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USAID STRATEGIC ECONOMIC RESEARCH AND ANALYSIS . ZIMBABWE (SERA) PROGRAM

QUARTERLY PROGRESS REPORT PROGRAM QUARTER 2: JANUARY-MARCH 2012

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

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ACRONYM LIST

ACBF	African Capacity Building Foundation
ADSL	Asymmetric Digital Subscriber Line
CBR	Central Business Register
COP	Chief of Party
COS	Census of Services
COTR/COR	Contracting Officer's Technical Representative/ Contracting Officer's Representative
DG	Director General
ED	Executive Director
EG	Economic Growth
IMF	International Monetary Fund
M&E	Monitoring and Evaluation
MEFMI	Macroeconomic and Financial Management Institute
MEPIP	Ministry of Economic Planning and Investment Promotion
MOF	Ministry of Finance
NSDS	National Strategy for the Development of Statistics 2011-2015
PICES	Poverty, Income and Consumption Expenditure survey
QEI	Quarterly Employment Inquiry
QPR	Quarterly Performance Report
SAPST	Southern Africa Parliamentary Support Trust
SERA	Strategic Economic Research and Analysis
STTA	Short Term Technical Assistance
TIPS	Trade and Investment Policy Strategy
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UZ	University of Zimbabwe
WEO	World Economic Outlook
WIMAX	Worldwide Interoperability for Microwave Access
ZEPARU	Zimbabwe Economic Policy Analysis and Research Unit
ZIMSTAT	Zimbabwe National Statistics Agency

SERA HIGHLIGHTS – PROGRAM QUARTER 2

Assistance to ZEPARU

- Launch of the ZEPARU Economic Scholars bursary program. Through ZEPARU, SERA is providing full bursary support for an initial cohort of 8 economists to pursue a part-time M.Sc. degree in Economics at the University of Zimbabwe.
- SERA sponsored 5 Zimbabwean economists to participate in a week-long course on Introduction to Economy-Wide Modelling for Policy Analysis, run by Nathan’s resource partner, the Trade & Industrial Policy Strategies (TIPS) organization in Pretoria, South Africa.
- SERA sponsored Dr. Gibson Chigumira, Executive Director of ZEPARU, to participate in a high-profile Zimbabwe Investment and Trade Conference in Gauteng, South Africa; at the Conference, Dr. Chigumira chaired a panel featuring the Minister of Finance.
- SERA agreed to support ZEPARU and the Ministry of Finance in planning and implementing a Zimbabwe Economic Summit, scheduled for late August; SERA support will include technical assistance or funding for up to 5 invited papers on key themes for the Summit.
- Much of the work with ZEPARU in Quarter 2 involved planning for activities that will be implemented in Program Quarters 3 and 4.

Assistance to ZIMSTAT

- SERA is funding the data processing stage of ZIMSTAT’s Poverty, Income and Consumption Expenditure Survey (PICES).
- SERA completed negotiations with ZIMSTAT to fund an upgrade of the Central Business Register (CBR), which is the primary sampling frame for many economic statistics.
- SERA completed negotiations with ZIMSTAT to fund the first Census of Services (COS) in Zimbabwe since 1981; along with PICES, the COS will be a cornerstone for a major revision of the national accounts statistics.
- SERA conducted negotiations on funding the procurement of hardware and software to modernize ZIMSTAT’s overall database management and data warehousing systems.

1. INTRODUCTION

The USAID Strategic Economic Research and Analysis — Zimbabwe (SERA) Program contract took effect on October 1, 2011, with Nathan Associates Inc. as the prime implementing partner. The four-year SERA 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.

Finally, the SERA contract specifies three **services and tasks** required to produce the intended results:

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

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

The contract also requires Nathan to submit Quarterly Progress Reports (QPRs) that include “progress made on activities and on performance results of USAID/Zimbabwe’s Economic Growth SO’s indicators.”

The present QPR covers program SERA Program Quarter 2 of FY2012 (January-March, 2012). The report discusses progress during this period on each of the Services and Tasks cited above, as well as challenges faced, plans for the next quarter, and updates on SERA M&E indicators that can be measured

quarterly. (Other indicators will be updated in the Annual Report or as data become available.) **Annex 1** shows the correspondence or variance between SERA performance during Quarter 2 and target activities as presented in our Work Plan for Year 1. **Annex 2** provides the latest update of the Performance Monitoring Indicators from our Monitoring and Evaluation Plan. **Annex 3** reproduces the first SERA Program Success Story Snapshot, which was completed during the quarter, showcasing our support for ZIMSTAT's Poverty, Income and Consumption Expenditure Survey (PICES).

2. MANAGEMENT AND ADMINISTRATIVE SERVICES

During the Quarter under review, the SERA team completed nearly all remaining start-up tasks. Our attention, for this component, focused on management and administration of program operations, including the negotiation and implementation of contracts with ZIMSTAT, and the development of short-term technical assistance (STTA) assignments. The SERA team also held regular liaison meetings with USAID, and produced all required financial and technical reports, including the first Success Story Snapshot.

Completion of Start-up Activities

To complete the administrative start-up phase of the SERA program, our activities this quarter included: completion of the IT system installation; implementation of QuickBooks On-Line for maintaining field accounts; completion of the SERA Program Grants Manual; establishment of a system for submission of VAT refund claims; and completion of the purchase agreement for procurement of project vehicles, for delivery in April.

We also completed our subcontracting procedures, with one major change from the teaming arrangement envisioned in our technical proposal. Proposed subcontractor, GRM chose to exit from the SERA consortium due to circumstances encountered in the field, which reduced the scope for their participation. In particular, we had envisioned that GRM would have a major role in managing the SERA bursary program. During start-up operations, however, we found that ZEPARU has in place a system for managing the bursary program. This greatly reduced the scope for GRM support in this area, prompting them to drop out of the SERA team.

In place of using GRM resources for this purpose, Nathan hired a full-time Training Coordinator (Ms. Evidence Ndari) who has been seconded to ZEPARU to assist in managing their bursary system and assisting with other SERA-supported training and research dissemination activities.

On the technical start-up, the SERA team held a series of meetings with senior management at ZEPARU and ZIMSTAT to determine programmatic priorities for SERA support during CY2012. In addition, the SERA Chief of Party (COP) and Resident Advisor (RA) held introductory meetings with the Permanent Secretaries for the Ministry of Finance (MOF) and the Ministry of Economic Planning and Investment Promotion (MEPIP). We also met with the Executive Director and the Economic Advisor at the Southern Africa Parliamentary Support Trust (SAPST) to begin the dialogue on developing our program for training Parliamentarians (through ZEPARU). The COP and RA also held introductory meetings with leaders of the private sector, to inform them about the SERA program.

Operations Management and Administration

Management and administration of SERA operations proceeded smoothly during the quarter under review. This included the maintenance of accounts and records, timely payment of wages and payroll taxes, and compliance with USAID regulations on program procurements. Nathan headquarters provided efficient backstopping support as required.

In addition, the COP and Resident Advisor held weekly meetings with the SERA Contract Office Representative (COR), Joshua Smith, to discuss all aspects of program implementation. Near the end of the quarter, the meetings were placed on a bi-weekly schedule, reflecting completion of the intensive start-up phase.

During this quarter, Nathan developed and signed two consultancy agreements for STTA assignments:

- Dr. Beverley Carlson, a senior statistics specialist, to provide technical support to the COP on developing and managing SERA assistance to ZIMSTAT on statistics issues.
- Dr. David Megill, senior statistics specialist, to review the data coding and analysis from the FinScope survey of financial inclusion, which was conducted by FinMark Trust in collaboration with ZIMSTAT. This assignment also includes a similar technical review for the Poverty, Income and Consumption Expenditure Survey (PICES), to take place next quarter.

The SERA team also pursued negotiations with ZEPARU and ZIMSTAT on the following STTA assignments planned for the next quarter:

- STTA for Dr. Keith Jefferis, senior macroeconomist (through SERA subcontractor, Econsult), to support the upgrading of ZEPARU research products.
- STTA for a mining sector expert (TBD, through subcontractor IBI) to head a ZEPARU study on mining sector policy.
- STTA or contracts for outsourcing three to five policy papers for presentation at a Zimbabwe Economics Summit to be organized by the MOF, with co-financing from SERA.
- STTA for a statistics expert to assist ZIMSTAT in finalizing plans for the SERA-supported Central Business Register project.
- STTA for a statistics expert to assist ZIMSTAT in finalizing plans for the SERA-supported Census of Services project.

Reports

In January, 2012, the COTR requested revisions to the M&E Plan; the revised plan was submitted on January 18 and approved by USAID. In addition, Nathan submitted all required financial and activity reports, including one Success Story Snapshot on SERA's rapid response support to assist ZIMSTAT in carrying out the Poverty, Income and Consumption Expenditure Survey (PICES) – see section 4 below.

3. TECHNICAL SERVICES: ASSISTANCE TO ZEPARU

This section reviews activities associated with SERA support to ZEPARU during the quarter under review. A continuing element of SERA assistance to ZEPARU has been the provision of Dr. Daniel Ndlela as a full-time Resident Advisor (though he works out of the SERA office, for logistical reasons). Also, as noted in section 2, SERA hired a full-time Training Coordinator who is seconded to help ZEPARU manage training activities and workshops or other public information events, especially those supported by SERA. In addition, the SERA COP has been involved in much of the program development, and the SERA Training/M&E Coordinator has devoted approximately 80% of her time to supporting ZEPARU-related activities.

As explained in the previous QPR, the development of this component of the program got off to a slower-than-expected start due to protocol delays and holiday schedules. Starting in January, the SERA RA and COP held regular meetings with the Executive Director of ZEPARU to forge an effective working

relationship and establish an agenda for SERA support. Much of our work with ZEPARU this quarter was therefore devoted to planning activities to be carried out in subsequent periods (see section 8 below).

Research and Analysis

SERA collaborated with ZEPARU on defining major themes for the ZEPARU work program for 2012 and priorities for SERA support. Our attention during the quarter focused on two initial research and analysis activities:

- Developing Terms of Reference and recruiting Dr. Keith Jefferis (from subcontractor Econsult) for an STTA assignment in April, to assist ZEPARU in upgrading the Economic Barometer, and review selected ZEPARU research products from 2011 for publication in a book on Growth Drivers. These reviews also provide a vehicle for mentoring ZEPARU research staff, and establishing a baseline that may be used in future evaluations to assess the impact of the SERA program on the quality of ZEPARU research.
- Developing a study design, drafting Terms of Reference, and recruiting a consultant (not yet finalized) for an STTA assignment to lead a mining policy review, as the first step in a broader ZEPARU research program on the contribution of the mining sector to economic growth and development in Zimbabwe.

In addition, SERA provided detailed comments on the first two issues of the ZEPARU Economic Barometer, as a first step in the process of mentoring ZEPARU staff to improve the quality of their research products.

SERA also agreed to fund three interns (all recent M.Sc. graduates in economics from local universities) to provide research assistance to ZEPARU's professional staff for a period of one year, beginning in March 2012. Other research-support activities that were under active discussion during the quarter include:

- Provision of laptop computers for the SERA-supported interns and ZEPARU researchers, including external researchers who will be conducting studies with or through ZEPARU.
- Funding for publication of the Economic Barometer.
- Funding and technical support for publication of a book on Growth Drivers, as a major step in disseminating ZEPARU research products.
- Either STTA or outsourcing arrangements for three or more research papers on key policy themes to be addressed at a Zimbabwe Economic Summit that is tentatively scheduled for late August, at the request of the Minister of Finance.
- Either STTA or an outsourcing arrangement for a study on the path to financial sustainability for ZEPARU
- Assistance in upgrading the ZEPARU website, including any necessary hardware and software support, as well as assistance in improving the website design and developing stronger content.

Training Parliamentarians

This quarter, SERA initiated discussions with ZEPARU and the Southern Africa Parliamentary Support Trust (SAPST) on defining the SERA program component for training Parliamentarians. Contrary to our prior information, we established that SAPST has not been providing training to Parliamentarians on

economic literacy or economic policy analysis, aside from one short course in 2010 on gender budgeting. SAPST explained that their training activities have focused on issues such as the role of Parliamentary procedures, and budget procedures, mainly because funding has not available for economics programs. We also found that ZEPARU in 2011 conducted a diagnostic study of Parliamentary training needs in economics. This study found that there is a great need for basic economic literacy training.

These meetings led to an agreement in principle that ZEPARU will develop a program to enhance economic and budgetary literacy among members of Parliament, in collaboration with SAPST. Given the importance of gender mainstreaming, it was further agreed that the program should include training for the women's caucus. To this end, ZEPARU initiated discussions with the Zimbabwe Women's Resource Centre and Network (ZWRNCN), who previously conducted training for Parliamentarians on gender budgeting.

Following the initial meetings, SAPST prepared an ambitious training plan for ZEPARU and SERA consideration. The proposal, however, greatly exceeded the resources available for this purpose, given that the SERA contract calls for a series of "seminars" rather than a series of multi-day short-courses for training Parliamentarians. Planning on this component continues, with the aim of producing a proposal for presentation to Parliamentary leaders, and beginning these activities by the end of the next quarter (April-June, 2012).

Training of Economists (short-term)

The SERA program got off to a strong start on short-term training by sponsoring 5 local economists to participate in a week-long course on Introduction to Economy-Wide Modelling for Policy Analysis, run by Nathan's resource partner, the Trade & Industrial Policy Strategies (TIPS) organization in Pretoria, South Africa, 5-9 March, 2012. The participants included 2 female economists, from the Ministry of Finance (MOF) and the Ministry of Economic Planning and Investment Promotion (MEPIP), and 3 male research fellows from ZEPARU. At the end of the course, the participants submitted short notes to ZEPARU and SERA on the highlights and main benefits. Most of the notes commented on the need to develop an up-to-date social accounting matrix and economic policy models for Zimbabwe. In response, ZEPARU & SERA are planning to organize a seminar or workshop to determine Government priorities for further training and technical assistance on policy modeling. Also, our collaboration with ZIMSTAT (see section 4) is designed to strengthen the statistical foundations for any work on policy modeling.

Near the end of the quarter, SERA began working with ZEPARU to support up to three local economists to attend an international seminar on Economic Indicators offered by the Bureau of Labor Statistics in Washington, D.C., 7-18 May, 2012. This activity will be reported in the next QPR.

Based on a menu of regional short-course options provided by SERA, ZEPARU identified 6 courses that will be offered by Nathan's resource partner, the Macroeconomic and Financial Management Institute (MEFMI) as priorities for consideration, and began the process of soliciting candidates from key economic ministries. At the end of the quarter, this remained as work in progress.

SERA and ZEPARU also met with MEFMI officials to discuss collaboration in providing customized short-courses for economists in Zimbabwe. Planning has begun for a two-week course on Macroeconomic Management and Policy Analysis, targeted for May or June, 2012. In addition, ZEPARU identified three other priority topics for customized local short-courses to be developed over the next two quarters. These include courses on: Financial Programming and Policy (provisionally planned for 2 weeks); Macroeconomic Research Methodology and Technical Writing Skills (1 week); and Economic Modeling and Forecasting Using E-Views Software (2 weeks).

Finally, ZEPARU agreed that short-course nominations will be developed through a process involving: (1) prior identification of priority training events; (2) systematic solicitation of candidates, with strong emphasis on gender balance; (3) nomination by ZEPARU of candidates for SERA support. Ad hoc requests for SERA support will not be considered.

Training of Economists (long-term)

SERA support for the long-term training of economists through the ZEPARU Economic Scholars Program got off to a rapid start this quarter. With USAID approval, SERA chose to begin providing bursaries for the part-time M.Sc. program in Economics at the University of Zimbabwe (UZ) by supporting government economists who were already enrolled in the program. One advantage of this approach is that it would create early awareness of the SERA program throughout the economic ministries. In addition, all parties agreed that it would be unfair to offer bursaries for government economists next academic year without assisting those who had taken the initiative to pursue this degree program at their own expense, and were incurring large costs out of pocket. Furthermore, a recent doubling of the tuition cost created a risk that some of the students who were currently enrolled would have to discontinue their studies without bursary support.

In collaboration with the Economics Department at UZ, ZEPARU identified eight students in first or second year of the part-time M.Sc. program who are working for various economic ministries (including one from the Reserve Bank of Zimbabwe, which is a key member of the macroeconomic growth cluster). ZEPARU contacted the respective ministries to confirm their employment status and obtain letters of support for participation in the bursary program. The nominations were then submitted for SERA and USAID approval.

The SERA bursary includes: full coverage of tuition costs; payment of fees for registration, library, computer lab, and exams; provision of laptop computers for the duration of their studies; thesis support for third-year students (when they get to that point); and a calibrated transportation allowance. SERA also procured 3 copies of the required textbooks for the core courses, with two going to ZEPARU and one remaining at the SERA Program office; these books are available on loan to the bursary recipients.

For the next cohort of bursary recipients, SERA will also cover the cost of a refresher course, if one is offered by the Economics Department. Recruiting for the next cohort was already underway by the end of the quarter, in the form of a letter from ZEPARU to the key partner ministries requesting nominations. The letter indicated a strong preference for female candidates. This is a very important condition, given that all eight of the eligible candidates for the first round were male. SERA is committed to coming as close as possible to gender equity for the cohort starting August, 2012.

The bursary program was formally launched on March 14 with a ceremony held at the SERA conference room. The ceremony included short remarks by the Executive Director of ZEPARU, the SERA Chief of Party, USAID's Contract Office Technical Representative (COTR) for SERA, and the Chair of the Economics Department at UZ, followed by the hand-over the laptop computers to the bursary recipients.

In addition to the M.Sc. bursary, ZEPARU also contacted the key partner ministries to solicit up to five candidates for SERA-funded bursaries for either full-time or part-time Ph.D. programs in economics at the University of Cape Town (UCT) or comparable universities in South Africa. The formal deadline for applications to the full time Ph.D. program at UCT is end-July, for the academic year beginning in January, 2013. Notably, USAID has clarified that ZEPARU staff will be eligible for support under this component of the SERA training program.

For both the M.Sc. and the Ph.D. bursaries, an essential criterion for eligibility is that candidates must first gain admission to the respective academic program. Hence, the following procedure is being

applied: first, ZEPARU solicits the nomination of candidates by the economic ministries; second, the prospective candidates must apply for admission; third, if admitted, they will then apply to ZEPARU for bursary support from SERA; finally, ZEPARU will screen the candidates and submit nominations to SERA and USAID for approval.

Workshops and Other Research Dissemination Events

SERA held discussions with ZEPARU to develop the program for workshops and research dissemination events. Two specific activities were undertaken during the quarter:

- SERA provided funding for Dr. Gibson Chigumira, Executive Director of ZEPARU to participate in the Zimbabwe delegation to a high-profile Zimbabwe Investment and Trade Conference in Gauteng, South Africa, on 1-2 March, 2012. Dr. Chigumira chaired a conference panel featuring the Minister of Finance.
- SERA made arrangements to fund Mr. Alex Bara, a ZEPARU Research Fellow, to present a research paper at an International Mobile Money Research Capacity Building Workshop in Nairobi, Kenya

In addition, plans were initiated during the quarter for two major activities under this component of the SERA program. First, the Minister of Finance requested that ZEPARU collaborate with his ministry in planning and implementing a Zimbabwe Economic Summit, tentatively scheduled for late August, 2012. Plans will be developed during the next quarter. We anticipate that SERA will co-finance the event, provide technical support for managing the conference, and provide either STTA or funding support for invited papers and key speakers.

Second, SERA will assist ZEPARU in establishing a series of ZEPARU Economic Policy Seminars. The first seminar, to be held in early May, will showcase research by ACBF-funded ZEPARU Economic Scholars who have already completed their M.Sc. degrees.

4. TECHNICAL SERVICES: ASSISTANCE TO ZIMSTAT

As with our support to ZEPARU, we only began direct discussions with ZIMSTAT after USAID and the MOF signed official protocol papers on November 29, 2011. Then, at our introductory meeting in early December, ZIMSTAT requested deferment of further discussions until after the holidays. Our first technical meeting with the Director General (DG) and senior ZIMSTAT managers took place on January 11. At this meeting the DG emphasized the need to improve the National Accounts as the flagship for any statistical system. He identified three exercises as cornerstones for doing this: the ongoing 2011-2012 Poverty, Income and Consumption Expenditure Survey (PICES); the long overdue Census of Services (COS); and restructuring the Central Business Register (CBR) as the primary sampling frame for most economic statistics. The SERA COP, in turn, provided ZIMSTAT management with a letter outlining guidelines and procedures for SERA support under the terms of our contract with USAID.

Following this initial technical discussion, the SERA COP met regularly with senior ZIMSTAT managers to develop arrangements for supporting the priority projects cited above: PICES, the CBR, and the COS. These developments are discussed below. The COP also met intermittently with officials of other major agencies that are supporting ZIMSTAT in the areas of economic statistics and institutional capacity building: the United Nations Development Programme (UNDP), the Africa Capacity Building Foundation (ACBF), the World Bank, and DFID.

During this quarter, SERA developed and initiated two STTA assignments:

- SERA engaged Dr. Beverley Carlson, senior statistics specialist, to provide up to 22 days of technical backstopping for the COP for the development and implementation of programmatic activities in support of ZIMSTAT. Her tasks include identifying and developing contacts with top statistics consultants for specialized requirements identified by ZIMSTAT; researching and identifying statistics training courses or highly qualified trainers to provide specialized short-courses for ZIMSTAT staff, as needed; networking with USG statistics agencies (the Census Bureau, the Bureau of Labor Statistics, and the Bureau of Economic Analysis) on possible training or technical support resources; and reviewing documents relating to SERA support for ZIMSTAT. This STTA contract runs through the end of May.
- SERA engaged Dr. David Megill, senior statistics specialist, to provide up to 20 days of technical assistance to ZISMTAT involving a review of the sample design and weighting methodology for the FINSCOPE Survey of financial inclusion, which was carried out by the FinMark Trust in collaboration with ZIMSTAT; and a similar review of the weighting methodology for the PICES survey. The FinScope work was completed during the quarter, while the PICES work will be carried out later. This STTA contract runs through the end of July.

In addition, ZIMSTAT requested STTA support to have outside experts review their plans for the CBR and COS projects. At the end of the quarter under review, these requests were still under discussion.

Support for PICES

PICES is a year-long survey of 32,000 households that will provide nationally representative data 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. Such detailed information has not been available in Zimbabwe since before the economic collapse. PICES will therefore provide invaluable information for policy makers, researchers, national income statisticians, donor agencies, local businesses, foreign investors, and civil society groups. During the previous quarter, SERA provided funding to fill an urgent and unexpected gap in the financing available to cover transportation costs for the PICES field enumerators.

The government, donors, the ZIMSTAT Board, and the PICES steering committee are expecting to see preliminary results from PICES by August, 2012, and final results by the end of this year. In February, 2012, ZIMSTAT requested SERA support to fill another urgent and unanticipated funding gap, covering the cost of engaging extra hands for processing the PICES data. This includes the data entry, data coding, and data cleaning. By our calculation, it would have taken more than a year to complete this work using ZIMSTAT's normal complement of data capture staff, even if they worked full time on this task alone; hence the urgency of this request. Responding to this urgent request for support, SERA agreed to cover the verifiable cost of operational allowances paid to personnel who work on processing the PICES data outside normal work hours and beyond their normal job duties.

As noted above, SERA is also providing STTA to the PICES team in the form of a senior mathematical statistician, Dr. David Megill, who will review the methodology used to scale up sample observations in order to obtain national, provincial and district level estimates of key PICES results.

Annex 3 reproduces the Success Story "Snapshot" which summarizes SERA's rapid and flexible response to ZIMSTAT needs in completing the PICES project.

Support for the CBR and COS

The CBR and the COS are vital building blocks for the production of national income accounts. The CBR is a register of enterprises or establishments operating in all sectors and regions of the economy, classified by primary activity. This register constitutes the master list for collecting basic economic statistics such as the Quarterly Employment Inquiry (QEI), the Census of Industrial Production (CIP), the Volume of Manufacturing Index (VMI), and the Business Tendency Survey (BTS).

With rapid growth in industries such as ICT, finance, regional and international trade, tourism, and leisure activities, the services sector has gained increasing importance as a share of GDP worldwide. Yet no census of service enterprises has been conducted in Zimbabwe since 1981. Thus, the statistical infrastructure for estimating the economic contribution of services is seriously deficient.

ZIMSTAT has been seeking funds to carry out the CBR and COS projects for several years, without success, mainly due to the pre-occupation of other donors with social statistics. For SERA, however, the focus of attention is on helping ZIMSTAT to improve the quality of economic statistics, as the basis for evidence-based policy analysis and policy formulation. The CBR and COS projects are central to this mandate.

ZIMSTAT initially conceived of the CBR and COS as two separate projects, involving separate field survey exercises. With this approach, the total was well in excess of the funding available from SERA. In the interest of cost-effectiveness and timeliness, ZIMSTAT has combined the two projects into a single field exercise, and scaled back the scope of the COS to exclude unregistered informal enterprises. Given this new design, USAID approved SERA funding for phase 1 of the CBR-COS project, including: procurement of supplies; printing of materials; training of trainers; and training of enumerators.

Separate agreements are being developed to procure hardware and software for use in the CBR-COS study; a study tour to Kenya and South Africa; the CBR-COS field operations; data processing; preparation of the report; and dissemination of the results. In addition, ZIMSTAT indicated an interest in SERA provision of STTA to engage two outside experts to review plans for the CBR and COS, respectively. These arrangements were in process at the end of the quarter under review.

Other support for ZIMSTAT

As noted, ZIMSTAT's request for SERA support to the CBR-COS project included the procurement of hardware and software. It is important to note that this material will also be used to modernize ZIMSTAT's overall IT system for data management and data warehousing. Hence, SERA will be making a fundamental contribution to institutional capacity building for the National Statistics System. This procurement is likely to be completed in SERA Quarter 3.

In addition, some discussions took place during the quarter on possible SERA support for training of statisticians. At the end of the quarter, no specific activities were on the table.

5. CROSS-CUTTING ISSUES

The SERA Program contract identifies four cross-cutting issues as "general program parameters and guidance" applying to overall performance: coordination with other USAID programs; poverty; gender; and staffing.

Coordination with USAID

Establishing and maintaining full and open communications with USAID/Harare is a critical element of our field operation. For most of the quarter the COP and RA held weekly meetings with the COTR (now COR), Joshua Smith, shifting to a bi-weekly basis near the end of the quarter. The discussions covered a full range of issues including contract interpretations, STTA assignments, technical approval requests, , and updates on Nathan’s progress in implementation of the program. In addition, the COP participated in the quarterly EG Partners Meeting, chaired by Dr. Dooley-Jones. No opportunities arose during the quarter for collaborative work with other USAID projects.

Outside the USAID community, the COP and RA held meetings to coordinate with the WB, UNDP, DFID, ACBF, and held programmatic discussions with the Economics Department at UZ, MEFMI, and SAPST. We also met with several local economists and leaders from the private sector to explain the SERA program and discuss topical economic policy issues.

Poverty

Because the SERA program is demand driven, the scope of our involvement with poverty issues will be defined mainly by the needs of our client agencies. As we develop our activities, we will seek wherever possible to address the poverty problem in Zimbabwe, including implications for poverty reduction in the context of dealing with other issues. A central concern for our research, training, and outreach activities with ZEPARU is the need for policies to foster *inclusive* growth and employment creation as primary engines for poverty reduction. Similar themes are similarly high on the agenda for developing our program of economic literacy training for Parliamentarians. The implementation of this principle will be more apparent in subsequent quarters as our activity set expands.

For the ZIMSTAT component, support for the completion of PICES has already been a top priority for SERA support. 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.

Gender

As with our focus on poverty, SERA’s demand-driven design implies that our involvement on gender issues is driven mainly by the needs of ZEPARU and ZIMSTAT. Even so, we are consistently applying a gender lens all of our activities. During the past quarter, gender considerations were addressed in several ways:

- Repeatedly emphasizing to ZEPARU our commitment to gender equity (to which ZEPARU fully agrees, subject to constraints imposed by gender imbalances within our client ministries).
- Working with ZEPARU to achieve approximate gender balance in our support for sending economists to the TIPS training course in South Africa.
- Ensuring that ZEPARU informs the economic ministries of our strong preference for female candidates for the next cohort of bursary awards for the M.Sc. program at UZ, as well as the Ph.D. bursary that will begin next year.
- Including in our agreement to support the CBR-COS project (see section 4) a provision requiring ZIMSTAT to include questions in the CBR and COS instruments to establish baseline data on registered businesses *that can be identified as women-owned*.
- Discussing with the Registrar of Companies the need for adding a field to registration forms to capture data on the formation of women-owned businesses.

- Including gender as an evaluation factor in screening candidates for the position of Training Coordinator for secondment to ZEPARU; partly for this reason, a woman was in fact hired for the position.
- Incorporating a study on the role of women in business among the topics for research support to ZEPARU.
- Including collaboration with the Zimbabwe Women’s Resource Centre and Network (ZWRCN) in our discussion with ZEPARU on plans for training Parliamentarians.

6. IMPLEMENTATION OF THE WORK PLAN

Given (again) the demand-driven nature of the SERA program, and the need to develop virtually all of activities in collaboration with ZEPARU and ZIMSTAT, the process of determining priorities for SERA took more time than we had expected when preparing the Work Plan for Year 1. As a result, some activities that were planned for implementation during Quarter 2 will instead begin in Quarter 3. Many others, however, were carried out on schedule. Still other activities have not been addressed because they have not been priorities for attention by our principal partners. **Annex 1** provides an itemized tabulation of the correspondence or variance between activities targeted in our Work Plan and actual performance during Quarter 2.

7. SERA PROGRAM CHALLENGES

During Quarter 2, the most notable challenges faced by the SERA team, and our responses, are as follows:

- **Challenge:** Building a strong relationship with our principal counterparts, whose interests differ in some respects from the terms of our contract with USAID.
Response: We have endeavored, wherever possible, to justify counterpart requests to USAID, usually with success. Wherever this has not been possible, we have provided our counterparts with clear explanations of our contract conditions.
- **Challenge:** Establishing communication with the MOF and MEPIP, through ZEPARU.
Response: With prodding from SERA, the Executive Director of ZEPARU arranged formal introductory meetings with the Permanent Secretaries at MOF and MEPIP. This opened the protocol door for discussions about SERA activities with officials at both ministries.
- **Challenge:** Achieving our target of gender balance in all SERA activities, given the large imbalance among our target group of government economists.
Response: We strive to coming as close as possible to the target, as discussed in the gender section above.
- **Challenge:** Being unable to house the SERA Resident Advisor at ZEPARU, due to their serious space constraints.
Response: The RA is housed at the SERA Program office, but he frequently works at ZEPARU in connection with SERA program development, implementation of our activities, assisting in capacity development, and mentoring research staff.
- **Challenge:** Delays in developing our program of support to ZEPARU due to capacity bottlenecks within their organization, stemming from limitations on funding for ZEPARU from the ACBF and the MOF.

Response: First, at the suggestion of ZEPARU, we instituted weekly meetings to ensure that we move forward in developing and implementing SERA activities with and through ZEPARU. We also have frequent interaction between these meetings. Second, SERA hired a Training Coordinator for secondment to ZEPARU to ease this critical bottleneck.

- Challenge: Slow “burn rate” in generating STTA assignments and providing STTA activities for our subcontractors. One cause has been the slow development of activities with ZEPARU (see section 3). A second problem has been an unexpected reluctance on the part of ZIMSTAT to use consultants for anything other than reviewing their work.

Response: The slow start on STTA support to ZEPARU should be rectified as the program picks up momentum in Quarter 3. In meetings with ZIMSTAT, the COP frequently raises the issue of making full use of our STTA resources. This may take time to evolve.

- Challenge: Establishing reliable Internet connectivity at the SERA Program Office.

Response: The WIMAX connection provided by our initial Internet Service Provider was erratic, and the connection speed was not very good. After exploring other options we converted to an ADSL line, which is working very well. It is also much more cost-effective than the alternative of getting a fiber optic connection.

8. PLANS FOR THE NEXT QUARTER

Previous sections of the report touched on many activities that have been in the planning stage during Quarter 2. This section outlines major activity plans for implementation in Quarter 3.

Assistance to ZEPARU

- STTA assignment for Dr. Keith Jefferis, for two main tasks: first, assisting ZEPARU in upgrading the quality of the Economic Barometer, including the development of a data appendix and an Index of Leading Indicators; second, reviewing three ZEPARU’s research papers from 2011 for publication in a book, while also mentoring ZEPARU research staff.
- STTA assignment to lead a team of researchers on a study of mining sector policies, from the point of view of overall economic development.
- Between 3 and 5 assignments for STTA or outsourced research, to produce papers on key themes (TBD) for presentation to a Zimbabwe Economic Summit that the MOF plans to convene in August.
- Initiation of SERA support to upgrade the ZEPARU website, including improved IT systems, website design, and content development.
- Procurement of laptop computers for the SERA-supported research interns, and other ZEPARU research fellows or research associates.
- Initiation of SERA-supported economic literacy training for Parliamentarians, through a collaboration between ZEPARU and SAPST
- SERA funding for 3 economists to participate in the BLS short-course on Economic Indicators in Washington.
- Implementation of a customized short- course on Macroeconomic Management and Policy Analysis, in collaboration with ZEPARU and MEFMI.

- Continue bursary support for 8 ZEPARU Economic Scholars, and recruitment of a second cohort of up to 12 new bursary recipients, with a strong emphasis on improving the gender balance.
- STTA support for planning and organizing the Zimbabwe Economic Summit, scheduled for August in collaboration with the MOF.
- Establishment of a ZEPARU Economic Seminar Series, beginning with a full-day workshop featuring research presentations by former ZEPARU Economic Scholars.

Assistance to ZIMSTAT

- Completion of our agreement for funding the PICES data processing.
- STTA from Dr. David Megill, to review the first six months of PICES data.
- Implementation of the agreement with ZIMSTAT for phase 1 of the CBR-COS project (as explained in section 4)
- Funding for a study tour to Kenya and South Africa so that members of the CBR-COS team can learn from the experience of regional leaders to improve the design of the projects.
- Two STTA assignments for highly specialized statistics experts to review ZIMSTAT plans for the CBR and COS activities, respectively.
- Procurement of hardware and software for processing the CBR-COS data and modernizing ZIMSTAT's overall IT platform for database management and data warehousing.

9. PERFORMANCE MONITORING

Annex 2 provides three matrices that are to appear in every quarterly report (and also in our annual reports) to monitor SERA program performance in terms of delivering outputs, achieving results, producing proximate outcomes.

A fourth matrix in **Annex 2** provides the latest information on “context indicators” that track Zimbabwe’s progress towards the SERA program goal of improving the macroeconomic environment for growth. It is too early to expect significant changes at this level of performance, but several observations are worth citing:

- Upgrade of the GDP growth projection for 2012 by the IMF’s World Economic Outlook (WEO) database to 4.7%, from the previous projection of 3.1% for this year.
- Positive movement by the Government on issuing a debt reduction strategy.
- Significant increase in the quarterly rate of new business registrations.
- Continued rapid growth in bank deposits, along with an increase in our estimate of the bank interest spread, possibly indicating a deterioration of loan portfolio quality.

Annex 1. Implementation of SERA Work Plan through Quarter 2 *

Task/Deliverable (D) / Milestone (M)	2011			2012			Status at end of Q2
	O	N	D	J	F	M	
1. Management and Administration Services							
1.1. Project start-up activities							
Field start-up team, COP, Resident Advisor	M						Done
Locate and equip SERA Program office, identify and hire staff, complete office manuals			M				Done
Register as SERA Program Trust, open SERA bank account, establish field accounts		M					Done
Establish field accounts			M				Done
Register with ZIMRA, NSSA, other formalities as needed			M				Done
Select and procure project vehicles				M			Procedural delay
Coordinate with COTR, other USAID programs, other key donors							Ongoing
Complete SERA Grants Manual				M			Done
Complete approved sub-contracts			M				Done
Develop and manage STTA and MTTA assignments							Ongoing
Develop SERA Program website (<i>subject to COTR approval</i>)							Dropped
1.2. Reports							
Submit Annual Work Plan for Year 1		drft	D				Done
STTA (Dr. Tererai Trent) to assist with mainstreaming gender in Work Plan and M&E Plan							Done
Work Plan revision, if necessary							No revision needed
Submit M&E Plan for Years 1-4		drft	D				Done
M&E Plan revision, if necessary							Done
Submit Quarterly Progress Reports				D			Done
Submit Quarterly Financial Reports				D			Done
Submit Quarterly Accrual Reports			D			D	Done
Submit Activity Reports, Success Stories, Dissemination tools							Success Story #1 submitted
2. Assistance to ZEPARU							
Provide Senior Advisor to ZEPARU, Dr. Daniel Ndlela							Ongoing

Task/Deliverable (D) / Milestone (M)	2011			2012			Status at end of Q2
	O	N	D	J	F	M	
Coordinate with ZEPARU on priorities, activities							Ongoing
Liaise with MOF, MEPIP, Parliament, and ZIMSTAT, through ZEPARU							Ongoing
Liaise with other USAID projects & other donors to coordinate SERA support for ZEPARU							Intermittent
Liaise with other partner organizations and stakeholders, through ZEPARU							Occasional
2.1. Research and Analysis							
Review ZEPARU's research agenda on priority issues for 2012							Done
Determine initial priorities for SERA support to ZEPARU on policy research and analysis			M				Done
Review ZEPARU data systems for economic analysis to assess capabilities and needs				M			Not yet done
Review ZEPARU research products from 2011, as tool for mentoring/training					M		Delayed to Q3
Assist ZEPARU in establishing Research Reference Groups to guide research and strengthen buy-in							Awaiting research activities
Provide technical support and mentoring for ZEPARU to conduct high quality and timely policy research in response to needs of MOF and MEPIP. Possibilities discussed to date include:							Planning stage
Support SERA researchers with study tours, as appropriate							No requests to date
Assist ZEPARU in developing the capacity to outsource and manage policy research							Delayed to Q3
Establish guidelines/procedures for SERA contracts or grants for outsourcing						M	Done
Implement, monitor and complete at least 2 contracts or grants for policy research							Delayed to Q3
Assist ZEPARU in strengthening capacity to respond to ad hoc requests from government							No requests to date
Assist ZEPARU in developing policy briefs and press releases on research findings							No suitable activities to date
2.2. Parliamentarian Training							
Determine training needs and priorities for SERA supported seminars, through ZEPARU					M		Planning stage
In collaboration with SAPST, determine modalities, scheduling, staffing for these seminars or trainings							Planning stage
Design, develop and deliver SERA-supported seminars for Parliamentarians. <i>Examples:</i>							Planning stage
Collect and evaluate data on participants, and participant evaluations							No activities yet
2.3. Short-term Training of Economists							
With ZEPARU, identify training priorities for SERA supported short-courses-- local & regional					M		Done, for initial priorities
Design, develop and deliver up to 5 short-courses for govt economists.							Delayed to Q3
Sponsor up to 8 individuals in Year 1 to attend regional short-courses					M x2		5 individuals sponsored to date

Task/Deliverable (D) / Milestone (M)		2011			2012			Status at end of Q2
		O	N	D	J	F	M	
	Sponsor 4 individuals in Year 1 to attend longer training courses in Africa						M x2	Not yet done
	Collect and evaluate data on participants, and participant evaluations							On schedule
	Liaise with USG agencies about possible customized short-courses for SERA Year 2							Contact made with BLS
2.4. Long-term Training of Economists								
	Develop conditions and procedures for bursaries starting in Jan 2012							Done
	Clarify with USAID the eligibility requirements (meaning of "government economists")							Done
	Provide bursaries for part-time MSc in Economics at U Zimbabwe, through ZEPARU							Done
	Screen gov't economists already in MSc program, for bursaries starting Jan 2012							Done
	Determine rules for allocating laptop computers to support MSc program participants							Done
	Implement bursaries for term starting Jan 2012				M			Done
	Procure and deliver laptop computers				M			Done
	Develop system for identifying and screening new candidates for entry in Sep. 2012							Done
	Select candidates for bursaries starting in Sep. 2012							Scheduled later
	Provide bursaries for PhD in Econ at UCT, through ZEPARU							Scheduled later
	Develop, with ZEPARU, system for tracking progress of bursary students				M			Done
	Track SERA bursary recipients progress from start to finish							Ongoing
2.5. Workshops (research dissemination & policy dialogue events)								
	Determine priorities for SERA research dissemination workshops (3 to 6 months at a time)				M		M	Planning stage
	Design, develop and deliver 10 outreach/dissemination workshops - topics TBD					D	D	Planning stage
	Assist ZEPARU in planning, organizing and implementing International Economics Conference (date TBD)							Planning stage
	Collect and evaluate data on participants, and participant evaluations							No relevant activities to date
	Confer with ZEPARU on grant to revive Zim Economics Society as host for research seminars							Discussed, no action to date
3. Assistance to ZIMSTAT								
	Coordinate with ZIMSTAT to define priorities for SERA technical and financial support				M			Done
	STTA (Beverly Carlson) to conduct ZIMSTAT needs assessment as input to SERA Work Plan							Done
	Liaise with ZEPARU, MOF, MEPIP to determine data needs for SERA support							Not yet done

Task/Deliverable (D) / Milestone (M)		2011			2012			Status at end of Q2
		O	N	D	J	F	M	
	Coordinate with other partner org's and NSS stakeholders on SERA support for ZIMSTAT							Intermittent
	Establish guidelines and procedures for SERA contracts and grants relating to support for ZIMSTAT					M		Done
	Implement and monitor SERA funding for contracts or program relating to support for ZIMSTAT							Ongoing
3.1. Improve organization and coordination of the NSS								
	Review ZIMSTAT data products and data information materials and needs for development of materials							Ongoing
	Develop specifications for upgrading ZIMSTAT website and populating website with data content						M	ZIMSTAT to use funding from another donor
	Provide funding, equipment and STTA to improve accessibility of timely data on ZIMSTAT website							SERA to support IT upgrade for data warehousing
	Develop and deliver public information events or trainings for producers and users of economic statistics							No requests from ZIMSTAT to date
3.2. Develop physical, IT and statistical infrastructure								
	Determine specific role for SERA in meeting priority needs for data development				M			Ongoing
	Provide financial support, as needed, for completion of PICES survey							Contracts signed
	Provide technical support, as needed for PICES data analysis							STTA assignment established
	Provide TA and funding for modernization and overhaul of central business registry (CBR)							Phase 1 contract approved
	Provide TA and funding for Census of Services (COS)							Phase 1 contract approved
	Determine training needs for ZIMSTAT staff development					M		Under discussion
	Assess other resources available for delivering training in applied statistics							Some discussion, no action to date
	Develop and deliver training for ZIMSTAT staff, or fund staff for training provided by other org's.							No request from ZIMSTAT to date
	Review IT systems and database management systems in ZIMSTAT							SERA to support IT upgrade for database management
	Develop specifications for strengthening the internal data management system at ZIMSTAT							Done
	Identify and deliver TA and IT equipment to strengthen internal data management systems							In process
	Identify and deliver other equipment such as motorbikes and GPS units to facilitate field work							No request from ZIMSTAT to date

- ** Several items from the Year 1 Work Plan are omitted here because they were illustrative only, or scheduled for later in the year.*

Annex 2: Performance Monitoring Indicators

Table A2.1. Output Indicators	A-6
Table A2.2. Intermediate Results Indicators	A-9
Table A2.3. Outcome Indicators	A-11
Table A2.4. Context Indicators	A-12

TABLE A2.1 . OUTPUT INDICATORS

	Item	Baseline	Source	SERA YEAR 1 Annual Target	2011 Actuals	2012 Actuals			SERA YEAR 2 Annual Target
					Oct – Dec	Jan – Mar	Apr – June	July - Sept	
1. Assistance to ZEPARU									
1.	Equipment specified by ZEPARU and approved by USAID procured and delivered	not applicable	SERA	ZEPARU sign off on delivery of equipment	Awaiting specifications from ZEPARU	Laptops requested for use by research fellows and interns			ZEPARU sign off on delivery of equipment
A. Research and Analysis									
2.	Study completed on financial sustainability for ZEPARU	not applicable	ZEPARU	Done	Agreement with ZEPARU on need for this study	Discussions cont'. Study planned for July-Sep			Study findings accepted
3.	Number of completed policy studies by ZEPARU with SERA support: total, and with gender content	0	ZEPARU	6, 3	0	1,0 (Barometer vol. 3)			8, 4
4.	Number of completed policy studies outsourced by ZEPARU with SERA support: total, and with gender content	0	SERA	2, 1	0	0			4, 2
5.	Person-hours of training in fiscal policy and fiscal administration supported by USG assistance (USAID PMP indicator): total, women	0	SERA	1500, 750	0	200, 80			2500, 1250
6.	Number of days of SERA technical assistance in fiscal policy and fiscal administration (USAID PMP indicator)	0	SERA	150	0	2			150
B. Parliamentarian Training									
7.	Number of SERA-supported seminars for Parliamentarians, on economic policy and	0	SERA	4 seminars	0	0			6 seminars

	economic literacy.								
8.	Number of Parliamentarians trained with SERA support: total, women	0	SERA	60, 30	0	0			100, 50
C. Short-term Training of Economists									
9.	Number of SERA-supported customized short-courses for govt economists.	0	SERA	4 customised short courses	0	0			5 customised short courses
10.	Number of government economists attending customized short-courses: total, women	0	SERA	80, 40	0	0			100, 50
11.	Number of individuals sponsored to attend regional short-courses: total, women	0	SERA	8, 4	0	5,2			8, 4
12.	Number of individuals sponsored to attend longer training courses in Africa: total, women	0	SERA	4, 2	0	0			4, 2
D. Long-term Training of Economists									
13.	Number of individuals w/ SERA bursaries to part-time MSc in Economics at U Zimbabwe: total, women	0	SERA	20, 10	0	8,0			20, 10
14.	Number of individuals w/ SERA bursaries to PhD in Economics at UCT - total, women	0	SERA	5, 3	0	0			5, 3
E. Workshops									
15.	Number of SERA-supported workshops or seminars	0	SERA	8	0	0			10
16.	Number of participants in SERA-supported workshops or seminars- total, women	0	SERA	400, 200	0	0			500, 250
3. Assistance to ZIMSTAT									
17.	Number of SERA-supported training courses for data producers and/or users	0	SERA	1	0	0			2
18.	Number of participants in SERA -	0	SERA	20, 10	0	0			40, 20

	supported training courses for data producers: total, women								
A. Improve organisation and coordination of NSS									
19.	Number of meta-data documents and data manuals produced and posted on-line with SERA support	0	SERA	0	0	0			2
20.	Number of public information events on economic statistics, through ZIMSTAT	0	SERA	2	0	0			3
21.	Number of participants in SERA-supported public information events through ZIMSTAT - total, women	0	SERA	100, 50	0	0			150, 75
B. Develop physical, IT and statistical infrastructure									
22.	Equipment specified by ZIMSTAT and approved by USAID procured and delivered	not applicable	SERA	ZIMSTAT to sign off on delivery of equipment	Awaiting specifications (ZIMSTAT undertaking needs assessment)	CBR –COS specifications received. Procurement in process.			ZIMSTAT to sign off on delivery of equipment
23.	Number of SERA-supported training events for ZIMSTAT staff	0	SERA	1	0	0			2
24.	Number of participants in SERA - supported training courses for ZIMSTAT staff - total, women	0	SERA	20, 10	0	0			40, 20
25.	Cum. number of online courses in economic statistics developed/supported by SERA	0	SERA	plans established	0	0			1

TABLE A2.2 . INTERMEDIATE RESULT INDICATORS

	Item	Baseline	Source	SERA YEAR 1 Annual Target	2011 Actuals	2012 Actuals			SERA YEAR 2 Annual Target
					Oct - Dec	Jan - Mar	April - Jun	Jul - Sept	
Assistance to ZEPARU									
A. Research and Analysis									
1.	Number of policy briefs/studies drafted and presented for public/stakeholder consultation as a result of USG assistance(USAID PMP indicator): total, and with gender content	0	ZEPARU	8, 4	0	0			10, 5
2.	Number of economic research material available through online library on the ZEPARU website	12 (9 Periodic articles, 3 serials)	ZEPARU	>=30 papers	= Baseline	No change			>=60 papers
B. Parliamentarian Training									
3.	Survey on knowledge retention and on the job utilization of content from SERA supported training, 6 months after each course by sex	0	ZEPARU	Results for each seminar	0	Survey tool being developed			Results for each seminar
4.	Number of MPs completing Certificate Program: total , women	0	Parliament	Programme established	Discussed with ZEPARU	Discussed with SAPST			10, 5
C. Training of Economists									
5.	Survey on knowledge retention and on the job utilization of content from SERA supported training, 6 months after each course by sex	0	ZEPARU	Results for each course	0	Survey tool being developed			Results for each course
6.	Cum. number of gov't economists completing MSc-Econ at U Zim w/ SERA support - total, women	0	University of Zimbabwe	0	0	0			4, 2
D. Workshops (policy dialogue events)									
7.	Number of press releases published or positive news reports on SERA-supported outreach/dissemination events: total, and with gender content	0	SERA	10, 5	0	0			20, 10

8.	Implementation of ZEPARU International Economics Conference with ACBF co - funding	October 2006 only one held to date	ZEPARU	Groundwork for Conference #1 complete	Discussion initiated	MOF&ZEPARU to launch Zim. Econ. Summit with SERA co-funding. Target: August 2012			Conference #1
Assistance to ZIMSTAT									
A. Improve organisation and coordination of NSS									
9.	Number of economic reports available on ZIMSTAT website, with lag of no more than 12 months	0	ZIMSTAT	2	0	0			6
B. Develop physical , IT and statistical infrastructure									
10.	Completion and publication of the Poverty, Income, Consumption Expend. Survey (PICES)	field work underway	ZIMSTAT	Survey/Data entry completed	Field work underway	Fieldwork ends in May. Six months of data entry completed			Report completed and disseminated
11.	Completion of Central Business Registry (CBR) update	poor quality data	ZIMSTAT	Field work conducted	Discussions initiated on SERA support	ZIMSTAT plans in process. SERA funding for phase 1 approved.			Results disseminated
12.	Completion of Census of Services (COS)	last done 1981	ZIMSTAT	Plan approved	Discussions initiated on SERA support	ZIMSTAT plans in process. SERA funding for phase 1 approved.			Census Completed
13.	Response rate on Quarterly Employment Inquiry, within 3 months	2% for September 2011 round	ZIMSTAT	20%	2% for September 2011 round	16% for December 2011 round			30%
14.	Number of ZIMSTAT staff using/completing SERA-supported on-line training courses: total, women	not applicable	ZIMSTAT	on - line training plan established	Not yet initiated	Not yet initiated			20, 10

TABLE A2.3 . OUTCOME INDICATORS

	Item	Baseline	Source	SERA YEAR 1 Annual Target	2011 Actuals	2012 Actuals			SERA YEAR 2 Annual Target
					Oct - Dec	Jan - Mar	Apr - June	Jul - Sept	
Assistance to ZEPARU									
1.	Number of policies/ legislation reformed and implementation started, as a result of USG assistance (USAID PMP indicator)	0	ZEPARU	TBD in consultation with USAID	0	0			TBD in consultation with USAID
2.	Number of "hits" and downloads of policy briefs/reports/studies posted on ZEPARU website	568 hits 353 downloads	ZEPARU	50% increase over baseline	= Baseline	Data not yet available			100% increase over prior year
3.	Number of local trainers capacitated to deliver short-term courses for gov't economists, through SERA support, by sex	0	ZEPARU	2, 1	0	0			4, 2
4.	Amount of funding for ZEPARU, excluding time-limited donor support	Budget vote 2010=\$10,000 2011=\$200,000	ZEPARU	\$200 000 2012 budget vote	FY2012 budget vote = \$200,000	No change			\$300 000, incl. budget vote + other sources
Assistance to ZIMSTAT									
5.	Improved National Income and Product Accounts (NIPA) statistics using PICES data and economic surveys that benefit from CBR upgrade	Seriously deficient statistical inputs to NIPA	ZIMSTAT	PICES data collection complete	Seriously deficient statistical inputs to NIPA	PICES field work to finish May 2012. CBR and COS projects in planning stage.			CBR update and COS complete
6.	Production of timely economic statistics (Indicator from NSDS Monitoring framework with SERA focus on economic statistics.	TBD with ZIMSTAT during 2012 Q1	ZIMSTAT	Plans developed	Technical discussions initiated with ZIMSTAT	Technical discussions continued			50% of economic statistics compliant with GDSDS on timing and frequency
7.	Number of downloads of economic data tables or documents on ZIMSTAT website	Data not captured by ZIMSTAT	ZIMSTAT	Data collected and reported to management monthly	Data not captured by ZIMSTAT	Data still not captured by ZIMSTAT			TBD in consultation with ZIMSTAT

TABLE A2.4 . CONTEXT INDICATORS

	Item	Baseline	Source	SERA YEAR 1 Annual Target	2011 Actuals	2012 Actuals			SERA YEAR 2 Annual Target
					Oct - Dec	Jan - Mar	Apr - June	Jul - Sept	
Economic Growth									
1.	Real GDP Growth relative to IMF projection for 2012-2015, from WEO Sep 2011	IMF estimate 6.0% for 2011; projection 3.1% in 2012; 3.0% for 2013-15	IMF for updated estimates, ZIMSTAT for actuals	IMF baseline proj. for 2012 achieved = 3.1%	IMF growth estimate for 2011 increased to 9.3%	IMF growth estimate for 2012 increased to 4.7%			IMF baseline for 2013 exceed by 1%=4%
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	PICES 2012 completed	UZ/MZF 2011: total consumption poverty rate = 87%	No new poverty data available at this time.			PICES data published; Quick Poverty Survey instrument developed
Employment Creation									
3.	Growth in formal sector non-gov't jobs (total, male, female), excluding agriculture. No breakdown by sex available	422,700 = latest ZIMSTAT data for Dec 2008. No breakdown by sex available	ZIMSTAT	Conduct and publish timely quarterly employment surveys	422,700 = latest data, for Dec 2008. No breakdown by sex.	No change. Discussions initiated with ZIMSTAT on QEI disaggregation by sex.			10% growth in formal sector jobs
Fiscal Management and Administration									
4.	Non-mineral revenue (NMR)	2.65 billion (2011)	Baseline from ZIMRA 2011 Revenue Performance Report	NMR growth to exceed growth of non-mining GDP	2011 NMR = \$2.65 billion	NMR for Jan–Mar 2012 = \$723.9m. Same period 2011 = \$573.2m. Growth = 26.3%			NMR growth exceeds growth of non-mining GDP
5.	Percentage of central government expenditure on social services and productive infrastructure (excl. personnel cost)	Est. 18.42% (September 2011)	MOF	25%	Est. 18.4% (thru Sept. 2011)	10.2% (Jan–Feb 2012)			30%
Debt relief									

6.	Improved debt management	Controversy on use of HIPC	MOF	Analysis of pathways to debt reduction	Controversy on use of HIPC	GoZ issued Zim. Accelerated Arrears clearance and Debt Mgt and Dev't Strategy (ZAADDs)			Plan for debt relief and IMF Staff Monitored Program
Investment Promotion									
7.	Foreign direct investment, net inflow (US\$ millions)	\$105m in 2009 (RBZ Actuals)	Baseline: Actuals: RBZ BOP Data	FDI inflow for 2102 no less than for 2011	\$123million (RBZ actuals for 2010)	\$125million (RBZ estimate for 2011)			FDI inflow for 2013 at least double 2012
Gender Equity									
8.	Formal sector employment, non-gov't: % women	37% of women formally+informally employed. Data n.a. on formal sector jobs by sex	Zimbabwe Demographic and Health Survey 2010 - 2011	10% growth from baseline	= Baseline	No new data.. Discussions initiated with ZIMSTAT on QEI by sex.			10% growth
Business environment									
9.	New business registrations (number)	8550 in 2011	Registrar of Companies	8600	8550 in 2011	2527 (through March 30, 2012)			10000
10.	Doing Business Ranking	171 out of 183 countries for 2012	IFC/WB Doing Business Report 2012	164	171 out of 183 countries for 2012	Data produced annually			157
Financial Sector									
11.	Level and Growth of deposits in banking system	December 2011 total deposits = \$3318.2 million, Growth = 42.6%	RBZ Monthly Report	25% growth	December 2011 total deposits = \$3318.2 million. Growth from year earlier = 42.6%	Feb 2012 total deposits = \$3377.6 million. Growth from year earlier = 37.4%			20% growth
12.	Bank interest spread (% points) (average lending rate less SERA estimate of average interest cost of deposit funds)	Est. 9.9% (October 2011)	RBZ Monthly Weekly Reports	9.9%	Est. 9.9% (October 2011)	Est. 10.2% (January 2012)			9%
13.	World Bank Statistical Capacity Indicator (Indicator from NSDS Monitoring F/Work).	49 (2011)	World Bank	50	49 (2011)	Data produced annually			65

Annex 3: SERA Snapshot -- Measuring Poverty and Living Conditions in Zimbabwe



USAID | **ZIMBABWE**
FROM THE AMERICAN PEOPLE

SNAPSHOT Measuring Poverty and Living Conditions in Zimbabwe

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



Enumerator collecting household data.

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

Telling Our Story
U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

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

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

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

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

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

¹ Data from the 2003 Poverty Assessment Survey, page 73.

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

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

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

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

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