SERA support - total, women	0	University of Zimbabwe	8	0	0	0	6 (of 8 bursary recipients, 6 passed, 1 failed, 1 is waiting to sit for supplementary exam.  (No women in first cohort of MSc bursaries)	6 (of 8 bursary recipients, 6 passed, 1 failed, 1 is waiting to sit for supplementary exam.  (No women in first cohort of MSc bursaries)
<b>D. Workshops (for outreach and dissemination)</b>									
7.	Number of press releases published or positive news reports on SERA-supported outreach/dissemination events: total, and with gender content	0	SERA	10, 5	0	0	0	9, 0 (details on file, available on request)	Total: 9 With gender content: 0 (details on file, available on request)
<b>Assistance to ZIMSTAT</b>									
<b>A. Improve organization and coordination of NSS</b>									
8.	Number of economic reports produced by ZIMSTAT with lag of no more than 12 months	2 (revised)  CPI; Poverty datum line	ZIMSTAT	1 (target set initially without full information)	2 (revised) CPI; Poverty datum line	2 (revised) CPI; Poverty datum line	4 Quarterly Digest of Statistics; CPI; Business Tendency Survey; Poverty datum line	4 Quarterly Digest of Statistics; CPI; Business Tendency Survey; Poverty datum line	4 (Details shown by quarter)
<b>B. Develop physical , IT and statistical infrastructure</b>									
9.	Completion and publication of the Poverty, Income,	Field work underway	ZIMSTAT	Survey/Data entry	Field work underway	Fieldwork ends in May.	Data processing underway, to be	SERA STTA completed. Draft of ICES report	Field work, data entry, processing and SERA

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct - Dec	Jan – Mar	April - Jun	Jul – Sept	
	Consumption Expend. Survey (PICES)			completed		Six months of data entry completed	completed end of July. STTA assisting with data review	completed for tech. committee review. Completion of final draft for public review expected in November 2012.	STTA completed. Draft of ICES report completed for tech. committee review. Final draft for public review expected in November 2012
10.	Completion of Central Business Registry (CBR) update	poor quality data	ZIMSTAT	Field work conducted	Discussions initiated on SERA support.	ZIMSTAT plans in process. SERA funding for phase 1 approved.	Local and regional study visits and training of trainers conducted. Field work scheduled for September.	Field work delayed for plan revision. Training of 130 enumerators and 20 team leaders planned for October 2012.	Field work delayed for plan revision. Local and regional study visits and training of trainers conducted. Training of 130 enumerators and 20 team leaders planned for October 2012.
11.	Completion of Census of Services (COS)	last done 1981	ZIMSTAT	Plan approved	Discussions initiated on SERA support.	ZIMSTAT plans in process. SERA funding for phase 1 approved.	Local and regional study visits and training of trainers conducted. Field work scheduled for September.	Plan approved but being reconsidered in light of study tours and STTA.	Plan approved but being reconsidered in light of study tours and STTA.
12.	Number of ZIMSTAT staff using/completing SERA-supported on-line training courses: total, women	not applicable	ZIMSTAT	on - line training plan established	Not yet initiated	Not yet initiated	Not yet initiated	Online training courses to be developed with ZIMSTAT in Yr 2	Online training courses to be developed with ZIMSTAT in Yr 2

Table E-3. Outcome Indicators

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct - Dec	Jan - Mar	Apr - June	Jul - Sept	
<b>Assistance to ZEPARU</b>									
1.	Number of USG assisted policy briefs/ studies drafted and presented for public stakeholder consultation that contribute to new policies approved/passed for implementation (USAID PMP indicator); total and with gender content	0	ZEPARU	TBD in consultation with USAID	0	0	0	0	0
2.	Number of "hits" and downloads of policy briefs/reports/studies posted on ZEPARU website	568 hits 353 downloads	ZEPARU	50% increase over baseline	= Baseline	Data not yet available	Data not yet available. SERA support for website upgrade started	Data not available. Website currently down. SERA support for website upgrade begun.	Data not available. Website currently down. SERA support for website upgrade begun.
3.	Number of local trainers capacitated to deliver short-term courses for gov't economists, through SERA support, by sex	0	ZEPARU	2, 1	0	0	0	0	0
4.	Amount of funding for ZEPARU, excluding time-limited donor support	Budget vote 2010=\$10,000 2011=\$200,000	ZEPARU	\$200 000 2012 budget vote	FY2012 budget vote \$200,000	\$12, 500 (RCZ)	\$11,050 (\$10,000 GoZ; \$1,050 CZI)	\$55,000 (GoZ)	\$78,550 (of which \$65,000 from GoZ)
<b>Assistance to ZIMSTAT</b>									
5.	Improved National Income and Product Accounts (NIPA) statistics using PICES data and economic surveys that benefit from CBR upgrade	Seriously deficient statistical inputs to NIPA	ZIMSTAT	PICES data collection complete	Seriously deficient statistical inputs to NIPA	PICES field work to finish May 2012. CBR and COS projects in planning stage.	PICES field work completed. CBR, COS preparations and training in process	First draft of ICES report completed for stakeholder review. CBR,COS training of enumerators &team leaders planned for October 2012	PICES data collection, entry and processing complete. First draft of ICES report completed for tech. committee review. CBR,COS training of enumerators & team leaders planned

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct - Dec	Jan - Mar	Apr - June	Jul – Sept	
									for October 2012
6.	Number of economic reports available on the ZIMSTAT website, with lag of no more than 12 months	1 (revised) Poverty datum line report	ZIMSTAT	1	2 CPI report, Poverty datum line report	2 CPI report, Poverty datum line report	3 Quarterly Digest of Statistics, CPI report, Poverty datum line report	3 Quarterly Digest of Statistics, CPI report, Poverty datum line report	3 Quarterly Digest of Statistics, CPI report, Poverty datum line report

Table E-4. Context Indicators

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct - Dec	Jan - Mar	Apr - June	Jul - Sept	
<b>Economic Growth</b>									
1.	Real GDP Growth relative to IMF projection for 2012-2015, from WEO Sep 2011	IMF estimate 6.0% for 2011; projection 3.1% in 2012; 3.0% for 2013-15	IMF for updated estimates, ZIMSTAT for actuals	IMF baseline proj. for 2012 achieved (= 3.1%)	IMF growth estimate for 2011 increased to 9.3%	IMF growth estimate for 2012 increased to 4.7%	IMF growth estimate for 2012 = 4.7%	IMF growth estimate for 2012 remains at 4.7%; projection 6.3% in 2013; 5.2% in 2014; 4.7% in 2015	IMF growth estimate for 2012 remains at 4.7%; projection 6.3% in 2013; 5.2% in 2014; 4.7% in 2015
<b>Poverty Reduction</b>									
2.	Poverty indicators as available (total, male, female)	UZ/MZF 2011: total consumption poverty rate = 87%	Agencies conducting poverty surveys, with or w/o SERA support	PICES 2012 completed	UZ/MZF 2011: total consumption poverty rate = 87%	No new poverty data available at this time.	Prevalence of underweight children under 5=11.1% male, 8.4% female, 9.7% total (ZDHS 2010 - 2011, MDG indicator for eradicating extreme poverty & hunger)	Data from previous quarter remains latest. PICES data will be available in November 2012.	Data from Q2 remains latest. PICES data will be available in November 2012
<b>Employment Creation</b>									
3.	Growth in formal sector non-gov't jobs (total, male, female), excluding agriculture. No breakdown by sex available	422,700 = latest ZIMSTAT data for Dec 2008. No breakdown by sex available	ZIMSTAT	Conduct and publish timely quarterly employment surveys	422,700 = latest data, for Dec 2008. No breakdown by sex.	No change. Discussions initiated with ZIMSTAT on QEI disaggregation by sex.	425,400 for March 2012. No breakdown by sex available. (Labor force data from QDS)	Number age 15+ employed outside gov & agric Total: 1,079,082 Women 380,575 (Nathan calc., data from draft ICES 2011/2012) Formal + informal	Number age 15+ employed outside gov & agric Total: 1,079,082 Women 380,575 (Nathan calc., data from draft ICES 2011/2012) Formal + informal

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct - Dec	Jan - Mar	Apr - June	Jul - Sept	
<b>Fiscal Management and Administration</b>									
4.	Non-mineral revenue (NMR)	2.6 billion (2011)	Baseline from ZIMRA 2011 Revenue Performance Report	NMR growth to exceed growth of non-mining GDP	2011 NMR = \$2.6 billion	NMR for Jan-Mar 2012 = \$723.9m. Same period 2011 = \$573.2m. Growth = 26.3%	NMR for Apr - June 2012 = \$774.6m. Same period 2011=\$642.2m. Growth= 21%	NMR for July-Sept = \$823.4m Same period 2011= \$717.4m Growth = 15%	\$2321.9m through to Sept. 2012  Data on total Revenue for year 2012 expected in January 2013
5.	Percentage of central government expenditure on social services and productive infrastructure (excl. personnel cost)	Est. 18.42% (September 2011)	MOF	25%	Est. 18.4% (thru Sept. 2011)	10.2% (Jan-Feb 2012)	16.4% (Jan-Jun 2012)	No data currently available on government spending for the third quarter of 2012	No data currently available on government spending for the third quarter of 2012
<b>Debt relief</b>									
6.	Improved debt management	Controversy on use of HIPC	MOF	Analysis of pathways to debt reduction	Controversy on use of HIPC	GoZ issued Zim. Accelerated Arrears clearance and Debt Mgt and Dev't Strategy (ZAADDs)	IMF encouraging that RBZ debt be approved and ratified by parliament to allow for calculation of the full national debt and implementation of debt strategy	Validation and consolidation of national debt ongoing.  IMF to decide on GoZ's request for a staff monitored programme on debt relief in October 2012	Validation and consolidation of national debt ongoing.  IMF to decide on GoZ's request for a staff monitored programme on debt relief in October 2012
<b>Investment Promotion</b>									
7.	Foreign direct investment, net inflow (US\$	\$105m in 2009 \$122.6m in 2010 (RBZ Actuals)	Baseline: Actuals: RBZ BOP Data	FDI inflow for 2012 no less than for 2011	\$122.6million (RBZ actuals)	\$125million (RBZ estimate)	RBZ estimate for 2011 revised up to \$373.4m	RBZ revisions: 2010=\$165.86m	RBZ revisions: 2010=\$165.86m

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct - Dec	Jan - Mar	Apr - June	Jul - Sept	
	millions)				for 2010)	for 2011)	Projections for 2012 = \$540m	2011=\$387m 2012 projection=\$550m	2011=\$387m 2012 projection=\$550m
<b>Gender Equity</b>									
8.	Formal sector employment, non-gov't: % women	37% of women formally+informally employed. Data n.a. on formal sector jobs by sex	Zimbabwe Demographic and Health Survey 2010 - 2011	10% growth from baseline	= Baseline	No new data. Discussions initiated with ZIMSTAT on QEI by sex.	No new data. Discussions continued with ZIMSTAT on QEI by sex.	% "employed" age 15+ in non-gvt excl. agric. Male = 64.7% Female = 35.3% (Nathan calc., data from draft ICES, 2011/2012) Formal + informal	% "employed" age 15+ in non-gvt excl. agric. Male = 64.7% Female = 35.3% (Nathan calc., data from draft ICES, 2011/2012) Formal + informal
<b>Business environment</b>									
9.	New business registrations (number per calendar year)	8550 in 2011	Registrar of Companies	8600	8550 in 2011	2527 (through March 30, 2012)	4968 (through June 29, 2012)	7693 (through to September 28, 2012)	7693 (through to September 28, 2012)
10.	Doing Business Ranking	171 out of 183 countries for 2012	IFC/WB Doing Business Report 2012	164	171 out of 183 countries for 2012	Data produced annually	Data produced annually.	171 out of 183 countries for 2012	171 out of 183 countries for 2012
<b>Financial Sector</b>									
11.	Level and Growth of deposits in banking system	December 2011 total deposits = \$3318.2 million, Growth = 42.6%	RBZ Monthly Report	25% growth	December 2011 total deposits = \$3318.2 million. Growth from year earlier = 42.6%	Feb 2012 total deposits = \$3377.6 million. Growth from year earlier = 37.4%	May 2012 total deposits = \$3580.2 million Growth from year earlier=30.9%	July 2012 total deposits = \$3697.6m Growth from year earlier = 27.2%	July 2012 total deposits = \$3697.6m Growth from year earlier = 27.2%

	Item	Baseline	Source	YEAR 1 Annual Target	2011 Actuals	2012 Actuals by Quarter			Total for SERA Year 1
					Oct - Dec	Jan - Mar	Apr - June	Jul - Sept	
12.	Bank interest spread (% points) (average lending rate less SERA estimate of average interest cost of deposit funds)	Est. 9.9% (October 2011)	RBZ Monthly Weekly Reports	9.9%	Est. 9.9% (October 2011)	Est.10.2% (January 2012)	5.2%* (April 2012)	4.6%* (July 2012)	4.6%* (July 2012)
<b>Statistics System</b>									
13.	World Bank Statistical Capacity Indicator (Indicator from NSDS Monitoring F/Work).	49 (2011)	World Bank	50	49 (2011)	Data produced annually	Data produced each September	53 (2012)	53 (2012)

\* Methodology change – with effect from week ending 30 March 2012, deposit rates quoted include Building societies and POSB rates.

## **APPENDIX F: SUCCESS STORY “SNAPSHOTS” FROM YEAR 1**

**Snapshot 1 - Measuring Poverty and Living Conditions in Zimbabwe**

**Snapshot 2 - Contributing Intellectual Leadership to Unleash Zimbabwe’s Growth Potential**



## SNAPSHOT

# Measuring Poverty and Living Conditions in Zimbabwe

**USAID fills funding gap to secure data critical to policy development**



*Enumerator collecting household data.*

*For vital questions about poverty, living conditions, and employment in Zimbabwe, there is now just one answer: Nobody knows!*

After a decade of economic tailspin and three years of rebound, how severe is poverty in Zimbabwe? How do poor families earn and spend their meager incomes? How important are remittances from other family members in helping the poor meet basic needs? How large is the informal sector?

These questions are of keen interest to policymakers, donor agencies, civil society organizations, economic and social researchers, and the public at large. And they all have the same answer: Nobody knows!

That's because statistics on poverty, spending patterns, family remittances, and informal activities do not fall from the sky. They come from periodic (and costly) household surveys. In Zimbabwe, the last such survey was conducted in 2003. At that time more than 72 percent of Zimbabweans were living in poverty, including 55 percent who could not even afford a nutritional basket of basic foods.<sup>1</sup>

To determine the current situation, the Zimbabwe National Statistics Agency (ZIMSTAT) is implementing a national Poverty Income Consumption and Expenditure Survey (PICES) covering more than 30,000 households. PICES enumerators are visiting households across the country over the course of a full year to obtain data on poverty, education and health, spending patterns, physical living conditions, agricultural activities, and sources of income, including informal sector activities and remittances. With this information, officials will have the facts they need to develop effective economic and social policies that benefit the people of Zimbabwe.

When USAID's Strategic Economic Research and Analysis–Zimbabwe (SERA) Program was getting started in late 2011, discussions with ZIMSTAT officials identified support for PICES as a top priority. But an urgent and critical funding gap of more than \$300,000 for PICES field work was jeopardizing the validity of the survey. As a result of SERA's discussions with other donor agencies, ZIMSTAT managed in one week to cover most of the funding gap. For

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<sup>1</sup> Data from the 2003 Poverty Assessment Survey, page 73.

the remainder—now just \$35,000—SERA stepped in with direct support.

Then, after ZIMSTAT had received thousands of completed questionnaires, funding for data processing failed to materialize. Without additional resources, it would have taken more than a year for their staff to enter and “clean” the data. Again SERA stepped in to fill an urgent funding gap so policymakers and other stakeholders will have timely access to PICES results.

The SERA Program was designed to support ZIMSTAT and the Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) in improving economic statistics and strengthening economic policy analysis, both vital to economic policy management and the achievement of sustainable and equitable growth in Zimbabwe. USAID’s flexibility and responsiveness through SERA are helping ZIMSTAT to produce essential socio-economic data in the wake of Zimbabwe’s lost decade of economic development.

As expressed by Nelson Taruvinga, a senior ZIMSTAT official, “We are very grateful to USAID for this support. The assistance came at a very critical time.”

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## SNAPSHOT

# Contributing Intellectual Leadership to Unleash Zimbabwe's Growth Potential

### USAID provides support for a high-level economic forum



Minister of Finance Tendai Biti opens the forum, declaring, "There has to be a departure from the way we've been doing things."

*"This is an unprecedented fusion of outside experts, policy makers and stakeholders discussing key policy issues based on serious research." – Andrew Bvumbe, Director, Zimbabwe Aid and Debt Management Office, Ministry of Finance*

On August 29, 2012, Finance Minister Tendai Biti opened a High-Level Economic Forum at Victoria Falls by declaring that "only a mad person can continue doing the same things over and over again when they are not working." After surveying major problems facing the economy, the minister challenged the assembled experts and stakeholders to provide both intellectual leadership and specific policy proposals to achieve the goal of the forum: Unleashing Zimbabwe's Growth Potential.

The USAID Strategic Economic Research and Analysis (SERA) program and the Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU)—our primary partner under the SERA program—worked with the Ministry of Finance to organize and conduct the forum, including support for event management and funding certain conference expenses. The World Bank and the National Economic Consultative Forum also supported the participation of speakers and delegates.

Most importantly, USAID provided five experts who presented their research on key policy themes at the forum:

**Dr. Paul Jourdan**, a mining sector expert from South Africa, presented findings from a review of mining policy in Zimbabwe. He highlighted the need for Zimbabwe to adopt a system for auctioning resource deposits, and approaches for developing upstream and downstream industries. Dr. Jourdan also presented proposals for modernizing the fiscal regime for the mining sector, and offered a vision of the potential for spatial development driven by exploitation of mineral wealth.

**Dr. Daniel Makina**, a Zimbabwean professor of finance at the University of South Africa, presented findings from a study on financial sector reform and resource mobilization. Dr. Makina discussed how international banks contribute to a sound banking system, and the need for reform of the deposit insurance scheme in Zimbabwe.

**Dr. Keith Jefferis**, a prominent macroeconomist from Botswana, presented preliminary findings from a study on the currency regime and monetary policy. His main contribution was to explain why

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*Dr. Paul Jourdan explains his visionary proposals to reform mining policy in Zimbabwe.*

reintroduction of a local currency is not a credible option. Dr. Jefferis proposed instead that Zimbabwe consider joining the regional Common Monetary Arrangement, based on the South African rand.

**Dr. Godfrey Kanyenze**, Director of the Labor and Economic Development Research Institute of Zimbabwe (LEDRI), reviewed Zimbabwe's disappointing performance in job creation and outlined the path to "employment-rich growth." Dr. Kanyenze summarized the 2009 National Employment Policy, highlighting the need for macroeconomic recovery, active labor market measures, equal-opportunity programs, promotion of small and medium-sized enterprises, and a commitment to education and training.

**Dr. Bruce Bolnick**, SERA program chief of party, gave a presentation on cash budgeting, drawing on lessons from international experience. Dr. Bolnick explained the benefits of cash budgeting when fiscal controls are broken, but also emphasized inefficiencies created by the cash budget system. He concluded by outlining steps that can be taken to improve the efficiency of the cash budget in Zimbabwe.

USAID also sponsored several other participants, including two speakers from ZEPARU: Dr. Gibson Chigumira, Executive Director, who discussed regional integration; and Erina Chipumu, Senior Research Fellow, who presented a study on export competitiveness.

At the end of the forum, Minister Biti lauded the ideas for reform that had emerged from the discussions. He cited the need for this high-level dialogue to change the mindset about economic policies, and singled out proposals made by Dr. Jourdan as potential game changers for Zimbabwe. The minister ended by assuring participants that "you will see many of these ideas reflected in the 2013 budget."

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