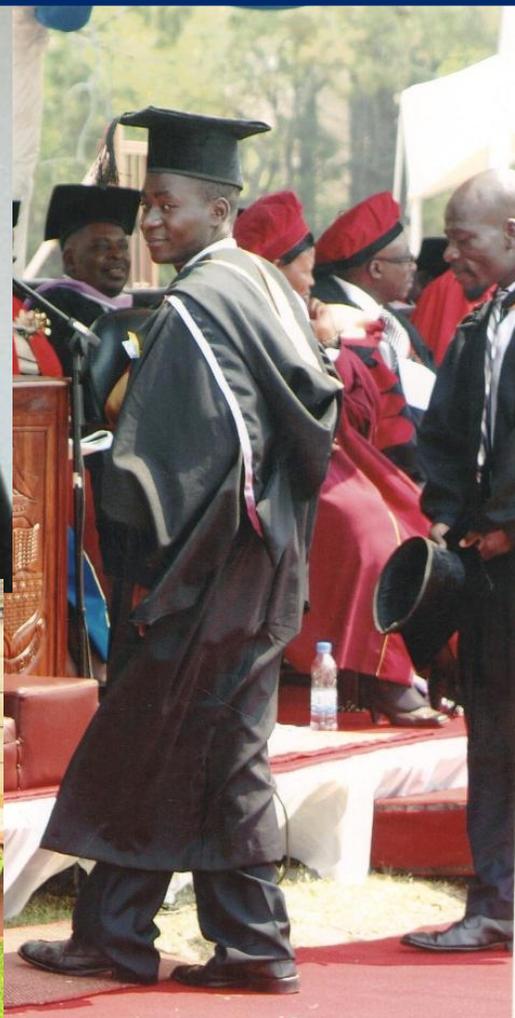




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YEAR 2 ANNUAL REPORT (OCTOBER 2012–SEPTEMBER 2013) AND QUARTER 8 PROGRESS REPORT (JULY–SEPTEMBER 2013)

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



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YEAR 2 ANNUAL REPORT

(OCTOBER 2012–SEPTEMBER 2013)

AND QUARTER 8 PROGRESS REPORT

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ZIMBABWE STRATEGIC ECONOMIC RESEARCH AND ANALYSIS (SERA) PROGRAM

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

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ACRONYMS AND ABBREVIATIONS

ACBF	African Capacity Building Foundation
ACP	Agricultural Competitiveness Project
AfDB	African Development Bank
AfriTAC	Southern Africa Regional Technical Assistance Center
ATI	African Tax Institute
BTS	Business Tendency Survey
CBR	Central Business Register
CCN	Cooperating Country National
CIP	Census of Industrial Production
CLI	Composite Leading Indicators
COMESA	Common Market for Eastern and Southern Africa
COP	Chief of Party
COS	Census of Services
COTR/COR	Contracting Officer's Technical Representative/ Contracting Officer's Representative
CSO	Central Statistics Office
CTC	Competition and Tariff Commission
CV	Curriculum Vitae
DFAP	Development Food Aid Program
DFID	UK Department for International Development
DG	Director General
DIF	Domestic and International Finance
DL	Distance Learning
EAC	East African Community
EG	Economic Growth
EMMP	Environmental Mitigation and Monitoring Plan
ESAMI	Eastern and Southern African Management Institute
FP	Financial Programming
GDP	Gross Domestic Product
GOZ	Government of Zimbabwe
GTAP	Global Trade Analysis Project
HCT	Handheld Computer Technology
HQ	Nathan Headquarters
ICT	Information and Communications Technology

IMF	International Monetary Fund
IT	Information Technology
LCP	Local Compensation Plan
LEDRIZ	Labor and Economic Development Research Institute of Zimbabwe
LOE	Level of Effort
M&E	Monitoring and Evaluation
MEFMI	Macroeconomic and Financial Management Institute
MEPIP	Ministry of Economic Planning and Investment Promotion
MMMD	Ministry of Mines and Minerals Development
MOF	Ministry of Finance
MRIIC	Ministry of Regional Integration and International Cooperation
NMMU	Nelson Mandela Metropolitan University
NGO	Non-government organization
NSDS	National Strategy for the Development of Statistics 2011-2015
NSSA	National Social Security Authority
PFM	Public Financial Management
PICES	Poverty, Income and Consumption Expenditure survey
PSD	Private Sector Development
PVO	Private Voluntary Organization
QEI	Quarterly Employment Inquiry
QPR	Quarterly Performance Report
RA	Resident Advisor
RBZ	Reserve Bank of Zimbabwe
SADC	Southern African Development Community
SAPES	Southern African Political Economy Series
SAPST	Southern Africa Parliamentary Support Trust
SERA	Strategic Economic Research and Analysis
SIRDC	Scientific and Industrial Research and Development Centre
SME	Small and Medium Enterprise
SOW	Scope of Work
SS	Survey of Services
STTA	Short Term Technical Assistance
TCN	Third Country National
TFTA	Tripartite Free Trade Area
TIPS	Trade and Industrial Policies Strategies
TOT	Terms of Trade
TRALAC	Trade Law Centre
UCT	University of Cape Town
UNDP	United Nations Development Program
USAID	United States Agency for International Development

USAID/W	United States Agency for International Development/Worldwide
UZ	University of Zimbabwe
VAT	Value Added Tax
VMI	Volume of Manufacturing Index
WB	World Bank
ZADMO	Zimbabwe Aid and Debt Management Office
ZEPARU	Zimbabwe Economic Policy Analysis and Research Unit
ZIMRA	Zimbabwe Revenue Authority
ZIMSTAT	Zimbabwe National Statistics Agency

1. PROGRAM HIGHLIGHTS

QUARTERS 5-7, FROM PREVIOUS PROGRESS REPORTS

Assistance to ZEPARU

From December 3 to 14, 2012, SERA collaborated with ZEPARU to deliver a two-week long short-course on Financial Programming and Policy. For our partner ministries, this topic was a top priority for training support. The course drew 25 participants (including 12 women) representing the MOF, MEPIP, RBZ and ZEPARU.

SERA also conducted three iterations of an Advanced Excel Skills course, and supported a training course on Regional Integration conducted by TRALAC through ZEPARU in June.

Implementation by ZEPARU of the SERA-supported study on Positioning the Tourism Sector for Growth, culminating in a stakeholders' workshop held on March 26. The study was finalized in May.

SERA-supported IT experts worked with ZEPARU to develop and launch a new website, as the organization's primary interface with stakeholders for the dissemination of research products and other information on economic policy issues.

With USAID SERA support, the World Bank collaborated with ZEPARU and MEPIP to conduct a High-Level Technical Dialogue on Zimbabwe Growth Recovery in December 2012. The dialogue featured World Bank research on Zimbabwe's Growth Recovery, with a focus on mining, agriculture and manufacturing. The event attracted nearly 200 participants and helped to establish ZEPARU as a center for research dissemination in Zimbabwe.

In collaboration with ZEPARU, the SERA program selected four candidates to receive bursary support for pursuing a part-time Ph.D. programs in economics in South Africa.

Successful completion of exams for the 2012/2013 academic year for all but one of 13 SERA-funded bursary recipients in the part-time M.Sc. program at the University of Zimbabwe (UZ), in addition to thesis approval for 3 bursary recipients who have completed their final year of the program. Finally, one thesis remains under review.

Supported 23 economists to attend nine regional short courses offered by MEFMI, ESAMI, African Tax Institute and TIPS, and one joint IMF/MEFMI course. See text for details.

Assistance to ZIMSTAT

A SERA consultant completed his technical assessment of survey data and weighting factors from the Poverty, Income, Consumption and Expenditure survey (PICES) of nearly 32,000 households. In addition, the SERA COP provided a review of the draft PICES report. Among other things, this review led ZIMSTAT to add a chapter on the Informal Sector to the final report, which was completed in April 2013. USAID SERA has been centrally involved in donor discussions with ZIMSTAT on developing methods and procedures for releasing "anonymized" microdata files from PICES (and other major economic surveys) for use by researchers.

SERA support for the Central Business Register (CBR) project included funding a week-long Training of Enumerators and a nationwide field operation for compiling business license lists as the basis for the CBR, resulting in a comprehensive listing of 76,000 licensed businesses.

Completion of STTA assignment to develop Terms of Trade statistics for Zimbabwe; the consultant found that unit values for exports and imports were too volatile to yield usable TOT statistics, and recommended an alternative approach based on proxy price indices for a sample of trade items.

USAID SERA expert on distance learning (DL) developed software platform and provided training for four ZIMSTAT training officers, who proceeded to populate the new DL software platform with a pilot module for in-service training of statisticians in the provincial offices.

Assistance to the Ministry of Finance (MOF)

With support from the SERA team, USAID negotiated an exchange of letters with the MOF to open a channel for direct SERA support to the Ministry, to supplement our assistance to ZEPARU. The SERA team will develop modalities for this new channel of activity in July.

QUARTER 8

Assistance to ZEPARU

Policy research: Continued progress on SERA-supported studies on financial sector development; four of the Draft papers were presented to a stakeholders' workshop on July 25. The STTA support to ZEPARU on (1) the study of reform of bankruptcy laws and procedures undertaken by Dan Fitzpatrick from 28 August – 6 September, with the final Study report due in November; (2) a country study for Tripartite Free Trade Area negotiations undertaken by Robert Kirk on 16-20 September, culminating in a stakeholder reference group meeting in Harare on 20 September ; and (3) all the four Value Chains outsourced contracts were signed on the 30th September, 2013, thus paving the way for ZEPARU to sign the respective contracts with Consultants..

Research dissemination: Presentation of four financial sector studies at a stakeholder workshop in Harare in July 2013, and two policy briefs completed and issued, as well as posted onto the ZEPARU website.

In-country training of economists: Conducted one in-country training course for economists: Public Finance Management in collaboration with the IMF- AfriTAC. The other two short-courses originally scheduled for late July and early August, on Public Finance Management and Budget Control, and Applied Econometrics for Policy Research (both subsequently postponed due to conflict with election dates and delay in the government settling down following the elections).

Regional short-courses: Supported 8 economists to attend five regional short-courses offered by MEFMI, IMF/MEFMI, and the African Tax Institute (ATI). See text for details.

Long-term training of economists: By end of Q8 12 SERA-funded ZEPARU bursary recipients in the part-time M.Sc. are continuing from last academic year program at the University of Zimbabwe (UZ); 3 have graduated; 3 have started the program in the new academic year; 1 student has is still awaiting resubmission of his thesis; while 1 has dropped out of the SERA program since they failed to sit for their examinations, but they can apply to repeat and pay for the semester

Parliamentarian training: The Consultant's submitted draft of an Economic Literacy "Tool-Kit" for program of training new parliamentarians has been reviewed and comments forwarded to the Consultant to prepare final Draft.

Assistance to ZIMSTAT

Central Business Register (CBR): Fixed-price contract in progress covering CBR field work, report writing, and stakeholders workshop; Payment from Nathan HQ was still due for tranche 3.

Central Business Register (CBR) Inquiry data processing: Cost-Based contract was negotiated and technical approval received for the data processing phase; awaiting approval from USAID Contract office.

Survey of Services (SS): Still awaiting to be designed and implemented after CBR database completed, to establish sampling frame. Co-financing expected from DFID.

STTA Website modernization: SOW for “discovery and design” consultant approved by ZIMSTAT, to produce clear specifications for website developer. The next stage will be to select consultant for discovery and design phase; to be followed by procurement of data development service.

Assistance to the Ministry of Finance (MOF)

Following the exchange of letters with the MOF to open a channel for direct SERA support to the Ministry, to supplement assistance to ZEPARU, SERA and USAID held its first meeting with the MOF’s Training Committee on 25th September that paved the way forward for operational modalities between USAID-SERA and the MOF. The MOF’s Training Committee is now waiting to forward its training priority list to the SERA team to develop modalities for this new channel of activity.

2. 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.

The SERA contract specifies three components (services and tasks):

1. Management and Administrative Services for assistance to a range of Government of Zimbabwe ministries, agencies, and civil society organizations, including, among other things, provision of short- and long-term technical advisors, research and training.
2. Technical Services to support policy reform and capacity development, including:
 - A. Assistance to the Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU)
 - i. Research and Analysis
 - ii. Parliamentarian Training
 - iii. Training of Economists (short-term and long-term)
 - iv. Workshops (research dissemination and policy dialogue events)
 - B. Assistance to ZIMSTAT

Finally, the contract provides general guidance on three cross-cutting issues: (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 SERA undertakings.

In essence, our mandate is to deliver support to strengthen human and institutional capacity for partner organizations; provide evidence-based research to the government and other stakeholders

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 effective reform.

During the first two years of the program, Nathan has been pursuing these aims through technical and financial support to the Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) and the Zimbabwe National Statistics Agency (ZIMSTAT). In Year 3, we also expect to provide direct support to the Ministry of Finance and other partner organizations, consistent with the contract provision stating that “The contractor will be responsible for managing assistance to a range of Government of Zimbabwe ministries, agencies and civil society organizations, including, among other activities, provision of short- and long-term technical advisers, research and training.”

The present report summarizes activities of the USAID SERA program from October 1, 2012, through the end of the second year of operations on September 30, 2013.

The momentum achieved during Year 1 enabled substantial progress during Year 2 in both ZEPARU and ZIMSTAT. The project implemented 16 new short-term technical assistance (STTA) assignments; funded participants to 14 external training activities involving 28 participants through ZEPARU; supported 4 internal customized short courses involving 122 participants, again through ZEPARU; funded the completion of studies for 3 M.Sc. in Economics graduates and continues to fund 15 students in pursuit of same; initiated funding for 4 new students to pursue a Ph.D. in Economics; finalized plans for training Parliamentarians in economic literacy and prepared a training toolkit; supported several high-profile research dissemination workshops in conjunction with ZEPARU; initiated 1 outsourced research activity, and negotiated 3 new outsourced research activities through ZEPARU; completed the upgrade to the ZEPARU website; continued financial support to ZIMSTAT for three major surveys that will be a foundation for improving economic statistics; and initiated support to upgrade the ZIMSTAT website.

Yet the project also faced difficulties in meeting work plan targets on some fronts. Challenges related to absorptive capacity constraints within our partner organizations continue, and the project continues to encounter 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.

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 2. Appendix A highlights program activities that occurred during the period July-September 2013, to fulfill our requirement for submitting a Quarterly Progress Report for Quarter 8.1 Appendix B lists short-term technical assistance assignments conducted during Year 2. Appendix C presents a table listing equipment procured for our partner organizations and USAID-supported bursary students. Appendix D reports on the adherence or variance between USAID SERA activities and targets for Year 2. Appendix E contains the latest data on our M&E indicators, by quarter. Finally, Appendix F presents success-story “Snapshots” summarizing three highlights from our second year of operation.

¹ 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....”

3. MANAGEMENT AND ADMINISTRATIVE SERVICES

Year 2 activities under this first component of the program involved the management and administration of operations, management of financial resources, and adherence to reporting requirements.

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 with Nathan. Notwithstanding this information, Nathan immediately drafted a memorandum of understanding for the Ministry's review, with a query on whether there would be a need to alter our legal registration. On 22 June 2012, 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. Though informal contacts indicated that the issue was still under review at the Ministry, however, its department of Domestic and International Finance (DIF) put this matter to rest when they informed SERA that such registration was not necessary as it was generally meant for entities working in and with the communities.

MANAGEMENT AND ADMINISTRATION OF OPERATIONS

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

This component of the project also entails the management and administration of programmatic activities in collaboration with our primary partner organizations, ZEPARU and ZIMSTAT. Tasks included developing and supervising 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.

Maintaining full and open communications with USAID/Harare is a critical and ongoing element of our field operation. The SERA Chief of Party (COP) and Resident Advisor (RA) held regular bi-weekly meetings with USAID's Contract Office Representative (COR), Joshua Smith, to discuss all aspects of program implementation. Also participating in these meetings, was Mr.

Bigbouy Chikwavarara, the Activity Manager for the SERA-funded bursary program and our Parliamentary training activities.

Staffing

The field office staff remains unchanged through the second year of the program with the exception of the addition of a new intern, Vimbai Maura who provides intermittent support in conducting a periodic technical review of the condition of computer hardware that has been provided to ZEPARU, ZIMSTAT, and SERA-funded bursary recipients. Headquarter staff saw one change in Year 2. Project Coordinator Fiona McDonald took three-month maternity leave starting in March; Zey Akalin carried out project coordinator tasks during that time, including spending two weeks in Harare while the COP was on leave in February. Ms. Akalin has subsequently replaced Ms. McDonald as home office project coordinator.

Subcontractors

During Year 2, a total of 33.6 percent of the 289 days of STTA provided by the SERA program were fielded by Nathan subcontractors. Table 1-1 shows end-of-Year 2 subcontractor LOE.

Table 1-1. Subcontractor LOE status

Subcontractor	Budgeted	Remaining
Econsult	78	34
IBI	156	82
IMANI	393	259
J.E. Austin	54	35

Short-Term Consultancies

During Year 2, Nathan developed and implemented 16 new STTA assignments involving a cumulative ceiling of 358 approved work days, of which 267 days were completed by year-end. In addition 20 days of STTA support was implemented based on assignments that were initiated in Year 1 for a total of 287 days provided. The completed STTA involved 223 days of support to ZEPARU, 42 days of direct support to ZIMSTAT, and 24 days of technical backstopping on statistical development activities with ZIMSTAT.

Of the 287 days of STTA delivered, 33.4 percent were channelled through Nathan subcontractors, and 66.6 percent provided by Nathan consultants. The assignments included 70 days for expatriate consultants (24.4 percent), 84 days for regional consultants (29.1 percent), and 134 days for local consultants (46.5 percent). Finally, 24 percent of the STTA days were carried out by women.

Appendix B lists all Year 2 STTA assignments and their status. The assignments are explained at appropriate points in this report.

Equipment

In August 2012, Nathan purchased 11 laptop computers for the second cohort of SERA-funded ZEPARU scholars (see Training of Economists). Because of delivery delays this equipment arrived at the field office at the beginning of Year 2 and was given to the students in mid-October. No additional requests were received from ZEPARU and ZIMSTAT for the procurement of IT equipment in Year 2.

In May 2013, Nathan sought USAID approval to formally hand over ownership of four laptops to the students who had successfully completed their degree program. The approval was granted in July, and ownership of three laptops was transferred to the students who graduated. One student is still awaiting final review of his thesis; when he receives it, ownership of the laptop he has been using will be transferred to him.

All of this equipment is provided for use by our partners on conditions that include quarterly check-ups by USAID SERA and the understanding that the equipment remains property of the U.S. Government until such time as USAID may approve a conveyance of title, as completed for the graduated master's students. Nathan's field office maintains full inventory records on project equipment, which is available on request from USAID.² 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. Near the end of Q4, 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. As of the end of Year 2 USAID has provided no further guidance on the issue.

ADS 548 Compliance

Nathan headquarters raised the issue of compliance with ADS 548 rules relating to cumulative program expenditures in excess of \$100,000 on IT equipment and associated costs. After discussions with the COR in Harare, and headquarter contact with USAID/W, Nathan concluded that the regulation applied to expenditures for specific project activities, and that no action is required on the part of the SERA team.

Program Restructuring

Year 2 quarterly reports noted that the absorptive capacity at ZEPARU has been a major challenge for program implementation. Near the end of Q6 the COR raised the issue of a program modification to provide direct support to the Ministry of Finance (MOF). After the RA established that senior Finance officials were interested in this modification, and the COP and RA explained to the Executive Director at ZEPARU the motivation for this new option, USAID and MOF representatives met on May 16, with support from the SERA COP. USAID and the MOF agreed to exchange formal letters to provide a documentary basis for activating this new channel for program activity, and did so in June. The RCO affirmed that direct support to the Ministry is consistent with the SERA Program contract. The SERA COP and RA met with MOF officials, but mainly with the Training Committee in September to explain the procedures and regulations governing the provision of technical and financial assistance through USAID SERA. Early in Q9, SERA has to meet with one or two policy directors in the Ministry and go through the same processes governing technical assistance in policy and research related support to the Ministry of Finance and Economic Development.

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

Planning for the Management Transition

In accordance with Nathan's Technical Proposal and the approved SERA program budget, Bruce Bolnick completed his two-year assignment as COP on 30 September (the end of Year 2). Dr. Bolnick will be available for intermittent STTA. Daniel Ndlela's position as Resident Advisor to ZEPARU also ended at that time. Again in accordance with the Technical Proposal and program budget, Dr. Ndlela will replace Dr. Bolnick as COP for the remainder of the program performance period. This change in key personnel was approved by the USAID Contract Office on June 3, 2013. To facilitate the transition, Dr. Bolnick has been involving Dr. Ndlela in all aspects of program management.

Nathan headquarters analyzed several options for ensuring adequate support for Dr. Ndlela when he takes over as COP. These included the option of a full time Deputy COP, but a lack of qualified candidates willing to relocate to Harare combined with CLIN 1 budgetary restraints led to the retention of the approach outlined in the technical proposal—specifically that Nathan's home office project director, Peter Miller, will provide increased support to Dr. Ndlela from Arlington and during three trips to Harare during critical periods. In addition, Mr. Ashok Chakravarti, a local economist with previous USAID COP experience will be engaged to provide targeted support for specific technical activities, under the direction of Dr. Ndlela.

The COP and RA agreed with ZEPARU and USAID on engaging a distinguished local or regional economist to provide intermittent medium-term technical assistance to ZEPARU during Year 3 in place of the RA position. The objective for this assignment is to continue providing senior support to ZEPARU for mentoring and training research staff, quality control of technical products, and advising on institutional management. In September Nathan submitted an approval request to USAID for Mr. Rob Davies to provide up to 60 days of support to ZEPARU, through subcontractor Imani Development. In addition to providing research support Mr. Davies will assist ZEPARU in planning for involvement with the Macro Working Group on macro modeling and forecasting, and possible collaboration between ZEPARU and ZIMSTAT to develop a social accounting matrix as a foundation for general equilibrium modeling.

FINANCIAL MANAGEMENT

All financial management functions have been carried out smoothly during Year 2. Our expenses for Year 2 will be presented separately in our Quarterly Financial Report for Quarter 8 (July-September 2013).

Financial management in the field remained 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 included: establishing and maintaining field accounts in QuickBooks On-Line; managing the field bank account and cash box; paying field expenses, 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 remains 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.

VAT Refunds

At the end of Year 2, Nathan Associates had received three VAT refunds from the Zimbabwe Revenue Authority (ZIMRA) covering claims for operations in Harare through December 2012. This leaves unpaid nine months of subsequent monthly claims for VAT refunds; this is a better position than at the end of Year 1, when more than a year's worth of claims were outstanding. These refunds are required to reimburse Nathan for VAT incurred on local expenses, and which could not be invoiced to USAID. As of the end of Year 2, Nathan had \$11,371 in refund claims outstanding. The SERA program manager will continue to communicate with USAID's finance office to facilitate the reimbursement process.

REPORTING

During Year 2 Nathan Associates complied with all reporting requirements, including the submission of the Year 3 Work Plan, the M&E Plan, Quarterly Performance Reports, Quarterly Financial Reports and accrual reports, and monthly activity calendars.

Nathan prepared two "Snapshot" success stories during Year 2. The first Snapshot outlines the High Level Economic Forum held at Victoria Falls during Year 1, the second tells of the impact that SERA support for the Poverty Income Consumption and Expenditure survey (PICES) has had on National Accounts statistics, and the subsequent upward revision to GDP figures. These Snapshots are incorporated in the present report as Appendix F.

4. TECHNICAL ASSISTANCE TO ZEPARU

This section of the report reviews SERA support to ZEPARU during Year 2. 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 maintained 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 visits ZEPARU managers and researchers frequently and communicates with them daily. The COP and RA held regular meetings with the Executive Director of ZEPARU during Year 2 to discuss the agenda for SERA support; work out implementation plans; and maintain an open discussion about the scope for USAID SERA assistance in light of USAID regulations.

The secondment of junior economist Ms. Evidence Ndari as ZEPARU Training Coordinator continued through Year 2. 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 the SERA Program office once again devoted approximately 70 percent of her time to working on ZEPARU-related activities during the year.

During Year 2, the SERA RA and COP continued to meet regularly with the executive director of ZEPARU, though at times these meetings became irregular due to the busy schedule of the executive director. These meetings addressed the agenda for USAID SERA support; implementation arrangements for these activities; a variety of technical issues relating to ZEPARU research and training; monitoring progress with SERA-supported activities; and problem solving as needed.

RESEARCH AND ANALYSIS

For this fundamental component of the program, our attention in Year 2 focused mainly on the following fourteen 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 2)

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. During Year 2 the data annex was now in good shape, and a part of the CLI finally appeared in Volume 8, though it still remains work in progress.

Study of Mining Sector Policy (June 2012–March 2013)

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 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's findings were well received at a High-Level Economics Forum convened by the MOF during August 2012 (see Year 1 Annual Report) with the Minister of Finance referring to some of Dr. Jourdan's ideas as a potential "game changer" for Zimbabwe. The process of editing and formatting the final paper at ZEPARU entailed lengthy delays, with ZEPARU ultimately sending the report to the SERA COP to complete the editing. The paper was submitted to USAID in March 2013.

Subsequent developments resulting from this research include a conference call with Dr. Jourdan arranged by the Ministry of Finance and the World Bank in December to discuss in detail his proposal for reforming the fiscal regime for the mining sector in Zimbabwe. The meeting was chaired by Mrs. Mhini, Director of Revenue at the MOF and attended by two international experts on the mining sector from the World Bank, Dr. Chigumira, and the SERA COP.

In addition the Ministry of Mines and Minerals Development (MMMD) engaged Dr. Jourdan as their lead consultant for preparing a new Minerals Policy and a new Mines and Minerals Act. In May 2013, the MMMD published a Draft Minerals Policy, incorporating many important policy recommendations from the ZEPARU study. These policies were also highlighted by the Deputy Prime Minister in a Keynote Speech to the Annual General Meeting of the Chamber of Mines in May. In September Dr. Jourdan was invited back to Harare to participate in a post-election Mining Indaba (conference) hosted by the new Minister of Mines.

Study of Agricultural Competitiveness (June 2012–March 2013)

As noted in the Year 1 Annual Report, SERA supported ZEPARU and the USAID Zimbabwe Agricultural Competitiveness Project (Zim-ACP), through provision of 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 in

Year 1. During his field visit, Mr. Webber also provided training to ZEPARU research staff in the area of competitiveness analysis and value chain analysis.

Work on the paper continued into Year 2 to incorporate and refine contributions from ZEPARU research fellow Jacob Nyamadzawo and Dr. Chigumira, with substantial guidance and support from the SERA RA. The paper was finalized in March 2013. During Q7 SERA funded the publication of the study as a ZEPARU research product.

Positioning the Tourism Sector for Growth (November 2012 – May 2013)

Intensive field work was conducted in January; a draft was submitted for review by ZEPARU and SERA in February; and the penultimate version was presented at the end of March to a stakeholders' workshop for validation and public discussion (see Workshops, below). The report was completed and submitted to USAID in May. This study was written by ZEPARU researchers Sanderson Abel and Jacob Nyamadzawo with guidance, mentorship and supervision from USAID SERA consultant Shepherd Nyaruwata, through our subcontractor Imani Development. During Q7 SERA funded the publication of the study as a ZEPARU research product.

Study on Financial Sector Reforms (July–December 2012)

Through support for a study on Financial Sector Development and Resource Mobilization the SERA Program assisted ZEPARU to develop capacity for producing policy studies on the financial sector as a major theme for future research. 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 Year 1. 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 SERA team. It was subsequently edited by the SERA RA with approval from ZEPARU in order to meet USAID approval, and submitted to USAID in December. The study was printed for distribution with SERA support as a ZEPARU product and posted to ZEPARU's new website (see below).

Financial Sector Studies (November 2012–End of Year 2, Continuing)

This activity has involved a suite of five studies on financial sector issues by ZEPARU researchers and external Research Associates under the guidance, mentorship and supervision of USAID SERA consultant Daniel Makina (through subcontractor Imani Development). This approach to capacity building is analogous to having a dissertation advisor assisting protégés to develop research skills. Four of the five studies were presented at a ZEPARU stakeholders' validation workshop on July 25:

- The Role of the Financial Sector in the Economy: An Evaluation of Enhancement Measures for Zimbabwe.
- Financial Liberalization and Crises: Experiences and Lessons for Zimbabwe
- Financial Regulation and Supervision in Zimbabwe: An Evaluation of Adequacy and Options
- Access to Bank Credit as a Strategy to Re-Industrialisation in Zimbabwe

The paper on Financial Inclusion Initiatives for Making Financial Markets Work for the Poor in Zimbabwe, was deemed by the SERA Consultant to require a complete revamp, scheduled for Quarter 9, and to be led by the SERA Consultant.

Study on the Choice of a Future Currency Regime (August 2012–End of Year 2, 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 Year 1, 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. The policy study was completed in February and submitted to ZEPARU for editing and formatting. As of the end of Year 2 the paper is still with ZEPARU for finalization.

Capital Account Liberalization (November 2012–End of Year 2, Continuing)

The study to assess Zimbabwe's readiness for full capital account liberalization and preconditions for liberalization is being written by ZEPARU researcher Sehlielo Mpfu, with guidance, mentorship and supervision from USAID SERA consultant Keith Jefferis, through our subcontractor E-consult. Dr. Mpfu received comments on the draft from Dr. Jefferis (it was also reviewed by the SERA COP) and the paper was scheduled to be completed before the end of Year 2. However, by end of Year 2, this paper was still to be finalized by ZEPARU.

Zimbabwe Country Study on Negotiations for the Tripartite Free Trade Area (July 2013–End of Year 2, Continuing).

This study originated in April in response to a Concept Note from the Ministry of Regional Integration and International Cooperation (MRIIC), through ZEPARU. SERA proposed revisions to the Concept Note to eliminate a slant towards endorsing protectionism, and proposed consultant Dr. Robert Kirk to assist the study team on the mentorship model. ZEPARU and the MRIIC accepted both proposals. Dr. Kirk travelled to Harare in September to mentor and support the TFTA-ZEPARU team of researchers tasked with producing the Zimbabwe Country Study on the COMESA-SADC-EAC Tripartite Free Trade Area. The team included three researchers from ZEPARU and two from the Ministry of Industry and Trade.

During the field trip the consultant explained the economic approaches to preparing an assessment of the likely economic impact of the TFTA. A Reference group meeting was held on 20th September, engaging a wide range of stakeholders. The consultant will continue to work remotely with the researchers. The study is expected to be completed in Quarter 9.

Modernization of Laws and Procedures for Resolving Insolvencies (July 2012–End of Year 2, Continuing)

Discussions on this study began in April with submission of a concept note from the Competition and Trade Commission (CTC), through ZEPARU. The CTC has a compelling interest in this issue because many submissions on tariff changes from the private sector involve requests for protection by companies unable to restructure due to weak balance sheets. The Chairman recognizes that protective tariffs are antithetical to his job in promoting competition, and that bankruptcy reform can offer an alternative path for troubled companies to restructure as going

concerns (if they have a viable business model). SERA proposed revisions to the concept note, taking into account lessons from recent Nathan experience with this issue in Mozambique. Daniel Fitzpatrick was engaged to lead this study, and he traveled to Harare in late August for 10 days of discussions with stakeholders. The final draft of the report is expected in mid-October.

Studies on Private Sector Development (under Development)

In May, the ZEPARU executive director informed the SERA RA that ZEPARU is planning to hold a series of in-house studies on private sector development, tentatively including: enhancing women's market access; understanding barriers to private sector growth; the role of financial intermediation in PSD; cluster development and SME development; women in business, with a special focus on SMEs, the role of ICT in PSD, and competitiveness. ZEPARU requested SERA support in providing STTA to mentor and supervise the research teams. At the end of Year 2, ZEPARU and the SERA team had finalized the compilation of the CVs for the PSD, but the studies were put on hold pending completion of outstanding studies by ZEPARU.

Supporting these studies is within the parameters of the SERA Program assistance to ZEPARU, but the USAID COR has advised that SERA should hold back in fielding STTA to mentor these studies until ZEPARU has cleared a backlog of SERA-supported studies that have yet to be finalized.

Developing Capacity for Outsourcing Research (June 2012–End of 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. 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. By the end of Year 1 SERA support to ZEPARU resulted in a SOW for research on the Economics of Employment Creation.

Economics of Employment Creation

By February 2013 ZEPARU completed negotiations (again with SERA support) with a leading local research organization, the Labor and Economic Development Research Institute of Zimbabwe (LEDRIZ), to conduct the employment study. Following implementation delays a draft report was delivered in June, however this draft did not meet the technical requirements of the contract between LEDRIZ and ZEPARU, or the parallel agreement between SERA and ZEPARU. At the request of SERA and ZEPARU a revised and substantially improved draft was re-submitted by LEDRIZ in Quarter 8 and reviewed and provisionally approved by SERA. At the end of Year 2 the report was still pending technical approval by ZEPARU.

Industrial Value Chains

ZEPARU also submitted a concept note in early Year 2 for the outsourcing of four studies on industrial value chains. By the end of Quarter 6, ZEPARU completed a lengthy process of technical evaluation for 26 proposals received for studies on chemical industries; textiles and clothing; agro-industries, beverages and tobacco; and engineering and metal products. Early in Quarter 7, ZEPARU sent letters to the top-ranked bidders for each study soliciting full cost proposals, along with guidance provided by SERA on USAID regulations on eligibility for

funding. SERA support was needed to provide the due diligence review of submitted budgets; two rounds of detailed revision and comment by the SERA COP and Program Manager resulted in the labor costs being substantially revised to comply with the criteria of realism and reasonableness—anchored by the 1420 bio data form for each researcher.

By the end of Year 2, contracts for all four studies were finalized and signed between ZEPARU and the research institutions, and between Nathan and ZEPARU. The contracts for the studies on chemical industries; agro-industries, beverages and tobacco; and engineering and metal products were awarded to the Scientific and Industrial Research and Development Center (SIRDC). The contract for the study on textiles and clothing was awarded to Africonsult. Africonsult was the second choice, after the first selected research group notified ZEPARU that it was no longer able to conduct the study due to limited researcher availability.

As included in the Work Plan for Year 3, the SERA team and ZEPARU will continue to develop research plans for a set of studies on Inclusive Growth, some of which will be outsourced. In light of experience with the latter studies, ZEPARU intends to pursue the research on Inclusive Growth through a limited call for proposals, rather than issuing a public call for proposals.

Sustainability Study (December 2012–June 2013)

In early Year 2 the SERA RA identified an outstanding consultant, Stephen Yeo, to conduct a study on institutional and financial sustainability for ZEPARU. The Scope of Work for this task was finalized last December and approved by USAID in January, including a LCP salary waiver. Mr. Yeo began working on the study in February from London, and travelled to Harare in March for intensive field interviews. His draft report was submitted at the end of May for review and comments from ZEPARU and SERA, and the final version submitted in July.

One early result from the sustainability study was an agreement for SERA to sponsor Dr. Chigumira to attend a workshop on leadership excellence that was conducted by the Institute of Directors in Zimbabwe April 8–10 at Victoria Falls. As a condition of this support Dr. Chigumira agreed to report on the conference and its relevance to ZEPARU in terms of new information on tools, approaches or concepts for strengthening the management of ZEPARU and leadership on economic policy research. At the end of the year he had not yet delivered his report.

Website Development and Public Information

The ZEPARU website has to serve as the organization's primary interface with stakeholders and the world at large. As of mid-2012, the website could not fulfill this function due to technical limitations and design deficiencies. Based on specifications developed in Year 1 for a major upgrade of the website, SERA engaged a website development specialist to implement the upgrade, and a second expert to help ZEPARU oversee this work and deal with troubleshooting. When the website design and development was finished in early March, Nathan engaged a local consultant to populate the website with links to documents on the Zimbabwe economy, development think tanks around the world, research websites, data sets, and blogs by leading development economists, in addition to promoting ZEPARU's own research products. The content development was finished in mid-April. Since that time ZEPARU has been planning a formal launch of the website but is waiting to receive print copies of several SERA-supported research papers for public release at the same time.

The absence of a public announcement about the website is characteristic of ZEPARU's weakness in public relations. Since the beginning of 2013, SERA has been endeavoring to improve ZEPARU's PR practices. Through the COR, we arranged a seminar for ZEPARU by the Public Affairs office at the U.S. Embassy in January.

Later we assisted them in drafting their first press release, relating to the Makina study on Financial Sector Development, and vetting it with the embassy Public Affairs office. ZEPARU, however, chose not to issue the press release, again with the intention of combining press coverage of several published studies at one time. ZEPARU also drafted press releases for other studies in preparation for the event, but though these were scheduled for presentation in July, they remained outstanding by the end of Year 2. In contrast to the slow progress in issuing press releases, ZEPARU took steps to get media coverage of its research seminars and workshops. ZEPARU invited representatives from two newspapers to the tourism workshop at the end of March; this resulted in one press report on April 1 in NewsDay, focused very narrowly on the effect of police roadblocks on tourism. The ZEPARU research seminar on access to credit on June 27, however, received front-page coverage in the Herald as well as television coverage. This was a milestone for ZEPARU in cultivating the media.

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:

- In October, SERA provided funding to ZEPARU to renew their 5-user institutional license for the E-Views econometric software package.
- On November 9, the SERA RA and the SERA Program Manager (who is also an experienced grant manager) provided ZEPARU research staff with a seminar on writing winning grant proposals to expand their sources of funding. The seminar was very well received by ZEPARU.
- This seminar also established a precedent for running in-house seminars for ZEPARU staff. As a follow-on, SERA arranged for a special seminar on the Global Trade Analysis Project (GTAP) database and modeling system, by a visiting consultant who is working on the GTAP modeling for Africa under a grant from the World Bank.
- Three interns (all recent M.Sc. graduates in economics from local universities) were funded beginning in Year 1 to provide research assistance to ZEPARU's professional staff. Their year was completed in February 2013. In March Nathan received approval to fund another cohort of researchers for another 12 months, beginning in March 2013.
- With support from Dr. Keith Jefferis, SERA continued to assist ZEPARU with the development of a Composite Index of Leading Indicators, were inserted for the first time in Volume 8 of the Barometer. Though this is one of the major future highlights of the Economic Barometer, the CLI still remains to be launched when it is fully completed.
- Finally, under the contract provision for "assistance to a range of Government of Zimbabwe ministries, agencies and civil society organizations," the COP reviewed for MEFMI four papers that are intended for a book on *Economic Management under Hyperinflationary Environment: Lessons from Zimbabwe*. The four papers were on: (1) Monetary Policy, 2000-2010; (2) The Response of the Manufacturing Sector to the Zimbabwe Economic Crisis; (3) Management of Public Debt During the Hyperinflation Period; and (4) Pension Industry Experience during Hyperinflation.

In addition the SERA Resident Advisor continued intermittent 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. This activity continued after the amalgamation of the MOF with

the former MEPIP to become the Ministry of Finance and Economic Development following the announcement of the new government and cabinet.

TRAINING PARLIAMENTARIANS

The development of economics literacy training for Parliamentarians occurred slowly during Year 2, but there was substantial progress. The SERA proposal for parliamentary training involves a launch event for parliamentary leaders followed by a test run of short seminars on economic literacy and budget literacy. The seminar series are to be regularized for presentation to the new Parliament that will convene in 2013. The proposal also offers Parliamentarians a Certificate in Basic Economics through participation in the seminars.

In October, 2012, Parliamentary leaders held a workshop that identified economic literacy as a major need, with reference to a UNDP-funded study conducted by ZEPARU in 2011. Our training proposal was conveyed by SAPST to the Clerk of Parliament in November, 2012, and received very favorably. The Clerk indicated, however, that no action could be considered before January 2013.

In February, SAPST explained our concept paper to a meeting of Parliamentary leaders at Great Zimbabwe. The response was once again strongly positive. At a subsequent meeting with SAPST, however, the Clerk decided that the program should be deferred to the next Parliament. Meanwhile, he suggested that SAPST, ZEPARU and SERA prepare a “Tool Kit” on Economic Literacy, to be the basis for training. In March, SERA proposed a possible outline for the Tool Kit as a basis for discussion, and later agreed a Scope of Work with SAPST and ZEPARU for a local consultant to develop the Tool Kit.

With the finalization of the “Tool Kit” by the Consultant, SERA will collaborate with ZEPARU to decide on whether or not there is still need for another Consultant to package the “Tool-Kit” to make it more user-friendly to new members of Parliament. Once this is done, again through ZEPARU and SAPST, the Clerk of Parliament will be approached to map out the program for the launch and roll-out of the economic literacy training of the members of the new Parliament, starting in Q9.

TRAINING OF ECONOMISTS (SHORT TERM)

In collaboration with ZEPARU, USAID SERA provided a total of 31 sponsorships during Year 2 for local economists to attend fourteen external short-courses relating to their training priorities. This included three individuals (two from ZEPARU, one from MOF) who went to two programs each. Hence, 28 people benefited from our support to attend external training events, including 10 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 8, see Appendix A).

Table 4-1. Year 2 Support for External Training

Name	Gender	Organization	Position
ECONOMIC MODELING AND FORECASTING 15-19 OCTOBER 2012, LILONGWE, CONDUCTED BY MEFMI			
Machinjike, Noell	M	MOF	Senior Economist
Chipumho, Erinah	F	ZEPARU	Senior Research Fellow
PRODUCTION OF A PUBLIC DEBT BULLETIN 11-20 FEBRUARY, LUANDA, CONDUCTED BY MEFMI			
Tarubona, Tongai	M	RBZ	Principal Economist: External Debt
Chitsike, Onia, T	F	RBZ	Statistician
EXTERNAL DEBT OPERATIONS AND MANAGEMENT 4-13 MARCH, RWANDA, CONDUCTED BY MEFMI			
Guchu, Hazel P.	F	MOF	Economist
Hlahla, Puzzle B.	F	RBZ	Senior Analyst
FISCAL POLICY AND AID COORDINATION 8-19 APRIL 2013, KAMPALA, UGANDA, CONDUCTED BY MEFMI			
Mutonono, Ratidzai	F	MOF	Principal Economist
Chiwunze, Gamuchirai	M	ZEPARU	Research Fellow
ENGENDERING NATIONAL BUDGETS 15-26 APRIL 2013, ARUSHA, TANZANIA, CONDUCTED BY ESAMI			
Mazarire, Razaro	M	MOF	Principal Economist
Nyaruwe, Rumbidzai	F	MOF	Senior Economist
Mudzonga, Evangelista	F	ZEPARU	Research Fellow
ADVANCED PUBLIC SECTOR FINANCIAL MANAGEMENT 15-26 APRIL, MOMBASA, CONDUCTED BY ESAMI			
Goredema, Brian	M	MOF	Acting Chief Economist
Makore, Peter	M	MOF	Senior Economist
Chingwalo, Misheck	M	MOF	Principal Accountant
ADVANCED MACROECONOMIC ANALYSIS AND MANAGEMENT 13-24 MAY, KIGALI, CONDUCTED BY MEFMI			
Dube, Cornelius	M	ZEPARU	Research Fellow
Machinjike, Noell	M	MOF	Senior Economist
Shadaya, Georgina	F	MOF	Economist
Nyamuranga, Chamunorwa	M	MEPIP	Senior Economist
INTRODUCTION TO CGE MODELING WITH GAMS 13-18 MAY, PRETORIA, CONDUCTED BY TIPS			
Chipumho, Erinah	F	ZEPARU	Senior Research Fellow
Mwale, Abel Sanderson	M	ZEPARU	Senior Research Fellow

Name	Gender	Organization	Position
Mudzonga, Evangelista	F	ZEPARU	Research Fellow
BALANCE OF PAYMENT MANUAL 6 17–28 JUNE 2013, MASERU, LESOTHO, CONDUCTED BY MEFMI			
Nakunyada, Willie	M	RBZ	Chief Economist
Masendu, Farai	M	RBZ	Senior Executive/Division Chief - Exchange Control
METHODOLOGIES FOR PUBLIC DEBT SUSTAINABILITY ANALYSIS 15–24 JULY 2013, MASERU, LESOTHO, CONDUCTED BY MEFMI			
Chiwunze, Gamuchirai	M	ZEPARU	Research Fellow
Murahwa, Yvonne Tatenda	F	RBZ	Analyst
INTRODUCTION TO TAX ANALYSIS AND REVENUE FORECASTING 22–26 JULY, PRETORIA, CONDUCTED BY AFRICAN TAX INSTITUTE			
Madziva, Innocent	M	MOF	Chief Economist
Tshuma, Melusi	M	MOF	Economist
FISCAL REGIMES FOR MINING AND PETROLEUM 29 JULY–2 AUGUST, PRETORIA, CONDUCTED BY AFRICAN TAX INSTITUTE			
Chigumira, Takesure	M	MOF	Principal Economist
MACROECONOMIC MANAGEMENT IN RESOURCE RICH COUNTRIES 5–18 SEPTEMBER, NAIROBI, CONDUCTED BY IMF/ MEFMI			
Chiinze, Trish N	F	MOF	Economist
Matsika, Wellington J	M	ZEPARU	Research Fellow
FINANCIAL MARKETS REGULATION AND REFORMS 9–13 SEPTEMBER, VICTORIA FALLS, CONDUCTED BY MEFMI			
Mugocha, Everisto	M	ZEPARU	Research Fellow

Note: All courses conducted in 2013 except as noted.

The process for identifying external short courses started with compilation of courses offered by leading organizations for training government economists in the region such as MEFMI, ESAMI, TIPS and the Africa Tax Institute for CY2013. ZEPARU then informed the key economic ministries and RBZ about the training options and solicited candidates, emphasizing the importance of gender balance. As was the process in Year 1, candidates applied directly to the training organizations and notified ZEPARU if they were accepted and required funding. MEFMI also directly provided nominations to ZEPARU of candidates who qualified for their training programs from MOF and RBZ that they could not fund. ZEPARU then submitted nominations to USAID SERA, along with information providing justification for the funding requests.

USAID SERA sponsorship for external short-courses continues to 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. These 6-months post training evaluations continued into the second year and have resulted in the introduction of two

new outcome indicators that are more easily reported. The two indicators were split out of the previous indicator that required narrative explanation for reporting of the results of the surveys.

Customized Short Courses

In addition to sponsoring participants for external training, our Work Plan for Year 2 called for Nathan to support ZEPARU in developing and delivering up to 5 customized in-country short-courses. As it turned out, four in-country courses took place. Two additional courses were developed and approved by USAID, but implementation was repeatedly delayed due to scheduling conflicts between consultant availability and the national elections in July.

As identified during the Consultative Workshop on Training Needs of Key Economic Ministries, a top priority for training included a customized in-country short-course on Financial Programming (FP). The FP model is a widely used consistency framework for macroeconomic modeling by economic ministries and central banks throughout the region. It is also the standard for discussions on macroeconomic policy with the IMF. Nathan Associates had already identified as a likely facilitator for this course a retired IMF macroeconomist who teaches financial programming methods and applications in the graduate program at the University of Cape Town (UCT). Following the workshop, Nathan negotiated an agreement with the consultant (Mark Ellyne) to develop a customized version of his curriculum at UCT and deliver the course for two weeks at in early December. At the request of the consultant (and with USAID approval), Nathan also engaged a teaching associate from UCT to assist with implementation of the course.

The FP course was delivered as scheduled at a training facility on the outskirts of Harare to a full house of 25 participants (including 12 women), representing MOF, MEPIP, RBZ, ZIMSTAT, and ZEPARU, as well as the SERA program training coordinator. The course included morning lectures and discussions, with afternoons devoted to applications and exercises. Topics included an overall picture of the modeling framework, detailed analysis of the macroeconomic sector accounts (fiscal, monetary, external, and real sectors), integration of the sector accounts, applications to policy analysis, and implications for Zimbabwe. In addition to providing STTA for running the course, USAID SERA also covered all of the venue costs, material expenses, and daily transportation to and from the training site. Despite concerns in many quarters about attrition problems with courses run in or near Harare, only one participant failed to complete the FP course (though several participants missed occasional sessions). The high rate of attendance for the two-week course attested to the importance of the topic, and the quality of the instruction.

Beginning in Quarter 6, we initiated a short course identified as a high priority by the client ministries: Advanced Excel Skills. This was initially requested by the Zimbabwe Aid and Debt Management Office (ZADMO) in the MOF as an urgent requirement. In collaboration with ZADMO, we developed a two-day course using the services of New Horizons, a Microsoft-certified local IT training organization. The first run of this course took place January 22–23 in Harare, with 15 participants (the maximum that could be accommodated). A second run was held February 26–27, for 15 more participants, and a third in April for 12 participants. Of the 42 beneficiaries, 19 were women; 16 came from the MOF, 10 each from MEPIP and RBZ, and 6 from ZEPARU. We intend to repeat this popular training several times to meet the demand from our partner organizations.

In July SERA responded to a request from ZEPARU to cofinance an IMF and Afritac macroeconomic framework training workshop. At a training needs workshop organized by ZEPARU last year The economic ministries singled out macroeconomic modeling as a top priority for capacity building. The Ministry of Finance in collaboration with the former Ministry of Economic Planning and Investment Promotion, Reserve Bank of Zimbabwe, ZIMSTAT and

ZEPARU arranged to hold the workshop to enhance the macroeconomic framework for budget preparation and economic policy management. The workshop comprised 29 members of the Macroeconomic Framework Working Group, derived from the above-mentioned institutions. ZEPARU requested USAID SERA to finance the cost of lodging, the conference venue package, and bus transportation to and from the designated venue. The course was hosted at the Golden Peacock Hotel in Mutare after ZEPARU sought quotations from five venues.

While not initially on ZEPARU's training plan for 2013, a course on Regional Integration Negotiations was developed in response to a request from the MRIIC for training in preparation for Zimbabwe's participation in the TFTA negotiations. The one-week course was developed and conducted by experts on trade and regional integration from the Trade Law Centre in Cape Town: Professor Gerhard Erasmus and Dr. Trudi Hartzenberg. The course objective was to assist the MRIIC and other government partners in understanding the regional trade negotiations agenda with a focus on the TFTA, and implications of Zimbabwe's overlapping membership in the Southern African Development Community (SADC) and the Common Market for East and Southern Africa (COMESA). The course included modules on legal aspects of the regional trade agreements, the economics of regional integration (including gender effects of trade liberalization), and negotiation strategies. It was held in Kadoma on June 3-7 with 26 participants (9 women) representing the MRIIC, the Ministry of Industry and Commerce, the Ministry of Foreign Affairs, the Attorney General's office, the Ministry of Agriculture, MEPIP, the Zimbabwe Revenue Authority, the CTC, and three private sector economists.

Two other short courses were identified as high priorities for ZEPARU for development of its own research capacity: a course on writing winning grant proposals and a course on research methods. ZEPARU agreed to a SERA proposal for running in-house seminars by local experts as an alternative to a full course on grant writing (see Research and Analysis, above). ZEPARU also agreed on an alternative to its idea of running a two-week course on research methods. Instead, SERA is now structuring STTA assignments to provide on-the-job mentoring for ZEPARU research staff as they carry out research assignments (see Research and Analysis, above).

During Year 2 the SERA team also initiated planning and recruiting of faculty for three more in-country courses that were highlighted in the ZEPARU training program.

- **Public Finance Management and Budget Control.** The MOF is the primary client for this course. In February, Nathan identified a highly experienced PFM consultant and trainer, Steven Peterson, to develop and conduct the course. Dr. Peterson proposed a detailed agenda for a two-week course. The Ministry approved the consultant, but requested a one-week limit to the training. The Ministry assigned an official to review the proposed curriculum and identify priorities to fit the shorter time frame. After two months awaiting this feedback from the Ministry, we asked the consultant to produce a one-week proposal reflecting his sense of the priority topics. The Ministry then agreed to run the course August 5–9 (venue to be determined), but the decision of the Constitutional Court to hold the election on July 31 necessitated rescheduling. As of the end of Year 2, the schedule for this course is still to be determined.
- **Applied Econometrics for Policy Research.** This course originated in mid-March with a request from the Economic Research and Policy Enhancement Division of RBZ. The RBZ officials are seeking to strengthen capacity at RBZ for serious economic research. Therefore they seek a two-week course in applied econometrics that goes beyond the material covered in MEFMI's standard regional training on this topic. At the end of Quarter 6, Nathan had identified a highly experienced consultant for this purpose, Professor Paul McNelis from

Fordham University. Here, too, the Constitutional Court ruling to hold the election on July 31 necessitated rescheduling and the course dates were eventually agreed to be October 7–18. (As of the drafting of this report the course started as planned).

- **Monitoring and evaluation of projects.** The MEPIP will be the primary client for this course. Here, too, Nathan identified a highly qualified consultant in February, and discussions began at that time on the course objectives and content. After delays in approval for the consultant by the Ministry, the consultant submitted a proposal for the course curriculum in May. This was followed by further delay in getting feedback from the Ministry on the proposal. At the end of June, the consultant indicated that she will no longer be available to carry out this assignment. *Plans for this course are therefore on hold* pending the identification of another expert to facilitate this training.

Finally, during the last quarter of Year 2 the MOF informed the SERA RA that the IMF is now handling training on financial programming and the macroeconomic framework, through their Afritac-South office in Mauritius. Therefore USAID SERA will not organize new courses in this area for the government's macroeconomic working group. We remain open, however, to collaborating with the IMF for co-financing their training activities as noted above for the July IMF/Afritac Macroeconomic Framework Training Workshop. Also, ZEPARU remains interested in SERA support for training on financial programming and macro modeling for their research fellows; nothing specific, however, has been arranged to date.

No USAID SERA short-term training activities were targeted to ZIMSTAT during the quarter.

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. To identify more candidates, the SERA Program 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. Prospective candidates from the economic ministries then 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

Our support for the M.Sc. bursary 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.

The initial February 2012 cohort of students included eight government economists who had already enrolled in the program at UZ and faced financial hardship in continuing due to doubling of the tuition. One student in this cohort has since dropped out of the M.Sc. program due to poor grades.

As noted in the Year 1 Annual Report 10 additional candidates were accepted into the part-time M.Sc. program for the 2012/2013 academic year and awarded ZEPARU/SERA bursaries, bringing the number of bursary recipients for the 2012/2013 academic year to 17.

Of these 17 students, four were scheduled to complete the M.Sc. Economics program in 2013, and submitted their thesis research as duly required in June 2013. Three students passed and graduated from the program on September 13. The remaining student has been given three months to revise his thesis and resubmit it for evaluation.

Figure 4-1. SERA-Funded Scholars for M.Sc. in Economics at University of Zimbabwe



The remaining first and second-year students were required to sit for semester exams in June. Nine passed on the first try and completed the year, while three sat for supplementary examinations and subsequently passed. One first-year student, Mr. Takesure Chigumira, was not able to sit for the semester exams in June due to being out of the country at the time. In response to his request to sit supplementary exams for the semester, the department of Economics noted that he had not completed the required coursework for the semester and was thus advised to repeat the semester study when it is next offered. As a result, and in line with the conditions of the bursary, ZEPARU with SERA approval terminated bursary support for this individual at the end of SERA Year 2.

In September 2013, 3 additional candidates were accepted to the M.Sc. program starting in the 2013/2014 academic year and awarded bursaries. This cohort includes one recipient each from ZIMRA, Ministry of Youth Development Indigenization and Empowerment, and the Ministry of Transport, Communication and Infrastructural Development. At the end of Year 2, we are therefore actively providing bursary support to 15 economists as ZEPARU Scholars at UZ (see Table 3-2). Notably, all three new bursary recipients are women, but the gender balance for the bursary program as a whole is still skewed with 15 men and 4 women supported.

Table 4-2. Bursary Recipients in UZ Part-Time M.Sc. Economics Program at End of Year 2

Name	Organization	Year of Study to Jun. 2013	Year of Study as of Aug. 2013
Mtisi, Kosheni	Ministry of Transport, Communications and Infrastructural Development	3	Done
Mugandani, Alwyn Save	Zimbabwe Revenue Authority	3	Thesis under review
Shenje, Tawanda Emmanuel	Zimbabwe Revenue Authority	3	Done
Tuluzawu, Patrick	Ministry of Finance	2	3
Mfunda, Felix	Ministry of Finance	2	3
Manda, Smart	Reserve Bank of Zimbabwe	2	3
Willie, Adam	Ministry of State Enterprises and Parastatals	2	3
Kudzurunga, Obidience	Ministry of State Enterprises and Parastatals	Bursary terminated. Failed Year 1 examinations	
Chihava, Edwin	Ministry of Finance	3	Done
Chimombe, Shaw	Ministry of Industry and Commerce	1	2
Chivore, Pepukai	Ministry of Industry and Commerce	1	2
Gwandiregera, Benson	Ministry of Economic Planning and Investment Promotion	1	2
Makacha, Karakadzai	Ministry of Finance	1	2
Masiwa, Innocent	Ministry of Finance	1	2
Mudhunguyo, Cathebert	Ministry of Finance	1	2
Muzimba, Douglas	Ministry of Finance	1	2
Njokwe, Getrude (F)	Ministry of Industry and Commerce	1	2
Chigumira, Takesure	Ministry of Finance	1	Bursary terminated. Failed Year 1 examinations
Sowa, Betty (F)	Zimbabwe Revenue Authority	-	1
Chikwede, Klery (F)	Ministry of Youth Development Indigenisation and Empowerment	-	1
Ncube, Sukoluhle (F)	Ministry of Transport, Communication and Infrastructural Development	-	1

Students currently on the bursary program: Total = 15; Male =11; Female= 4

Ph.D. Bursary

As of the beginning of Year 2, ZEPARU had only one nominee for a Ph.D. bursary: **Mr. Nebson Mupunga**, Principal Economist and Deputy Division Chief of the Economic Research Division at RBZ. Mr. Mupunga has been admitted to the part-time Ph.D. program by research only at the Nelson M&Ela Metropolitan University (NMMU) in Port Elizabeth. Mr. Mupunga's dissertation research proposal focused on "*Simulation analysis of optimal public debt management policies in*

low income countries: The case of Zimbabwe". The SERA COP approved the nomination from ZEPARU, and USAID approved the nomination in October. Mr. Mupunga has completed work on the first three topics of his thesis:

- Chapter 1: Introduction and Background to the study;
- Chapter 2: A Review of Theoretical and Empirical Literature on Optimal Public Debt Management and Debt Sustainability in Low Income Countries;
- Chapter 3: Dynamics of Public Debt in Low Income Countries and their Implications on Optimal Public Debt Management.

He is currently working on Chapter 4: Simulation Analysis of the Cost and Risk Characteristics of Public Debt in Low Income Countries and Implications on Optimal Debt.

In January ZEPARU nominated and the SERA COP approved three new candidates who received late admission to Ph.D. programs in South Africa, for matriculation in February:

- **Mr. Prudence Stephen Moyo**, Senior Economist, Economic Research Division, RBZ. Mr. Moyo was accepted into the M.Phil/Ph.D. program in Economics at the University of Pretoria. As per the program requirement, his first year consists of M.Phil. level courses in Microeconomics, Macroeconomics, and Econometrics. Mr. Moyo passed his first semester examinations and will continue coursework through the remainder of his first year, following which a dissertation research topic will be determined.
- **Mr. William Kavila**, Chief Economist, Economic Research and Policy Enhancement Division, RBZ. – Mr. Kavila was accepted for the part-time Ph.D. in Economics at Nelson Mandela Metropolitan University in Port Elizabeth. His proposed research topic is "*Zimbabwe: From High Inflation to Hyper-Inflation, 1980-2012*". As of the end of Year 2 he has received comments from his faculty committee on the initial draft of his proposal and is working on a revision, from Harare.
- **Mr. Bothwell Nyajena**, Principal Economist, External Debt, Aid and Analysis Section, MOF. Mr. Nyajena secured admission to the full time Ph.D. in Economics program at the University of Witwatersrand in Johannesburg. However, Mr. Nyajena did not obtain approval for study leave from the Ministry of Public Service, even though he had formal endorsement from his supervisors and the Human Resource department at the MOF. Being unable to attend required courses for the first semester, Mr. Nyajena therefore withdrew from the ZEPARU bursary.

At the end of Year 2 Mr. Mupunga and Mr. Moyo were progressing well on their programs, and Mr. Kavila was revising his research plan at the request his supervision committee.

Unfortunately, Mr. Nyajena did not obtain approval for study leave from the Ministry of Public Service, even though he had formal endorsement from his supervisors and the Human Resource department at the MOF. Being unable to attend required courses for the first semester, he therefore withdrew from the ZEPARU bursary. As a result, we are now supporting only three Ph.D. candidates, all from RBZ. The SERA program office – especially our Training/M&E Coordinator, Emmanuella Matorofa – has been working closely with these three candidates to ensure that all procedures are followed, all logistical requirements are met, and all necessary payments are made.

For the Ph.D. program in Economics at the University of Cape Town (UCT), the formal deadline for applications was end-July, 2012. Despite indicating that they were willing to leave the

application window open until end-October 2012 no successful applications from Zimbabwe government economists were received for matriculation in January, 2013. In November we received informal information from UCT that they had received several applications from government economists in Zimbabwe; however none had met the Department's standards for admission.

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 support for four events during Year 2. 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.

Consultative Workshop on Training Needs of Key Economic Ministries

On October 3 the SERA Program funded an important half-day workshop organized by ZEPARU. The Workshop attracted 31 participants (19 men and 12 women) from the MOF, MEPIP, RBZ, ZIMSTAT as well as MEFMI, UZ, ZEPARU, SERA, and the COR from USAID. The workshop opened with statements from the ZEPARU Executive Director and the SERA COP, covering the role of ZEPARU and the availability of training resources from USAID. In the second session senior officials from the MOF, MEPIP and RBZ outlined their respective priorities for economics training. A third session covered presentations by MEFMI and UZ. Each session allowed active discussion covering training issues, administrative procedures, timing of courses, and funding arrangements (not least: questions about USAID rules on per diems and honorariums). The Workshop concluded with a (rough) consensus on the way forward for ZEPARU and SERA, based on a short-list of training priorities.

High-Level Technical Dialogue on Zimbabwe Growth Recovery

The event was held at the Wild Geese Lodge on December 12, 2012. Organized by the World Bank in collaboration with ZEPARU and MEPIP, it attracted nearly 200 participants including government officials, private sector leaders, donor representatives, NGOs, and leading local economists as well as invited international experts. The event included four plenary sessions:

- Understanding the Drivers and Linkages (by Nadia Piffaretti, senior economist, World Bank);
- Unleashing the Drivers and Creating Linkages (Keynote by Alan Gelb, Center for International Development);
- “Re-Manufacturing” in Zimbabwe (by Rob Davies, consultant to the World Bank)
- Fostering Linkages: Lessons from Local Good Practice (by Ethel Bangwayo, Deloitte and Touche Zimbabwe)

The participants then split into thematic working sessions on mining, agriculture and manufacturing, featuring open and active discussions of major issues facing each sector.

SERA's involvement included facilitating the collaboration between the World Bank and ZEPARU; funding travel costs for one of the external experts, Dr. Hans Binswanger; and participation of SERA's Resident Advisor in the Closing Roundtable. More important than SERA's role was the prominence accorded to ZEPARU. The Executive Director offered welcome remarks and chaired two plenary sessions. In addition, ZEPARU Senior Research Fellows (2 women, 1 man) delivered the breakout session reports to the afternoon plenary session.

Positioning the Zimbabwe Tourism Sector for Growth: Issues and Challenges

The workshop was held on 26 March in Harare to disseminate the findings of the SERA-supported study on Positioning the Zimbabwe Tourism Sector for Growth: Issues and Challenges. The workshop was attended by 45 participants representing the tourism industry and key government ministries and departments involved with tourism, among others.

Following presentation of the study, comments were offered by two discussants: Dr. S. Vengesayi, Dean for the School of Hospitality and Tourism and the Chinhoyi University of Technology, and Mr. E. Marunda, Chairman of the Tourism Leisure and Hospitality Department at UZ. The commentary focused on the need to identify and focus attention on a subset of issues for which the tourism industry and tourism ministry can actually achieve results.

This was followed by a lively floor discussion, including commendation for the researchers for including gender considerations in the study (at SERA's request). Another focus of attention was the quality of tourism data. We anticipate that ZEPARU may request USAID SERA support, following completion of the study, for undertaking a thorough exit survey of tourists at major border points and international airports.

Unlike previous ZEPARU research workshops, some members from the press were also present. This reflects the new SERA-supported emphasis on strengthening the dissemination of information to the public. One news article on the workshop appeared several days later, highlighting the effect of pervasive police roadblocks in discouraging tourism by road from neighboring countries.

Access to Bank Credit as a Strategy for Reindustrialization in Zimbabwe

Funding for this research seminar, on June 27, was sourced by ZEPARU from their ACBF program, however SERA provided support through technical reviews by consultant Daniel Makina, and the COP. The seminar was very well attended and characterized by active discussion of the issue (including participation by the SERA COP and RA). ZEPARU organized effective media coverage for the seminar, including prominent stories in the Herald and on local television. The SERA team has been providing assistance and guidance to ZEPARU to improve public information management and research dissemination. The Access to Credit seminar is the first event since SERA began for which ZEPARU achieved wide coverage through the media to inform the public about a research product. We anticipate that this will be a regular feature of future workshops and seminars.

Aside from ZEPARU events—under the contract provision for “assistance to a range of Government of Zimbabwe ministries, agencies and civil society organizations”—the RA and COP participated in several other policy dialogue events during the year.

- The RA and COP participated in a workshop on 24 January in Harare on “Regional Integration Developments—Implications for Zimbabwe,” This event was presented by the Trade Law Centre (TRALAC) from Cape Town, in collaboration with Shalom Fiscal Consultants and the Ministry of Regional Integration.
- The COP gave the keynote presentation, “Competitiveness, Trade, and Economic Development,” to a strategic planning workshop for the Competition and Tariff Commission on 29 January in Vumba.
- On April 12, the COP and the RA were involved in a workshop on regional integration presented by TRALAC in collaboration with Shalom Fiscal Consultants and the Ministry of

Regional Integration. Dr. Ndlela opened the workshop, and Dr. Bolnick gave a presentation on quantifying the impact of nontariff barriers to trade.

- Dr. Ndlela also participated in TRALAC's Annual Conference in Cape Town on April 26, where he provided closing remarks highlighting major issues from the conference.
- On May 23, at the request of USAID's ZimACP project, Dr. Bolnick gave a presentation on competition, tariffs and economic development to a combined symposium of the Stockfeed Manufacturers Association, the Zimbabwe Poultry Association, and the Pig Producers Association. The purpose of this presentation was to explain the importance of trade liberalization and regional integration to long-term success of agro-industries in Zimbabwe and the economy overall.
- On June 13, Dr. Ndlela chaired a Southern African Political Economy Series (SAPES) Forum at which the Minister of Finance, Tendai Biti, gave a presentation on Zimbabwe's Engagement with the International Community.

5. TECHNICAL ASSISTANCE TO ZIMSTAT

In line with our Work Plan, USAID SERA support to ZIMSTAT continued to focus on three priority projects during Year 2: completion of support for the 2011-2012 Poverty, Income and Consumption Expenditure Survey (PICES); creating a Central Business Register (CBR); and conducting a Census of Services, now Survey of Services (SS). 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.

Senior statistics specialist Dr. Beverley Carlson continued to provide 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; and researching statistics issues at the request of the COP.

SUPPORT FOR PICES

PICES was a year-long survey conducted June 2011 - May 2012 covering a nationally representative sample of nearly 32,000 households. The PICES survey provides 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.

In addition, PICES provides a sound statistical basis for reweighting and rebasing the monthly Consumer Price Index statistics, and new estimates of poverty incidence, the size and structure of the informal economy, and the inflow of remittances. ZIMSTAT produced two PICES reports: one reporting the household survey results, and the other on the findings for poverty and income distribution.

The 12-month cycle of field enumeration followed by data coding and data entry were completed in Year 1, with critical funding support from USAID SERA to keep the project on schedule. SERA also provided technical assistance in the form of STTA from Dr. David Megill, a senior mathematical statistician. Dr. Megill reviewed the full 12 months of PICES data to identify technical issues needing further attention and to recalculate the weights for scaling up sample observations to national, provincial and district level estimates of key statistical findings. This work was completed in October 2012.

Year 2 support saw the SERA COP participating actively in the PICES Technical Team, which met six times during the year (including once at the SERA office). This involvement included

providing detailed comments on a preliminary draft of the PICES household survey report. These comments led to significant revisions in the document, including the addition of a new chapter on characteristics of the informal sector. The SERA COP also provided detailed comments on the methodology section of the PICES poverty report. ZIMSTAT publicly launched the final PICES reports in June 13, 2013 with participation by the Minister of Finance.

An important outcome of the last PICES technical meeting was a request by the PICES Director for partner organizations to review UN Guidelines on Managing Statistical Confidentiality and Microdata Access, and the provision on data confidentiality in Section 17 of the Census and Statistics Act of 2007. This issue has special importance for USAID SERA because our support for ZIMSTAT is motivated by the need for improving economic statistics for use by policy makers and researchers. Access to microdata for the research community (and others) greatly enhances the value of data collection exercises such as PICES.

The SERA COP played a central role on behalf of involved donors in addressing this request, through research on international practices and consultations with USAID, DFID, UNDP and the World Bank. He then wrote a response (provided in the Quarter 7 Progress Report as Annex 4) incorporating the views of these agencies.

At a subsequent meeting convened on 16 July, the Director General expressed full support for the note submitted by the SERA COP in early May. However he asked for patience and understanding of the need for cautious risk management given the potentially dire consequences that could arise from misrepresentation or misreporting of any hasty steps to release microdata. He also emphasized the need to ensure maximum cooperation on the CBR and SS, by minimizing the risk of misunderstanding on protecting data confidentiality.

ZIMSTAT proposed a four-pronged approach on the issue of meta-data:

1. Provision of access on request to specialized data tables which would be helpful to accelerate the production of meta-data so researchers could know what to ask for.
2. Engagement of technical assistance to develop technical tools for anonymizing data, starting with PICES, including training of the institution's staff to develop this capacity.
3. Recognizing the need for stakeholder buy-in on this issue before implementing any general policy, embarking on serious steps on initiating consultations with stakeholders to encourage their cooperation, explaining the importance of good statistics, and opening up discussion, *inter-alia*, on the issue of data access for researchers to add value to the production of statistics. It was understood that this could be an important area of donor funding after the 31 July election.
4. Loosening up on the World Bank to have access to PICES microdata for the purpose of assisting the MOF in preparing the I-PRSP, by arranging their TA to work through and with ZIMSTAT, which is a big concern given the importance of the debt relief process to economic recovery.

Finally ZIMSTAT is taking seriously the need to maintain a matrix of donor activities to avoid duplication of donor funding and assistance.

SUPPORT FOR THE CBR AND COS (NOW SS)

The Central Business Registry (CBR) and Survey of Services (SS) 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), and now the Survey of Services (SS) previously the Census of Services (see below).

The Director General of ZIMSTAT has referred to the CBR as being just as central to the production of economic statistics as the population census is to the production of demographic statistics. In fact, these two surveys are the only statistical products that have been supported by a special Statutory Instrument.

The SS project is equally important as a building-block for improving economic statistics. 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 neither ZIMSTAT nor its predecessor CSO has ever conducted a full exercise to collect data on the service sector. The SS was initially conceived as a full census of the service sector, however to keep the activity manageable ZIMSTAT decided to implement a more tractable survey of services.

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

- Funding for procurement of initial supplies; printing of survey materials; training of trainers
- Funding for study tours to Nairobi and Pretoria which led to critical reconsideration of the importance of administrative data from ZIMRA.
- STTA providing best practices for CBR development and maintenance including handling multi-unit enterprises; assistance to improve the questionnaire; guidance on compilation of field lists from administrative records; and support for a draft CBR plan for consideration by ZIMSTAT.
- STTA providing a review of COS plans, questionnaires and field manuals; practical insights on conducting enterprise censuses and surveys; and guidance on the COS workflow, as well as the format and content of data reports.
- 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.

The remainder of Year 1 was dedicated to negotiating the funding for the CBR-COS field work and data processing activities.

In preparation for the CBR field work, SERA funded the CBR/COS team to undertake the Training of Enumerators workshop with 179 participants (including 48 women). The workshop provided thorough training in the purpose of the CBR and COS, the (revised) implementation plan and field procedures, use of the CBR and COS questionnaires, and pilot testing of the questionnaires through trial interviews in the field. The Director General of ZIMSTAT expressed gratitude to the USAID SERA program for availing technical and financial assistance and computer equipment for the CBR/COS projects.

Following the training workshop, and partly in response to debate at the workshop, ZIMSTAT's CBR/COS team continued reassessment of their implementation plans. ZIMSTAT decided to drop the idea of conducting a full census of the service sector, and to instead implement a more tractable survey of services (SS). This change in plans requires the CBR master list to be finalized as the sampling frame for the SS to then be implemented.

ZIMSTAT also decided to attempt to leverage the business lists maintained by the Zimbabwe Revenue Authority (ZIMRA), and licensed establishment lists maintained by local government authorities as inputs to the CBR. However by the beginning 2013 it was concluded that ZIMRA could not share business lists with ZIMSTAT under tax secrecy provisions of their legislation. Also, from preliminary field operations in December, ZIMSTAT determined that the compilation of business license lists required far more effort and resources than expected. From these two developments, ZIMSTAT presented the SERA team with a new plan and funding request for mobilizing 160 enumerators and field supervisors to collect the license lists from local authorities throughout the country and then process the listing data. These business license lists would constitute the master frame for the CBR.

With SERA funding, the field work was finished in April and the data processing was completed in May, under a separate contract. ZIMSTAT ended with a list of more than 76,000 businesses.

Based on this list, the next step was implementation of the CBR questionnaire itself—called the CBR Inquiry—to gather basic data such as legal name; registration and license numbers; contact data; years of operation; institutional sector; economic sector; type of ownership; (at SERA request) gender of ownership; turnover, and number of employees. In May, Nathan negotiated a contract with ZIMSTAT for \$814,348 to fund the CBR Inquiry, produce a CBR report, including metadata and a report on women-owned businesses, and hold a stakeholders' workshop to discuss the results. In June the agreement was approved by USAID and the contract signed. The CBR Inquiry began in early August and is scheduled to end by January. (Recovering the questionnaires will take several rounds of field visits). ZIMSTAT plans to maintain the master list by tracking additions or deletions through periodic visits to the local council offices by enumerators posted in the various districts and municipalities.

For technical reasons, a separate contract will be prepared to fund the data processing, which is scheduled to begin approximately two months after the field work began. As with the business listing activity, the reason for separating this work was the difficulty in estimating in advance the time needed for processing the data. As with other aspects of the CBR, ZIMSTAT will co-fund the data processing activity by providing in-kind services to manage and administer the entire project, including data quality control, as well as providing computer equipment and covering the administrative overheads.

With the new implementation plan based on license lists from local authorities, the cost for the CBR has more than doubled from the initial estimates (for well-justified reasons). Given the escalation in cost for the CBR (and the SS as well, now that it will be a separate field exercise), co-financing will be required for the SS in 2014. Fortunately, DFID has agreed to include this co-financing in their new program for supporting statistical development.

The repeated revisions to the implementation plan and budget for the CBR and COS/SS reflect the fact that ZIMSTAT had never before implemented these activities; the core team has therefore been adjusting to new information as they go along. Despite the delays and changes, the CBR and (now) SS projects remain as top priorities for USAID SERA support in Year 2 and Year 3 of the program.

DISTANCE LEARNING TRAINING SYSTEMS

As a new priority for Year 2 of the SERA Program, ZIMSTAT management requested assistance to develop and implement a distance-learning (DL) system. The objective is to provide a cost-effective training program to upgrade ZIMSTAT professional staff in the regions and new recruits, to enable them to pass exams for international certification by the Royal Statistical Society. The DL system will use a curriculum of training modules that was developed last year for this purpose.

ZIMSTAT and USAID SERA reached agreement in January 2013 on the scope of work for the pilot phase of this activity. ZIMSTAT also approved the selection of a local expert on DL information technology, Mr. Goodbye Mavata, to carry out the assignment. Following planning meetings with ZIMSTAT training officers in early February, Mr. Mavata prepared a technical proposal drawing on lessons from the provision of DL at the Zimbabwe Open University. He also developed the software platform for the DL system, using open-source material. Mr. Mavata then collaborated with Mr. Nelson Mupfugami at ZIMSTAT to prepare a Strategy Note (with assistance from the SERA COP) and a software demonstration for presentation to senior management. The strategy was approved by ZIMSTAT in late March, with the requirement that the pilot phase include one participant in every province.

Mr. Mavata then conducted a week of training on the new system for four ZIMSTAT training officers, from April 15-19. The consultant recommended running the DL system on a separate server; however the IT unit at ZIMSTAT did not have a spare machine available for this purpose. As an interim solution, the SERA office provided a laptop for use as a DL server. In May and June the ZIMSTAT training officers worked with their IT unit to load two training modules onto the software platform and test the system internally, with guidance and troubleshooting from Mr. Mavata.

The next step will be a pilot test involving a roll-out of the first two training modules to several provincial offices that have adequate internet connections. DFID has indicated a willingness to provide co-financing to supply provincial offices with inexpensive laptops to be used by trainees. The pilot test will also require funding for training officers (and our consultant, initially) to visit provincial offices for demonstrating the new system to trainees in the field. This stage of activity has, however, been put on hold until a local power utility Powertel is able to install fiber optic connections in the ZIMSTAT Provincial offices throughout the country.

DEVELOPMENT OF TERMS OF TRADE STATISTICS

A second new priority for Year 2 of our program was to assist ZIMSTAT in constructing or rebasing important economic indices that are now calculated using outdated weights. As the initial focus of attention, ZIMSTAT requested STTA to develop Terms of Trade (TOT) statistics, and also to train ZIMSTAT staff in the methodology for producing this data. In January, we reached agreement with ZIMSTAT on the Scope of Work for the assignment, and ZIMSTAT approved our proposal to engage Mr. Gerald Donahoe for this job. Mr. Donahoe is an expert on economic statistics, retired from his career with the Bureau of Economic Analysis and the Census Bureau in the United States. Mr. Donahoe traveled to Harare for three weeks of field work beginning February 11. His primary counterpart was Mr. Ronald Mhlanga, who heads the trade statistics section.

Mr. Donahoe spent most of his time in the field attempting to construct time series for several TOT indices using disaggregated monthly trade data from ZIMSTAT. After attempting various methods for smoothing the volatility in the data, he found that the reported unit values for major

imports and exports were too erratic to produce meaningful or usable TOT estimates. His final report explained the data problems and recommended an alternative approach to computing TOT statistics using proxy prices for a sample of major imports and exports. This report provides a foundation for further work on this activity. At the end of Q7, SERA was still awaiting discussions with ZIMSTAT about how and when to proceed with SERA support in this area.

ZIMSTAT management was not pleased with this consultancy because it did not produce the result that they wanted. SERA subsequently proposed another highly qualified consultant to complete the exercise, along the lines proposed by the first consultant, but ZIMSTAT did not approve the proposal. At the end of Year 2 this activity was put on hold pending the identification of a consultant approved by ZIMSTAT.

OTHER SUPPORT FOR ZIMSTAT

In addition to supporting PICES, the CBR and the COS/SS, Distance Learning, and the TOT activity, the USAID SERA COP continued discussion with ZIMSTAT officials on the provision of support for handheld computer technology (HCT) for carrying out economic surveys.

The initial priority for HCT was to support the monthly Consumer Price Index surveys, as a pilot test of this technology. For this assignment, Nathan proposed an outstanding stats-IT expert, whom ZIMSTAT did not approve due to his lack of experience specifically on HCT for economic surveys in the southern Africa region. We then identified three consultants with exactly this type of experience and expertise. But ZIMSTAT then instructed us to drop the assignment until such time as funding could be found for the required hardware and software procurements. This constraint on the STTA activity arose as a result of the escalation in cost for the CBR and the SS. As explained above, these critical surveys are likely now to absorb all of our available funding support for Years 2 and 3.

Finally SERA resumed discussions with ZIMSTAT management regarding redeveloping and improving the ZIMSTAT website, as an important vehicle for the dissemination of economic and social statistics. Initial meetings were held in the last week of Year 2 with the Director General who underscored the importance of the activity, and the need to proceed post-haste. A subsequent meeting was held with the Deputy Director General, and select management staff to initiate the project, collaborates on a vision statement for the revised website, and schedule in-depth content discovery meetings (these meetings proceeded in the first week of Year 3).

6. 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 ongoing 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. 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 continued to attend the quarterly EG Partners Meeting, which was chaired by Dr. Tina Dooley-Jones. During the second meeting for the year, Dr. Bolnick made a presentation on USAID SERA Program Support to ZIMSTAT, highlighting progress on the PICES and preliminary results from that survey.

The last Partners Meeting during SERA Year 2 saw each COP prepare a 5-10 minute presentation which gave an overview of his/her program. This meeting was attended by the new Development Food Aid Program (DFAP) and implementing partners to be present were advised to concentrate more on areas of potential collaboration with both existing programs and the new DFAP.

In December, the COP responded to a request from Fintrac for assistance in obtaining disaggregated statistics from ZIMSTAT on trade in agricultural products. Also in December, the COP was invited by Zim-ACP to participate in a brainstorming session held in January to discuss approaches for promoting trade liberalization rather than protectionism in their work with partner agribusiness associations. Further planning meetings were held in April and the Combined Symposium of three ZimACP-supported associations was held in May. At the request of ZimACP, the COP gave a presentation on Competition, Tariffs and Economic Development. In addition to presenting at the symposium, the COP also reviewed a ZimACP proposal for a study on the impact of cattle imports on the livestock industry in Zimbabwe.

As noted above, SERA and ZEPARU attended a special seminar hosted January 9 by the public affairs office at the U.S. Embassy, to assist ZEPARU in developing an effective communications strategy that will build visibility and disseminate information about their research and activities.

Also, on May 14, the COR arranged a meeting for the COP and RA to brief a visiting State Department official on SERA program activities and broader economic policy issues. Finally on June 18, the COP participated in a meeting organized by the Acting COR to discuss USAID EG activities with DFID officials in order to coordinate our activities with those of a new program that DFID is developing for private sector development.

Outside the USAID community, the COP and RA had intermittent discussions on policy issues and program coordination with the WB, UNDP, DFID, ACBF and SAPST, with particular focus on coordination of support to ZIMSTAT (see Assistance to ZIMSTAT, above). In addition, the

RA briefed MOF Directors on coordination between USAID-SERA and DFID PFM training program, on 16 April 2013.

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 2 include our support and finalization of 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.

With reference to our work with ZEPARU, several SERA-supported activities during Quarter 5 involved elements relating to poverty reduction. These included: completion of the STTA work on financial sector reform, mining sector policy, and agricultural competitiveness; initiation of studies on the contribution of tourism to growth, and further studies on financial sector development; and negotiations on a contract for outsourced research on the economics of employment and job creation. In addition, the issue of poverty reduction will be a component of our work on a Tool Kit for training Parliamentarians.

The SERA RA had several discussions with ZEPARU on planning for a series of outsourced studies on the issue of inclusive growth which were initiated in Year 2. The studies were put on hold pending completion of a number of outstanding studies and will be implemented during Year 3.

For the ZIMSTAT component of the program, support for PICES has been a top priority for SERA. As explained in section 4, PICES will provide policy makers, researchers and other stakeholders with invaluable information on the incidence and distribution of poverty, and economic attributes of poor households. Specifically, the SERA COP provided detailed comments to ZIMSTAT on a draft of their methodology for calculating poverty incidence from the PICES data, and provided detailed comments to ZIMSTAT on drafts of both PICES Reports, including spotting a calculation error that led to a major revision in ZIMSTAT's estimate of the size of the informal sector for the final report.

GENDER

We apply a gender lens as far as possible in developing all activities. As with our work on poverty issues, however, the demand-driven design of the SERA program dictates that our commitment to gender mainstreaming is filtered through needs of ZEPARU and ZIMSTAT.

In addition to adhering to the standard practice of tracking participation in our activities by gender, Nathan has addressed gender considerations during Year 2 in the following ways

- Consistently emphasizing in meetings with ZEPARU and our client ministries the importance of gender balance in all training and outreach activities. At our request, for example, TRALAC incorporated gender considerations in sessions on the economics of regional integration when they facilitated the in-country short course on Regional Integration Negotiations in June.

- Working with ZEPARU to incorporate gender considerations meaningfully in scopes of work for new research supported by USAID SERA. The study on Tourism and Growth, in particular, stood out for including a significant discussion of gender considerations. Also at our request, for example, ZEPARU incorporated gender considerations in their negotiations for outsourcing research on improving the competitiveness of key industrial value chains. Also, in line with earlier discussions between SERA and ZEPARU, their new research program on private sector development includes two studies on women in business, for which we expect to provide technical assistance.
- Working with ZEPARU to achieve approximate gender balance in sponsoring economists for SERA-sponsored training activities. With reference to the summary of activities in Section 3, our results during Year 2 were as follows:
 - Short course on Financial Programming: 12 women, 13 men. (Also one male and one female STTA to facilitate the course.)
 - M.Sc. bursary: During Q5-Q7 we had 16 men and one woman, out of whom 3 graduated and one still has yet to complete his dissertation, while one first year student failed to sit for his exams and had his bursary terminated. As at end of Q8, we have 11 men and 4 women in the program, this following an intake of 3 female students.
 - Short course on Advanced Excel Skills (session 1): 6 women, 9 men.
 - Short course on Advanced Excel Skills (session 2): 6 women, 9 men.
 - Short course on Advanced Excel Skills (session 3): 7 women, 5 men.
 - External short-courses: 12 women and 19 men, resulting in a total of 31 .
 - Ph.D. bursary: 3 men, no women. The recruiting challenge for this program was discussed in earlier quarterly reports.
 - Seminar for ZEPARU on Public Relations Strategy: 3 women, 2 men.
 - Workshop on Tourism and Growth: 20 women, 27 men.
- Implementing a systematic procedure for scoring the gender content of research designs and assessing the gender content of studies, to support our M&E reporting on “gender content” of SERA-supported studies. (The first implementation was reported in our Annual Report for Year 1, submitted in October 2012.)
- Continuing to include in our M&E report a system for scoring the gender content of research designs and the gender content of SERA-supported studies (see Appendix E)
- Our support for the PICES study helped ZIMSTAT to produce the most detailed data in many years on the economic condition and poverty status of women in Zimbabwe.
- In negotiating our funding for the CBR Inquiry, ZIMSTAT agreed to our request to include in the final CBR report a chapter on Women in Business, summarizing basic economic characteristics of identifiable women-owned businesses; the data will include number of establishments, number of employees, and turnover, disaggregated by province and by ISIC classification.
- In response to a request from USAID, we added a new gender indicator to our M&E plan, GNDR-4: Proportion of target population reporting increased agreement with the concept that

males and females should have equal access to social, economic, and political opportunities. We tested the use of this indicator on the SERA-funded short-course on regional integration run by ZEPARU and TRALAC in collaboration with MRIIC. At the start of the course the facilitators handed out the questionnaire on attitudes to equal access for males and females, but they chose not to repeat the questionnaire when the course ended, viewing this as a redundant exercise. We will discuss the scope for applying this new indicator to SERA activities when USAID schedules a data quality review on this item. We will then incorporate the indicator in our M&E reports, as relevant.

Appendix E presents data on gender-related M&E indicators for Year 2, by quarter, relative to targets. We intend in Year 3 to continue to improve on the gender balance in our training activities and the extent of gender mainstreaming in our research activities.

7. WORK PLAN IMPLEMENTATION

Because all activities had to be developed and implemented in collaboration with ZEPARU or ZIMSTAT and in response to their expressed needs, some activities targeted in the Work Plan progressed slowly. Nonetheless, many elements of the program were carried out more or less on schedule during Year 2. Other activities are significantly behind schedule, such as the Parliamentary training, but now on track for implementation in Year 3.

Appendix D provides a table comparing our actual performance during Year 2 to activities targeted in the Work Plan.

8. CHALLENGES AND LESSONS LEARNED

Looking back over our activities during Year 2, the SERA team faced eight notable challenges:

1. SUSTAINING MOMENTUM IN THE CAPACITY BUILDING PROGRAM OF OUR PRIMARY COUNTERPARTS. \

The SERA program started from a relatively low level of capacity and with goodwill from both sides we started building up working and functional relationships with our primary counterparts, ZEPARU and ZIMSTAT during Year 1. Year 2 started with high expectations following the successful hosting of the Economic Conference at the Victoria Falls, co-hosted by the Ministry of Finance and ZEPARU in collaboration with the World Bank in August 2012. Two of the papers which had been commissioned during Year 1 and presented at the conference ‘Mining Policy Study’ led by Dr. Paul Jourdan and ‘Financial Sector Development and Resource Mobilization’ led by Dr. Daniel Makina, were to be completed during Quarters 5 and 6 of Year2.

While the papers which were authored by the consultants under our STTAs were both of high quality and completed in good time, this was not the case with those research studies where ZEPARU researchers were to take the lead in completing the commissioned studies. The main challenge within ZEPARU, mainly lay in the lack of internal self-drive for excellence through consistently improving quality of products. This has led to a situation where papers completed by STTAs during Q6 around March 2013, have not been finalized by the end of Year 2. The papers supported by our STTA through our subcontract E-consult, Dr. Keith Jefferis, ‘Capital Account Restrictions in Zimbabwe in the Multicurrency Period’ and ‘Zimbabwe Future Currency Regime’ fall in this category as they are yet to be completed by ZEPARU by end of Q8.

2. ABSORPTIVE CAPACITY AT ZEPARU

Operational and financial capacity constraints within ZEPARU continued to be 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. Ndelela’s services as Resident Advisor, to assist with research management, technical work, capacity building and mentoring. From Year 1 and throughout Year 2, the RA continued to be increasingly involved in helping ZEPARU with virtually all the activities under our support. Second, with the support of our full-time junior economist for secondment to ZEPARU as Training Coordinator, continued to enhance their capacity for planning and running training activities and research dissemination events. Third, we continued to obtain 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.

A fundamental lesson learnt from Year 2 is that in addition to open and frequent communication with our primary partner organizations it is essential to insist on both quality and high standards of products on one hand, and timely completion and presentation of research outputs. This is

particularly important in consistently finding ways and in building up confidence to best help our primary partners achieve their goals, within the terms of our contract.

3. FUNDING FOR OUTSOURCED RESEARCH

Even after overcoming some of the initial challenges that arose when we initiated our support to ZEPARU for research and analysis, though our plans for outsourcing were well advanced by end of Year 1 and beginning of Year 2, it took virtually the whole of Q5 for the RA to work with ZEPARU in developing the SOW and all the necessary technical and administrative systems for commissioning outsourced research studies. The first outsourced product on 'Employment Creation' awarded to LEDRIZ, a local think-tank has taken the whole Year 2 to complete, largely because of slow progress by ZEPARU researchers to provide adequate and timely oversight of the outsourced work.

4. STRUCTURING OUR FUNDING FOR STATISTICAL DEVELOPMENT ACTIVITIES

In spite of the lessons and experience learnt from the PICES which was a year-long survey conducted June 2011 - May 2012 covering a nationally representative sample of nearly 32,000 households, ZIMSTAT faced new challenges 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 (now SS) 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

The identification of the qualified applicants from the economic ministries became a major challenge for the SERA program. Unlike in the case of M.Sc. candidates, the applicants for Ph.D. bursary support were not forthcoming from both the Government economic ministries. Thus of the four candidates for the Ph.D., 3 came from the RBZ and one from the MOF. The candidate from the MOF dropped out for reasons explained section 3 of this report, leaving the three from the central bank to continue with the program.

Though, initially it was thought that there was little information filtering through to all departments of the government ministries about our Ph.D. program through ZEPARU, a safe conclusion from this experience is 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. Even more important, many government economists lack the academic qualification for admission to a Ph.D. program at a major regional university. After it became evident during the course of Year 2 that we had fallen below our budget target for the Ph.D. component of the program; the SERA team, has worked with the COR to think of ways of reallocating 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. Delays in program implementation cited above were reflected in a budget utilization rate of just over 50 percent for Technical Services during Year 1 and the situation did not change for the better in the course of Year 2. 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; only one research study undertaken during the year of the budget line for outsourced research; and delays in completing already commissioned work by ZEPARU; the decision by ZIMSTAT to take more time in planning the CBR and COS projects. These factors were not only particular to Year 1 as they continued to recur during Year 2.

7. GENDER MAINSTREAMING

As discussed in the Gender section above, we continued to fall well short of our targets for gender mainstreaming during Year 2. One basic challenge is that we continued to face a large gender imbalance within the groups we target for support. For example, at the end of Q8, we have 11 men and 4 women in the program, this following an intake of 3 female students in the current academic year. Women continued to be under-represented among the eligible candidates from the start of the program, and two of the four women who were accepted decided to decline the bursary.

Second, for most of the activities we support, participation is determined by our partner agencies. During Year 2, we continued to 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. At the end of Year 2 out of 31 candidates 12 were women.

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 endeavored to 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.

With the completion of the ZEPARU website (with our support), wider dissemination of ZEPARU products is expected. Nevertheless, the question remains: Will the institution be able to

engage the media more widely in disseminating its products. The Nathan team has continued to discuss holding research seminars for a broader public audience and distributing press releases after research workshops. We hope to make progress on these ideas in Year 3.

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

9. 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 percent as of mid-2011, to 4.7 percent as of September 2012. This is comparable to the MOF growth projection for 2012 which has been revised downward to 5.6 percent. 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 percent 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 percent in 2011 to 16.4 percent 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. PROGRESS REPORT FOR JULY–SEPTEMBER 2013 (QUARTER 8)

[This appendix serves as the QPR for Quarter 8. It is due on October 30 and will be completed by that date.]

APPENDIX B. YEAR 2 SHORT-TERM TECHNICAL ASSISTANCE

Consultant	Expat/TCN/CCN	Organization	Assignment	Days Approved/Used	Dates (o/a)	Status Sep. 30
Beverley Carlson	Expat	Nathan	ZIMSTAT—Stats backstopping for COP (renewal of assignment)	30/23 (5 used in Y2)	June 1–Dec. 31, 2012	Complete
Keith Jefferis	TCN	Econsult	ZEPARU—Study on currency regime and monetary policy	15/15 (15 used in Y2)	July 18–Sept. 7, 2012, extended to June 30, 2013	Awaiting deliverable approval from ZEPARU
Sarathiel Chaipa	CCN	Nathan	ZEPARU Website upgrade oversight	10/7	Oct. 8, 2012–April 30, 2013	Complete
Mark Ellyne	TCN	Nathan	Financial programming course	26/26	Nov. 5–Dec. 21, 2012	Complete
Threza Mtenga	TCN	Nathan	Financial programming course	18 /18	Nov. 5–Dec. 21, 2012	Complete
Daniel Makina	CCN (regional)	Imani	ZEPARU –Study on Financial Sector Development	30/30	Nov. 15, 2012–June 30, 2013	Complete
Shepherd Nyaruwata	CCN	Imani	Mentoring on tourism development study	20/20	Nov. 20, 2012–Feb. 28, 2013 extended to April 15, 2013	Complete
Stephen Yeo	TCN	Nathan	Financial and institutional sustainability	25/25	Dec. 17, 2012 – March 30, 2013 extended to June 30, 2013	Complete
Gerald Donahoe	Expat	Nathan	Terms of trade data for Zimbabwe	25/25	February – March 28, 2013	Complete
Goodbye Mavata	CCN	Nathan	Developing and implementing distance learning modules for staff training – ZIMSTAT	25/17	Feb. 5–March 28, 2013 extended to July 31, 2013	Ongoing
Honest Zhou	CCN	Nathan	M.Sc. bursary student support	4/3	Feb. 5–Dec. 15, 2013	Ongoing
Beverley Carlson	Expat	Nathan	ZIMSTAT –Stats backstopping for COP (renewal of	30/19	March 15–Dec. 31, 2013	Ongoing

Consultant	Expat/TCN/CCN	Organization	Assignment	Days Approved/Used	Dates (o/a)	Status Sep. 30
			assignment)			
Ivy Gurure	CCN	Nathan	Populating ZEPARU Website with economics content	27/27	March 15–April 19, 2013	Complete
Stephen Peterson	Expat	Nathan	Public finance management and budget control	18/0	June 3–June 7, 2013	Not yet started
Robert Kirk	Expat	Nathan	Regional integration study	20/7	July 8–Oct. 31, 2013	Ongoing
Ithiel Mavesere	CCN	Nathan	Economic literacy toolkit for parliamentarians	30/30	July 15–Aug. 16, 2013	Awaiting deliverable approval from ZEPARU
Paul McNelis	Expat	Nathan	Applied econometrics for policy research	25/0	July 29–Aug. 9 extended to Oct. 31, 2013	Ongoing, course postponed to October. 2013
Daniel Fitzpatrick	Expat	Nathan	Bankruptcy study	25/13	Aug. 19–Nov. 30, 2013	Ongoing

APPENDIX C. EQUIPMENT PROCURED FOR ZIMSTAT AND ZEPARU

Description	Serial Number	Acquisition Date	Value	Location as of Sep. 30, 2013
PROCUREMENT FOR ZIMSTAT CBR-COS PROJECT				
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
Dell Latitude E5420 Laptop w/case	DNMM4S1	14-May-12	\$1,489	ZIMSTAT *
PROCURED FOR ZEPARU BURSARY PROGRAM				
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. (graduated)
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. (graduated)
Dell Latitude E5420 Laptop w/case	DNMP5S1	16-Feb.-12	\$1,345	Mfunda F.

Description	Serial Number	Acquisition Date	Value	Location as of Sep. 30, 2013
Dell Latitude E5420 Laptop w/case	6J7MGV1	24-Aug.-12	\$1,666	SERA office (returned)
Dell Latitude E5420 Laptop w/case	9J7MGV1	24-Aug.-12	\$1,666	Chimombe S.
Dell Latitude E5420 Laptop w/case	DJ7MGV1	24-Aug.-12	\$1,666	Gwandiregera B.
Dell Latitude E5420 Laptop w/case	BX6MGV1	24-Aug.-12	\$1,666	Masiwa I.
Dell Latitude E5420 Laptop w/case	1N7MGV1	24-Aug.-12	\$1,666	Chivore P.
Dell Latitude E5420 Laptop w/case	277MGV1	24-Aug.-12	\$1,666	Muzimba D.
Dell Latitude E5420 Laptop w/case	DG7MGV1	24-Aug.-12	\$1,666	Chihava E. (graduated)
Dell Latitude E5420 Laptop w/case	FG7MGV1	24-Aug.-12	\$1,666	Njokwe G.
Dell Latitude E5420 Laptop w/case	6R7MGV1	24-Aug.-12	\$1,666	Madhunguyo C.
Dell Latitude E5420 Laptop w/case	FN7MGV1	24-Aug.-12	\$1,666	Makacha K.
Dell Latitude E5420 Laptop w/case	6W6MGV1	24-Aug.-12	\$1,666	Mupunga N. (Ph.D.)
Dell Latitude E5430 Laptop w/case	H1GDLV1	17-April-13	\$1,499	Moyo S. (Ph.D.)
Dell Latitude E5430 Laptop w/case	10GDLV1	30-April-13	\$1,499	Kavila W. (Ph.D.)
PROCURED FOR ZEPARU RESEARCHERS				
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-June-12	\$1,675	ZEPARU

**This laptop was previously a spare in the SERA office, and subsequently moved to ZIMSTAT to host the distance learning system, which is in development.*

APPENDIX D. IMPLEMENTATION OF YEAR 2 WORK PLAN TASKS

Task	Status at End of Year 2
1. MANAGEMENT AND ADMINISTRATION SERVICES	
1.1. PROJECT MANAGEMENT AND ADMINISTRATION	
Coordinate with COR, other USAID programs, other key donors	Ongoing
Develop and manage STTA and MTTA assignments	Ongoing
Maintain project accounts consistent with budget parameters, and documentation for audit	Ongoing and up to date
Maintain documentation for activities, expenditures, and monitoring indicators	Ongoing and up to date
Complete IT review in compliance with ADS 548	Nathan HQ assessed ADS 548 requirement, in consultation with USAID/W, concluding that the review is not indicated at this time
Provide Training Coordinator to ZEPARU for management of SERA-supported activities	Ongoing
1.2. REPORTS	
Submit Annual Report for Year 1 (also serving as Quarterly Report for Q4)	Done
Work Plan revision, if necessary	Year 2 Work Plan approved by USAID; no changes made during Q7 ; additional activities approved by USAID case-by-case
Submit Quarterly Progress Reports	Done
Submit Quarterly Financial Reports	Done
Submit Quarterly Accrual Reports	Done
Submit Activity Reports, Success Stories	Three success stories were produced for the High Level Economic Forum at Victoria Falls, the Poverty, Income, and Expenditure Survey, and Revised National Accounts.
Submit monthly activities reports and weekly highlights to mission	Monthly activity reports submitted on schedule Weekly bullets submitted to COR as warranted
Submit Annual Work Plan for Year 3	Done
Submit updated M&E Plan for Years 3 and 4	Done
Submit reports and information products to DEC	Guidance from COR received on materials to be submitted to DEC. Nathan HQ processes the documents for submission as available; frequent delays in getting final formatted copies from partners.
2. ASSISTANCE TO ZEPARU	
Provide Senior Advisor to ZEPARU, Dr. Daniel Ndlela	Done
Provide financing for three research interns	Ongoing, until the expiry of their contract in March 2014.

Task	Status at End of Year 2
Coordinate with ZEPARU on priorities, activities	Ongoing, but with slow progress on many activities – see Sections 3 and 7 in the text.
Liaise with MOF, MEPIP, Parliament, through ZEPARU	Intermittent. In addition to liaison through ZEPARU, the SERA RA has informal discussions with senior officials at MOF. During Q7, USAID and the MOF reached agreement to expand the SERA scope to include direct support to the Ministry. At the end of Q8, the SERA team and USAID COR held the first meeting with the MOF’s Training Committee where the procedures and rules governing the SERA program support were explained. See item 2.2 below for status of liaison with Parliament
Liaise with other USAID projects and other donors to coordinate SERA support for ZEPARU	The COP continued to hold intermittent meetings and discussions with WB, UNDP, DFID, and the AfDB for coordination of activities.
Coordinate with ZEPARU in developing Work Plan for Year 3 of the SERA Program	To begin in July.
2.1. RESEARCH AND ANALYSIS	
Provide technical support and mentoring to assist ZEPARU in producing at least five high quality research products on topics of importance to MOF and MEPIP.	<ul style="list-style-type: none"> • Continued STTA-mentoring of 5 ZEPARU studies on financial sector development (Daniel Makina). Four of the studies were presented at a dissemination workshop on 24 July at Pandare Lodge in Harare. The fifth research study on inclusive financial growth was judged to be very weak, and it was recommended that it should be produced with the direct involvement of the STTA, Daniel Makina. • Provided technical support for final revision of ZEPARU study on Access to Bank Credit as a Strategy for Re-Industrialization Completed STTA-mentoring for study of Capital Account Restrictions (Keith Jefferis); however, the study was not completed in Q8, now to be finalized in early Q9. • The STTA-mentoring for Zimbabwe country study on the Tripartite Free Trade Agreement ongoing (Robert Kirk) Study to be finalized in Q9. • Produced first draft of study on Modernizing the Laws and Procedures for Resolving Insolvency in Zimbabwe (Daniel Fitzpatrick). Study to be finalized in Q9. • Initiated search for STTA to mentor series of studies on Private Sector Development, but the initiative was put on hold until all outstanding studies are completed during Q9.
Provide funding as “paying agent” for ZEPARU for completion of three outsourced research projects and at least four new outsourced projects	
Economics of Employment Creation	Contract between ZEPARU and LEDRIZ (and between ZEPARU and SERA for funding) ongoing; LEDRIZ submitted draft for review at the end of June, two months overdue. Final study delivered with substantial revision to improve the quality of the research as requested by SERA.
4 x competitive grant from ZEPARU for policy research in key areas	SERA office assisted ZEPARU with completion of due diligence analysis of the value chains tenders. By end Q8 USAID approval received for all the four studies, and the contracts for carrying out the studies were signed with ZEPARU The studies are expected to take 3 months following contract signing, that by end of December 2013.
Paths to Inclusive Growth	Concept note being revised; process on hold until ZEPARU completes contracts for the industrial value-chain studies.
Financial and institutional sustainability study for ZEPARU	Assignment implemented as STTA (Stephen Yeo) rather than through outsourcing. Final report delivered in August.

Task	Status at End of Year 2
Enhancing the Role of Women in Business	ZEPARU is now planning two studies on women in business as part of a series of in-house research papers on private sector development, to be supported by SERA STTA.
Provide capacity building support in managing outsourced research	During Q7 and Q8, SERA office provided major support for process of evaluating cost proposals in accordance with USAID regulations for eligibility, and guiding procedures for negotiation between ZEPARU and top-ranked offerors.
Incorporate gender mainstreaming in policy studies	SERA office continued to review SOWs and draft reports for gender content, and tracks gender content using scoring system specified in our M&E plan.
Assist ZEPARU in strengthening capacity to produce policy briefs in response to ad hoc requests from Government	Production of policy briefs has become a regular feature of ZEPARU plans for producing policy studies receiving USAID SERA support. To date only two policy briefs have been prepared – for the Makina study and the Webber study (see above). But none have been issued, awaiting a formal launch event by ZEPARU. No progress in getting ZEPARU to produce short, timely, rapid-response policy briefs on “hot” policy issues by end of Q8.
Assist ZEPARU in developing press releases on research findings	Through COR, USAID public affairs office provided PR training for ZEPARU, on Jan 9. SERA office assisted ZEPARU in preparing first press release, on Makina’s financial sector study, but ZEPARU has not yet issued any press releases, pending formal launch of the research products. There were no new press releases issued during the course of Q8.
Assist ZEPARU with planning and delivery of monthly research dissemination seminars	Ad hoc activity. During Q5 presentations for ZEPARU research staff given on: GTAP database and Modeling System (P Minor); Writing winning grant proposals (D Ndlela and A Zengeni); and during Q7 one research seminar conducted on Access to Finance. USAID SERA supported the Access to Finance paper only through providing comments by STTA, COP and RA.
Complete assistance for upgrading ZEPARU website	Website redesign and upgrade completed.
Assist ZEPARU in developing website content, including on-line library of resource materials (data, documents and research links)	SERA-funded STTA completed work in April; new website includes excellent links to local, regional and international resources.
Assist ZEPARU in enhancing access to international data and studies for research staff	We pursued this activity through STTA engaged for research mentoring and through data links on new ZEPARU website content.
2.2. PARLIAMENTARIAN TRAINING	
In collaboration with Parliamentary leaders and SAPST: design, staff, schedule and deliver at least six SERA-supported seminars for Parliamentarians on Economic and Financial Literacy.	In February, SAPST discussed the ZEPARU-SERA training proposal with Parliamentary leaders. They decided to defer the program to the next Parliament, and asked ZEPARU and SAPST to develop a training tool kit for this purpose, with SERA-supported STTA. During Q7 the SOW was developed and a well-qualified candidate identified. The assignment was completed by the consultant at the end of Q8 and should be finalized and submitted to SERA by ZEPARU in early Q9.
Implement Certificate Program in Basic Economics for Parliamentarians, through ZEPARU	Included in the ZEPARU-SERA proposal for economic literacy training. Implementation deferred until the next Parliament.
2.3. SHORT-TERM TRAINING OF ECONOMISTS	
With ZEPARU, quarterly review of training priorities for SERA support	ZEPARU provides a table of training priorities for USAID SERA support and updates as needed, but also responds to un-programmed requests from key ministries. See text for details.

Task	Status at End of Year 2
With ZEPARU, design, develop and deliver five customized local short-courses for economists.	
Financial Programming	Short course delivered Dec 2012. Follow-up training in this area is now being provided by the IMF.
Advanced Excel spreadsheet skills	Short-course delivered three times, in January, February and April. Fourth run to be scheduled by ZEPARU during Q8 was postponed and should be resumed during early Year 3.
Other in-country short-courses	Short-course on Regional Integration completed, June 3-7, facilitated by TRALAC. Planning in progress for two other in-country short-courses: Public Finance Management and Budget Control, which has been deferred to Year 3 pending discussion with the MOF; Applied Econometrics for Policy Research, which to be undertaken in early Q. In-country course on Monitoring and Evaluation of Projects on hold because intended facilitator is no longer available.
Support 20 government economists to attend regional short-courses (two per course)	Two economists sponsored to attend 2-week MEFMI course in April on Fiscal Policy and Aid Coordination, in Kigali, Rwanda. Three economists sponsored to attend 2-week ESAMI course in April on Engendering National Budgets, in Arusha, Tanzania. Three economists sponsored to attend 2-week ESAMI course in April on Advanced Public Sector Financial Management, in Mombasa, Kenya. Three economists sponsored to attend 1-week TIPS course in May on Introduction to CGE Modeling with GAMS, in Pretoria, South Africa. Four economists sponsored to attend 2-week MEFMI course in May in Advanced Macroeconomic Analysis and Management, in Kigali, Rwanda. Two economists sponsored to attend 2-week MEFMI course in June on Balance of Payment Manual, in Maseru, Lesotho.
Support eight government economists to attend longer regional training courses (two per course)	The contract defines “longer” course as being from 2 to 4 weeks. Hence, all of the 2-week trainings listed above could be classified as “longer” courses.
Support three government economists to attend BLS course in Washington on Economic Indicators	No requests received for Washington-based training during the course of Year 2.
Conduct ex-post evaluations 6 months after each training event to assess value on the job and knowledge retention	Ongoing
2.4. LONG-TERM TRAINING OF ECONOMISTS	
Continue bursary funding for government economists selected as ZEPARU Economics Scholars for part-time M.Sc. program in Economics at UZ	Seventeen bursary recipients finished second semester in M.Sc. program at UZ. 4 of them completed their degree program. While the original intention was to induct up to 7 new bursary recipients to begin this program in August 2013, only 3 women candidates were successful inducted into the program.
Continue monitoring use of laptop computers provided by SERA to ZEPARU Scholars at UZ	Ongoing, at intervals of 6 months; intern engaged to assist.
Complete decisions on SERA funding of bursaries to up to five government economists for Ph.D. programs in economics at UCT or another regional institution (full time or part time)	Four economists – three from RBZ and one from MOF – were approved for Ph.D. bursaries in South Africa beginning in February 2013. The MOF economist had to drop out during Q7 because Public Service Commission did not approve his study leave.
Provide full funding for government economists selected as ZEPARU Scholars for Ph.D. programs	Funding being provided to Ph.D. bursary recipients for registration, visa, health insurance, travel, lodging, subsistence expenses, and books.

Task	Status at End of Year 2
Provide laptop computers to government economists selected for SERA-funded ZEPARU Scholars for Ph.D. programs	Done.
Provide necessary logistical and personal support to SERA-funded ZEPARU Scholars in South Africa	Ongoing, through SERA-funded training coordinator at ZEPARU and Training coordinator at SERA office.
Monitor use of laptop computers provided by SERA to ZEPARU Scholars (M.Sc. and Ph.D.)	Ongoing, at intervals of 6 months; intern engaged to assist, under direction of SERA Training coordinator
Track progress of all SERA-funded bursary students	Ongoing, through SERA-funded training coordinator at ZEPARU and Training coordinator at SERA field office
2.5 WORKSHOPS/RESEARCH DISSEMINATION EVENTS	
Assist ZEPARU in planning, organizing and implementing annual International Economics Conference for 2013 (possibly in collaboration with MOF)	Discussions in principal during Q7 and Q8, but no progress.
Assist ZEPARU in presenting at least 2 other workshops to disseminate research and foster discussion of economic policy issues	No SERA-funded seminars or workshops during Q7 and Q8, though leaving all ZEPARU's seminars for several SERA-supported studies, as well as website launch for Q9.
3. ASSISTANCE TO ZIMSTAT	
Coordinate with ZIMSTAT on priorities, activities	Ongoing meetings as needed, determined by progress with ongoing activities and ZIMSTAT schedules.
Liaise with other donors to coordinate SERA support for ZIMSTAT	Ongoing intermittent discussions with WB, UNDP, DFID, and AfDB.
Fund completion of Central Business Register (CBR) project	ZIMSTAT restructured the CBR implementation plan due to problems accessing ZIMRA administrative records. During Q6, SERA funded field work to compile business license lists from local government offices and processing of this data set. During Q7, SERA signed contract for implementing the full CBR questionnaire based on this business license list, which contains 76,000 entries, and in Q8 negotiated and signed contract for processing of the CBR questionnaire data.
Fund completion of Census of Services (COS) project	ZIMSTAT has restructured the COS as a Survey of Services (SS) to be carried out with SERA support after CBR project is finished (to provide the sampling frame). SS now scheduled to begin in the first quarter of 2014.
STTA for creation of service sector index (or multiple indices)	Scheduled to take place after SS finished. (see previous entry)
STTA for rebasing of Volume of Manufacturing Index, Terms of Trade Index, and possibly other economic indices	At ZIMSTAT request, activity began with Terms of Trade Index; SERA STTA (Gerald Donahoe) conducted field visit in February. He found problems with import and export unit values in the trade data and recommended alternative approach using proxy price indices; SERA identified another consultant to complete this work, but ZIMSTAT has not approved the proposal. At end of Q7 activity on hold and was not resumed by end of Year 2.
STTA for development of on-line and distance-learning training modules	Distance-learning IT expert engaged as STTA; assisted ZIMSTAT with strategy paper and software demonstration to management; trained 3 ZIMSTAT training officers, who then populated the software platform with pilot training module. Roll-out of pilot test to begin with support from SERA STTA once district internet connections upgraded.
STTA and funding for infrastructure to implement and sustain on-line and distance-learning training modules	See previous entry. Distance learning strategy included specification of IT infrastructure requirements, but ZIMSTAT management determined that SERA funding should be allocated to CBR and SS. Roll-out of pilot will depend on co-financing for the IT procurements.

Task	Status at End of Year 2
STTA and equipment for pilot project to introduce PDA technology to economic surveys.	SOW presented to ZIMSTAT at the end of January and approved by ZIMSTAT in May. SERA presented CVs for four highly qualified consultants, but ZIMSTAT decided to put this on hold due to SERA resource constraint for funding the necessary equipment (see previous entry).
Co-finance public information events and workshops for data producers and data users in the National Statistical System (NSS), relating to SERA-funded activities	No requests from ZIMSTAT for SERA funding in this area for Q7 and Q8; thus leaving the stakeholder workshop included in funding for final stage of CBR during Year 3.

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 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
ASSISTANCE TO ZEPARU AND MOF										
A. RESEARCH AND ANALYSIS										
1.	Number of completed policy studies by ZEPARU with SERA support and for the MOF: total, and with gender content	0	ZEPARU	Total: 8 With gender content: 2	Total: 8 With gender content: 4	Total: 1 Mining Sector Policy With gender content: 1	Total: 1 Agriculture Competitiveness Study With gender content: 1	Total: 2 Tourism Study; Choice of Future Currency Regime Study With gender content: 1	Total: 0	Total: 4 With Gender Content: 3 (details shown by quarter)
2.	Number of completed policy studies outsourced by ZEPARU with SERA support: total, and with gender content	0	SERA	0	Total: 4 With Gender Content: 2	0	0	0	0	0
3.	Person-hours of training completed in fiscal policy and fiscal administration supported by USG assistance (USAID PMP indicator): total, women	0	SERA	Total: 1680 Women: 400	Total: 2500 Women: 1250	Total: 2730 Women: 695	Total: 212 Women: 159 (Hours by MSc and PhD bursary recipients counted when courses are completed)	Total: 3375 Women: 706 (Hours by MSc and PhD bursary recipients counted when courses are completed)	Total: 1283 Women: 335 (Hours by MSc and PhD bursary recipients counted when courses are completed)	Total: 7600 Women: 1895
4.	Number of days of SERA technical assistance in fiscal policy and fiscal administration (USAID PMP indicator)	0	SERA	285	360	138	78 (revised in Q7)	117	109	442
B. PARLIAMENTARIAN TRAINING										
5.	Number of SERA-supported seminars for Parliamentarians, on economic policy and economic literacy.	0	SERA	0	6 seminars	0	0	Plans for development of economic literacy tool kit developed. Clerk of Parliament requested deferment until	SERA STTA completed and submitted the final draft of the economic literacy tool kit. Consultations with Clerk of Parliament on	0

	Item	Baseline	Source	Year 1 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
								next Parliament.	program launch to begin in Q9	
6.	Number of Parliamentarians trained with SERA support: total, women	0	SERA	0	Total: 100 Women: 50	0	0	0 (see previous line)	0 (see previous line)	0
C. SHORT-TERM TRAINING OF ECONOMISTS										
7.	Number of SERA-supported customized short-courses for training economists.	0	SERA	1 customized short course	5 customized short courses	1 customized short course (Financial Programming)	2 customized short courses (Advanced Excel)	2 customized short courses (Advanced Excel, Regional Trade)	1 customized short course (Macroeconomic Framework)	6 customised short courses (Details shown by quarter)
8.	Number of economists attending customized short-courses: total, women	0	SERA	Total: 17 Women: 4	Total: 100 Women: 50	Total: 24 Women: 12	Total: 30 Women: 12	Total: 38 Women: 16	Total: 29 Women: 7	Total: 121 Women: 47
9.	Number of individuals sponsored to attend external training courses: total, women	0	SERA	Total: 12 Women: 5	Total: 20 Women: 10	Total: 2 Women: 1	Total: 4 Women: 3	Total: 17 Women: 6	Total: 8 Women: 2	Total: 31 Women: 12
D. LONG-TERM TRAINING OF ECONOMISTS										
10.	Number of individuals w/ SERA bursaries to part-time MSc in Economics at U Zimbabwe: total, women	0	SERA	Total: 18 Women: 2	Total: 20 Women: 10	Total: 17 Women: 1	Total: 17 Women: 1	Total: 17 Women: 1	Total: 15 Women: 4	Total: 15 Women: 4
11.	Number of individuals w/ SERA bursaries to PhD in Economics at UCT or a comparable university (University of Pretoria and Nelson M&Ela Metropolitan University) in South Africa - total, women	0	SERA	0	Total: 5 Women: 3	Total: 1 Women: 0	Total: 4 Women: 0	Total: 3 Women: 0	Total: 3 Women: 0	Total: 3 Women: 0
E. WORKSHOPS (FOR OUTREACH/DISSEMINATION)										
12.	Number of SERA-supported outreach/dissemination workshops	0	SERA	4	3	2 (World Bank/ZEPARU High level tech. dialogue, Training Needs Workshops)	1 (Tourism study dissemination workshop)	0	0	3 (Details shown by quarter)
13.	Number of participants in SERA-	0	SERA	Total: 366	a) Total: 300	a) Total: 215	a) Total: 47	0	0	a) Total: 262

	Item	Baseline	Source	Year 1 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
	supported workshops or seminars a) total, women b) government, private sector, ZEPARU/SERA, other			Women: 81 Government: 166 Private sector: 62 ZPR/SERA: 49 Other: 89	Women:150 b) For tracking purposes no targets	Women: not available b) Government: 71 Private Sector: 40 ZPR/SERA: 19 Other: 85	Women: 20 b) Government: 14 Private Sector: 11 ZPR/SERA: 15 Other: 7			Women: data not available b) Government: 85 Private Sector: 51 ZPR/SERA: 34 Other: 92
ASSISTANCE TO ZIMSTAT										
A. IMPROVE ORGANIZATION AND COORDINATION OF NSS										
14.	Number of documents containing meta-data and data manuals produced and posted on-line with SERA support	0	SERA	0	2	0	Methodology descriptions and data definitions will be in the PICES report, to be launched in April.	Methodology descriptions and data definitions available in the PICES report launched in April.	0	1 (details shown by quarter)
15.	Number of SERA-supported public information events on economic statistics, through ZIMSTAT	0	SERA	0	3	0	0	0	0	0
16.	Number of participants in SERA-supported public events through ZIMSTAT - total, women	0	SERA	0	Total: 150 Women: 75	0	0	0	0	0
B. DEVELOP PHYSICAL, IT AND STATISTICAL INFRASTRUCTURE										
17.	Number of SERA-supported training events for ZIMSTAT staff	0	SERA	3 (2 study tours, 1 training workshop)	2	1 (training workshop for enumerators)	0	1 (Distance Learning Training of trainers)	0	2 (details shown by quarter)
18.	Number of participants in SERA - supported training courses for ZIMSTAT staff - total, women	0	SERA	Total: 32 Women: 6	Total: 40 Women: 20	Total: 179 Women: 48	0	Total: 4 Women: 0	0	Total: 183 Women: 48
19.	Cum. number of distance learning training modules in economic statistics developed/supported by SERA	0	SERA	Online training courses to be developed with ZIMSTAT in	1	STTA recruiting begun in Dec for development of on-line and distance-learning	SERA STTA developed software platform for DL system and strategy	DL Training of trainers undertaken in April. SERA STTA	Initiation of pilot phase of implementation of DL and SERA support for DL	Software platform for DL system and strategy paper for provision of

	Item	Baseline	Source	Year 1 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
				SERA Year 2		training modules	paper for provision of DL that was approved in March. Training of trainers to begin in April.	supporting the development of training modules and systems in provincial offices. Initiation of pilot phase of implementation expected in Aug	put on hold because SERA assistance in Q8 focused on development of CBR	DL developed. Training of trainers undertaken in April. Initiation of pilot phase of implementation of DL and SERA support put on hold because SERA assistance in Q8 focused on development of CBR

Table E-2. Intermediate Result Indicators

	Item	Baseline	Source	Year 1 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
ASSISTANCE TO ZEPARU AND MOF										
A. RESEARCH AND ANALYSIS										
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	Total: 6 With gender content: 3	Total: 10 With gender content: 5	0	Total: 1 Tourism Sector Study With gender content: 1	Total: 1 Access to Bank Credit With gender content: 0	Total: 4 • Role of Financial Sector in the Economy • Financial Liberalization and Crises • Financial Regulation and Supervision • Access to Bank Credit as a strategy to Industrialization (gender content to be determined after completion of papers)	Total: 5 • Tourism Sector Study • Role of Financial Sector in the Economy • Financial Liberalization and Crises • Financial Regulation and Supervision • Access to Bank Credit as a strategy to Industrialization
2.	Number of economic research material available through online library on the ZEPARU website	12 (9 Periodic articles, 3 serials)	ZEPARU	Data not available. Website down. SERA supporting website upgrade.	>=60 papers	Website down. Data not available. (SERA assisting with website upgrade.)	6 (2 research papers, 4 economic barometers)	24 (15 research papers, 8 economic barometers, 1 policy brief) 77 economic resource links	27 (16 research papers, 9 economic barometers, 2 policy briefs) 77 economic resource links	27 (16 research papers, 9 economic barometers, 2 policy briefs) 77 economic resource links
B. PARLIAMENTARIAN TRAINING										
3.	Number of MPs completing Certificate Program: total , women	0	Parliament	Proposal completed. Awaiting discussion with Parliament	Total: 10 Women: 5	SAPST discussed plan with Clerk of Parl. Launch event expected next quarter.	Clerk of Parliament resolved that program be deferred to the	Prepared SOW and identified STTA to draft "Tool Kit" for parliamentarian	SERA STTA completed and submitted the final draft of the economic literacy	0

	Item	Baseline	Source	Year 1 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
							next Parliament. SERA, ZEPARU and SAPST seeking STTA to draft a "Tool Kit" for the training	training. Preparation and launch of "Tool Kit" expected to begin in July and to be finished in Aug	tool kit. Consultations with Clerk of Parliament on Program launch to begin in Q9	
C. TRAINING OF ECONOMISTS										
4.	Cum. number of semesters completed by gov't economists pursuing MSc-Econ at U Zim w/ SERA support - total, women	0	University of Zimbabwe	6 (of 8 bursary recipients, 6 passed, 1 failed, 1 is waiting to sit for suppl. exam. (No women in first cohort of MSc bursaries)	Total: 48 Women: 24	Total: 24 Women: 1	Total: 24 Women: 1	Total: 41 Women: 2	Total: 40 Women: 2 (One bursary recipient did not sit for examinations, his bursary support was terminated)	Total: 40 Women: 2 (One bursary recipient did not sit for examinations, his bursary support was terminated)
D. WORKSHOPS (FOR OUTREACH AND DISSEMINATION)										
5.	Number of press releases published or positive news reports on SERA-supported research or outreach/dissemination events: total, and with gender content	0	SERA	Total: 9 With gender content: 0 Details on file available on request	Total: 10 With gender content: 5	0	Total: 1 (Value Chains Studies) With gender content: 0	Total: 1 (Tourism study) With gender content: 0	Total: 2 (Financial Sector Studies) With Gender content: 0	Total: 4 With Gender content: 0 (details shown by quarter)
ASSISTANCE TO ZIMSTAT										
A. IMPROVE ORGANIZATION AND COORDINATION OF NSS										
6.	Number of economic reports produced by ZIMSTAT with lag of no more than 12 months	2 – revised (CPI report; Poverty Datum Line Report)	ZIMSTAT	4	6	4 Quarterly Digest of Statistics, CPI, Business Tendency Survey, Poverty Datum Line Report	4 Quarterly Digest of Statistics, CPI, Business Tendency Survey, Poverty Datum	6 Quarterly Digest of Statistics, CPI, Business Tendency Survey, Poverty Datum Line Report, PICES Report,	4 Quarterly Digest of Statistics, CPI, Poverty Datum Line Report, Compendium of statistics 2012	7 Quarterly Digest of Statistics, CPI, Business Tendency Survey, Poverty Datum Line Report, PICES Report,

	Item	Baseline	Source	Year 1 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
							Line Report	Poverty and Poverty Datum Line Analysis in Zim.		Poverty and Poverty Datum Line Analysis in Zim, Compendium of statistics 2012
B. DEVELOP PHYSICAL, IT AND STATISTICAL INFRASTRUCTURE										
7	Completion and publication of the Poverty, Income, Consumption Expend. Survey (PICES)	field work underway	ZIMSTAT	Field work, data entry, processing and SERA STTA completed. Draft ICES report completed for tech. committee review.	Report completed and disseminated	Final Draft of ICES report completed. Findings presented to the tech. steering committee. Stakeholders' workshop to discuss findings expected in Q2	Stakeholder workshop to discuss findings of PICES undertaken in March 2013. Official launch of the PICES report to take place in April 2013	PICES Report completed and launched in April 2013.	PICES Report completed and launched in April 2013.	PICES Report completed and launched in April 2013.
8	Completion of Central Business Registry (CBR) update	poor quality data	ZIMSTAT	Field work delayed for plan revision. Local and regional study visits and training of trainers conducted. Training of 130 enumerators and 20 teams leaders planned for October 2012	Results Disseminated	CBR, COS (now SOS) training of 179 enumerators and team leaders completed in October 2012. Schedule for data collection depends on negotiations with ZIMRA for lists of tax filers.	Nationwide field operation for compiling business license lists completed. Data entry and processing underway.	Data processing and compiling of 76,000 licensed businesses completed. SERA funding for CBR survey based on this master sampling frame to start mid-July 2013	CBR Inquiry started in early August and is expected to be completed in Jan 2014 (several rounds of field visits to be undertaken to recover questionnaires)	Data collection, processing and compilation of 76,000 licensed businesses completed. CBR Inquiry started in early August and is expected to be completed in Jan 2014.
9	Completion and publication of Census of Services (COS)- changed to Survey of Services (SOS)	Last done 1981 (partial coverage only)	ZIMSTAT	Plan approved but being reconsidered in light of study tours and STTA.	SOS completed and index of Services developed	COS converted to Survey of Services (SOS). SERA funding on hold pending restructuring of implementation plan. SS to take place after CBR is	SOS to take place after CBR is finished.	SOS likely to take place in 2014 after CBR is finished.(see previous line)	SOS likely to take place in 2014 after CBR is finished.(see previous line)	SOS likely to take place in 2014 after CBR is finished.(see previous line)

	Item	Baseline	Source	Year 1 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
						finished.				
10	Number of ZIMSTAT staff using/completing SERA-supported distance learning training modules: total, women	not applicable	ZIMSTAT	on - line training plan established	Online training courses to be developed with ZIMSTAT in SERA Year 2	STTA recruiting begun in Dec for development of on-line and distance-learning training modules	SERA STTA developed software platform for DL system and strategy paper for provision of DL that was approved in March. Training of trainers to begin in April.	Training of trainers undertaken in April 2013. SERA STTA supporting the development of DL training modules and systems in provincial	Initiation of pilot phase of implementation of DL and SERA support for DL put on hold because SERA assistance in Q8 focused on development of CBR	0

Table E-3. Outcome Indicators

	Item	Baseline	Source	Year 1 Actuals	Year 2 Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
ASSISTANCE TO ZEPARU AND MOF										
1.	Number of policy briefs/ studies analysed and drafted with USG assistance, presented for public/stakeholder consultation and that contribute to new policies approved/ passed for implementation (USAID PMP Indicator); total and with gender content	0	ZEPARU	0	Total: 2 With gender content: 1	Total: 2 With gender content: 2 (Mining Sector Policy; Financial Sector Development)	No additional items this quarter but Mining Sector Policy study continuing to influence policy decisions during this quarter.	Mining Sector Policy study continuing to influence policy with GoZ working on a new Minerals Policy and Mines and Minerals Act.	No additional items this quarter but Mining Sector Policy study continuing to influence policy decisions during this quarter.	Total: 2 With gender content: 2 (Mining Sector Policy; Financial Sector Development)
2.	Number of policy briefs/ studies analysed and drafted with USG assistance, presented for public/stakeholder consultation and that contribute to new policies approved/ passed where implementation is confirmed to have begun (USAID PMP Indicator); total and with gender content	0	ZEPARU	0	1	Total: 2 With gender content: 2 (Mining Sector Policy; Financial Sector Development)	No additional items this quarter.	No additional items this quarter.	No additional items this quarter.	Total: 2 With gender content: 2 (Mining Sector Policy; Financial Sector Development)
3.	Number of participants/percent of respondents able to demonstrate knowledge retention by identifying three specific learning objectives from SERA-supported training at least 6 months after each training event (Disaggregated by sex)	0	ZEPARU	-	Total: 68 Women: 34	Total: 4 Women: 2	Total: 12 Women: 3	Total : 13 Women: 6	Total : 20 Women: 8	Total : 49 Women: 19
4.	Number of participants/percent of respondents reporting at least one example of on-the-job utilization of content from USAID supported training at least 6 months after each training event (Disaggregated by sex)	0	ZEPARU	-	Total: 68 Women: 34	Total : 3 Women: 2	Total: 16 Women: 4	Total: 20 Women: 10	Total : 25 Women: 10	Total : 64 Women: 26
5.	Number of “hits” and downloads of policy briefs/reports/studies posted	568 hits 353 downloads	ZEPARU	Data not available. SERA support for	100 percent increase over	Data not available, website still	Data since new website became operational in	1728 downloads recorded.	7585 hits 2750 downloads	7585 hits 2750 downloads

	Item	Baseline	Source	Year 1 Actuals	Year 2 Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
	on ZEPARU website			website upgrade began	prior year	down. SERA assisting with website upgrade.	early March: 135 downloads		(through to Sept 2013)	(through to Sept 2013)
6	Amount of funding for ZEPARU, excluding SERA and ACBF support	Budget vote 2010=\$10,000 2011=\$200,000	ZEPARU	\$78,550 (of which \$65,000 from GoZ)	\$300,000, incl. \$200k budget vote + other sources	CY2012 results: GOZ: \$100,000 Res Grants: \$19,295	Funds received this quarter \$8,250 from AfDB \$600 from Consumer Council of Zimbabwe	Funds received this quarter GoZ: \$30,000 AfDB: \$5,500 ACI: \$5,000 TARSC: \$3,000	Funds received this quarter GoZ: \$20,000 AfDB: \$11,000 UNDP: \$7,500 TARSC: \$8,000	\$139,595 (of which \$85,000 from GoZ)
ASSISTANCE TO ZIMSTAT										
7.	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 processing Complete. First draft ICES report completed for tech. committee review. CBR,COS training of enumerators planned for October 2012	CBR update and COS data complete	Final Draft of ICES report completed. CBR, COS (now SS) training of enumerators and team leaders completed in October. Data collection scheduled to commence in 2013	Stakeholder workshop to discuss findings of PICES undertaken in March 2013. Official Launch of the PICES report to take place in April 2013. CBR nationwide field operation for compiling business license lists completed. Data entry & processing underway.	PICES Report completed and launched in April 2013. PICES provides new information on size of the informal sector providing a basis for revision of contribution of informal sector to GDP.CBR data processing complete. CBR survey to start in mid-July.	PICES Report completed and launched in April 2013. CBR Inquiry started in early August and is expected to be completed in Jan 2014	PICES Report completed and launched in April 2013. CBR Data collection, processing and compilation of 76,000 licensed businesses completed. CBR Inquiry started in early August and is expected to be completed in Jan 2014.
8.	Number of economic reports available on the ZIMSTAT website, with lag of no more than 12 months	1 (revised) Poverty datum line report	ZIMSTAT	3	4	3 Quarterly Digest of Statistics, CPI report, Poverty datum line Report	3 Quarterly Digest of Statistics, CPI report, Poverty datum line Report	5 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, PICES Report, Poverty Datum Line Analysis Report	4 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, Compendium of Statistics 2012	5 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, PICES Report, Poverty Datum Line Analysis Report, Compendium of Statistics 2012

Table E-4. Context Indicators

	Item	Baseline	Source	Year 1 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-June	Jul-Sept	
ECONOMIC GROWTH										
1.	Real GDP Growth	IMF estimate 6.0% for 2011; projection 3.1% in 2012; 3.0% for 2013-15	IMF for updated estimates, ZIMSTAT for actuals	IMF growth estimate for 2012 remains at 4.7%; projection 6.3% in 2013; 5.2% in 2014; 4.7% in 2015	IMF baseline proj. for 2013 exceed by 0.5% = 3.5%	IMF growth estimate for 2012 increased to 5%	IMF growth estimate for 2012 reduced to 4.42%; projection 4.96% in 2013; 5.7% in 2014; 5.54% in 2015	IMF growth estimate for 2012 remains at 4.42%; projection 4.96% in 2013; 5.7% in 2014; 5.54% in 2015	IMF growth estimate for 2012 remains at 4.42%; projections reduced to: 3.18% in 2013; 3.57% in 2014; 4.15% in 2015	IMF growth estimate for 2012 remains at 4.42%; projections reduced to: 3.18% in 2013; 3.57% in 2014; 4.15% in 2015
POVERTY REDUCTION										
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	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)	PICES data published; Quick Poverty Survey instrument developed	Draft PICES report under tech. review. Final draft expected in Feb 2013.	HH poverty prevalence = 62.6% HH extreme poverty prevalence=16.2% Individual poverty prevalence=72.3% Individual extreme poverty prevalence=22.5% (ZIMSTAT Poverty Report 2011/12)	Final PICES data remains the latest data. (see previous column)	Final PICES data remains the latest data. (See Q6 data)	HH poverty prevalence = 62.6% HH extreme poverty prevalence=16.2% Individual poverty prevalence=72.3% Individual extreme poverty prevalence=22.5% (ZIMSTAT Poverty Report 2011/12)
EMPLOYMENT CREATION										
3.	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	Number age 15+ employed outside gov & agric Total: 1,079,082 Women 380,575 (Nathan calc., data from draft ICES 2011/12)	10% growth in formal sector jobs	Number age 15+ employed outside gov & agric: Total: 1,074,405 Women: 370,350 (Nathan calc. using data from final draft of	Paid employment as % Ec Active Pop age 15+: Total: 23.8% Men: 31.2% Women: 16.2% Total employment outside gov & agric: Total: 1,046,463	Final PICES data remains the latest data. (see previous column)	Final PICES data remains the latest data. (see Q6 data)	Paid employment as % Ec Active Pop age 15+: Total: 23.8% Men: 31.2% Women: 16.2% Total employment outside gov & agric: Total: 1,046,463

	Item	Baseline	Source	Year 1 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-June	Jul-Sept	
						ICES 2011/12)	Men: (65.2%) Women: (34.8%) (PICES 2011/12, & Nathan calc's)			Men: (65.2%) Women: (34.8%) (PICES 2011/12, & Nathan calc's)
FISCAL MANAGEMENT AND ADMINISTRATION										
4.	Non-mineral revenue (NMR)	2.6 billion (2011)	Baseline from ZIMRA 2011 Revenue Performance Report	NMR for July-Sept = \$823.4m Same period 2011 = \$717.4m Growth = 15% Total = \$2321.9m through to Sept. 2012	Non-mineral revenue gr. >= growth of non-mining GDP	Net Collections for 2012 = \$3.257billion 2011=2.6 billion Growth = 25%	Cumulative total for 2013 Q1 = \$818.6m Same period 2012 = \$723.9m Growth = 13% (Revised in Q7)	Net collection for 2013 Q2 = \$836.9m Same period 2012 = \$774.6 m Growth = 8%	ZIMRA Revenue Performance Report for 2013 Q3 not yet published. Data available is cumulative total revenue to August 2013 = \$2437.6m (MOF State of the Economy Report)	ZIMRA Revenue Performance Report for 2013 Q3 not yet published. Data available is cumulative total revenue to August 2013 = \$2437.6m (MOF State of the Economy Report)
5.	Percentage of central government expenditure on social services and productive infrastructure (excl. personnel cost)	Est. 18.42% (September 2011)	MOF	16.4% (Jan-Jun 2012) No data currently available on government spending for the third quarter of 2012	22%	Est. 18.3% (September 2012)	Data available on government capital expenditure as a % of total expenditure = 6.2% (Treasury State of the Economy Report, March 2013)	Data available on government capital expenditure as a % of total expenditure = 5.2% (Treasury State of the Economy Report, April 2013)	Data available on government capital expenditure as a % of total expenditure = 6.6% (Treasury State of the Economy Report, August 2013)	Data available on government capital expenditure as a % of total expenditure = 6.6% (Treasury State of the Economy Report, August 2013)
DEBT RELIEF										
6.	Improved debt management	Controversy on use of HIPC	MOF	Validation and consolidation of national debt ongoing. IMF to decide on GoZ's request for a SMP in October 2012	Plan for debt relief and IMF Staff Monitored Program (SMP)	IMF relaxed most restrictions on TA to Zimbabwe. GoZ negotiations with IMF continue on the Staff Monitored Program.	GoZ in process of concluding negotiations with IMF for a SMP, finalizing negotiations for the Letter of Intent (LOI), the Memorandum of	IMF approves a Staff Monitored Program for Zimbabwe.	GoZ still committed to IMF Staff Monitored Program which is expected to run until December 2013	IMF approved a Staff Monitored Program for Zimbabwe covering the period April-December 2013

	Item	Baseline	Source	Year 1 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-June	Jul-Sept	
							Economic and Financial Policies (MEFP), and the Technical Memorandum of Understanding (TMU).			
INVESTMENT PROMOTION										
7.	Foreign direct investment, net inflow (US\$ millions)	\$105m, 2009 \$122.6m, 2010 (RBZ Actuals)	Baseline: Actuals: RBZ BOP Data	2011=\$387m 2012 projection= \$550m	FDI for 2013 surpasses RBZ projection for 2012 of \$540m	2012 projection revised down to \$504m	2012 projection revised down to \$353.5m	No change in RBZ BOP data from last Quarter. RBZ working on migrating from BOP Manual 4 to BOP Manual 6 with IMF TA	2012 estimate remains at \$353.5m. 2013 projection = \$334.0m	2012 estimate remains at \$353.5m. 2013 projection = \$334.0m
GENDER EQUITY										
8.	Formal sector employment, non-gov't: % women (as available)	37% of women formally and informally employed. Data n. a. on formal sector jobs by sex	Zimbabwe Demographic and Health Survey 2010 - 2011	% "employed" age 15+ in non-gvt excl. agric. Male = 64.7% Female = 35.3% (Nathan calc., data from draft ICES 2011/12)	10% growth	"Employed" in non-gvt excl. agric., age 15+ : Male = 65.3% Female = 34.7% (Nathan calc., data from final draft ICES 2011/12)	% "employed" age 15+ in non-gvt excl. agric. Male = 65.2% Female = 34.8% % of paid employment Male = 66.4% Female = 33.6% (Nathan calc., data from final PICES Report 2011/12)	Final PICES data remains the latest data. (see previous column)	Final PICES data remains the latest data. (see Q6 data)	% "employed" age 15+ in non-gvt excl. agric. Male = 65.2% Female = 34.8% % of paid employment Male = 66.4% Female = 33.6% (Nathan calc., data from final PICES Report 2011/12)
BUSINESS ENVIRONMENT										
9.	New business registrations (number per calendar year)	8550 in 2011	Registrar of Companies	7693 (through to September 28, 2012)	10000	2483 (Oct - Dec 2013)	2697 (Jan - March 2013)	2388 (April-June 2013)	2360 (July - Sept 2013)	7445 (through to September 30, 2013)

	Item	Baseline	Source	Year 1 Actuals	Year 2 Annual Target	Year 2 Actuals				Total for Year 2
						Oct-Dec	Jan-Mar	Apr-June	Jul-Sept	
10.	Doing Business Ranking	171 out of 183 countries for 2012	IFC/WB Doing Business Report 2012	171 out of 183 countries for 2012	157	172 out of 185 countries for 2013	172 out of 185 countries for 2013	172 out of 185 countries for 2013	172 out of 185 countries for 2013	172 out of 185 countries for 2013
FINANCIAL SECTOR										
11	Level and Growth of deposits in banking system	December 2011 total deposits = \$3318.2m , Growth = 42.6%	RBZ Monthly Report	July 2012 total deposits = \$3697.6m Growth from year earlier = 27.2%	20% growth	November 2012 = \$3624.7m Growth = 23.8%	February 2013 = \$3813.6m Growth from year earlier = 12.84%	May 2013 = \$4018.1m Growth from year earlier = 12.23%	August 2013 = \$3796.2m Growth from year earlier = 5.77%	August 2013 = \$3796.2m Growth from year earlier = 5.77%
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	4.6%* (July 2012)	9.0%	7.1%	6.6%* (February 2013)	6.07%* (May 2013)	5.89%* (August 2013)	5.89%* (August 2013)
13	World Bank Statistical Capacity Indicator (Indicator from NSDS Monitoring F/Work).	49 (2011)	World Bank	53 (2012)	65	53 (2012) Data produced annually each September	53 (2012)	53 (2012)	53 (2012) Figures for 2013 expected by end of Sept.	53 (2012) Figures for 2013 expected by end of Sept.

* Best estimate of Interest Spread given here = weighted average deposit rate – corporate clients weighted average lending rate. Weighted average deposit rate

APPENDIX F. YEAR 2 SUCCESS STORY “SNAPSHOT”

MEASURING ZIMBABAWE’S ECONOMY AFTER A DECADE OF MELTDOWN

A nationwide household survey, supported by USAID, provides the foundation for improving the national accounts statistics

The new GDP estimates are based on far better statistical inputs, mainly from USAID-supported 2011/2012 Poverty, Income, and Consumption Expenditure Survey (PICES).

In September 2013, the national statistics agency in Zimbabwe (ZIMSTAT) produced new data on the size of the economy, showing that the country’s gross domestic product (GDP) is much higher than indicated in previous official reports:

- For 2010, the GDP figure has been revised upward by 27 percent, to \$9.4 billion
- For 2011, the GDP figure has jumped by 24 percent, to \$11.0 billion.
- For 2012, the initial (provisional) estimate of GDP is \$12.4 billion
- The 2012 estimate implies that per capita income has reached \$953; for comparison, the IMF recently estimated that per capita income for Zimbabwe in 2012 was \$756.

These new and higher figures will surprise many observers, and some may conclude that the revisions—coming on the heels of a national election—were manipulated for political purposes to paint a happy face on the condition of the economy. As one economist remarked when told about the GDP revision, “Everyone knows that the economy is much smaller than that.”

But the previous GDP numbers that “everyone knows” were estimated on the basis of very limited data, reflecting the effects of a decade of economic meltdown, severe underfunding of the statistical agency, and loss of institutional capacity during the hyperinflation period that ended in 2009.

The new GDP estimates are based on far better statistical inputs, mainly from USAID-supported 2011/2012 Poverty, Income, and Consumption Expenditure Survey (PICES). This year-long nationwide survey of more than 32,000 households has provided the best information in more than a decade on important building blocks for compiling GDP statistics. These include the contribution to GDP of household enterprises in the informal sector (estimated now at 19.5%); household-level data on employment by sector; and data on household consumption and income, including income from subsistence activities, remittances, and transfers (including food aid).

In light of new data from PICES, as well as results from the 2012 national census and other recently completed surveys, a recent report from the African Development Bank rated Zimbabwe as having the highest “quality of national accounts” on the continent.

Similar revisions have been made in a number of other African countries, using new data from household surveys. Most famously, Ghana’s statistical agency announced an upward revision of

the GDP numbers by 60 percent in 2010. Revisions of this sort reflect three basic facts about economic statistics in countries like Zimbabwe (or Ghana).

First, it is inherently difficult to compile data for measuring GDP in countries where only a minority of businesses have audited accounts and most jobs are outside the formal sector.

Second, statistical agencies in most of these countries have also faced serious resource constraints in terms of both funding and personnel.

But, third, the revisions also indicate that concerted efforts are underway to improve the quality and timeliness of economic statistics as a key input to economic policy analysis and decision-making—with support from donors such as USAID. For Zimbabwe in particular, further revisions to the GDP estimates are expected in 2014 after ZIMSTAT completes two other USAID-supported data-development activities: compilation of a Central Business Register, to be followed by a comprehensive survey of establishments in the service sector.