



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

QUARTERLY PROGRESS REPORT PROGRAM QUARTER 9: OCTOBER-DECEMBER 2013

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

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ACRONYM LIST

ACBF	African Capacity Building Foundation
AfDB	African Development Bank
BTS	Business Tendency Survey
CBR	Central Business Register
CIP	Census of Industrial Products
COP	Chief of Party
COS	Census of Services
COTR/COR	Contracting Officer's Technical Representative/ Contracting Officer's Representative
DFID	Department for International Development
DG	Director General
DL	Distance Learning
ED	Executive Director
ESAMI	Eastern and Southern African Management Institute
GDP	Gross Domestic Product
GOZ	Government of Zimbabwe
HIPC	Heavily Indebted Poor Country
ICT	Information and Communications Technology
IMF	International Monetary Fund
LEDRIZ	Labor and Economic Development Research Institute of Zimbabwe
M&E	Monitoring and Evaluation
MEFMI	Macroeconomic and Financial Management Institute
MOFED	Ministry of Finance and Economic Development
MTTA	Medium-Term Technical Assistance
PICES	Poverty, Income and Consumption Expenditure survey
PFM	Public Finance Management
QEI	Quarterly Employment Inquiry
QPR	Quarterly Performance Report
RA	Resident Advisor
RBZ	Reserve Bank of Zimbabwe
SERA	Strategic Economic Research and Analysis
SIRDC	Scientific and Industrial Research and Development Centre
SS	Survey of Services
STTA	Short-Term Technical Assistance
TFTA	Tripartite Free Trade Area
TIPS	Trade and Industry Policy Studies
TRALAC	Trade Law Centre for Southern Africa
UNCTAD	United Nations Conference on Trade and Development

UNDP	United Nations Development Program
USAID	United States Agency for International Development
UZ	University of Zimbabwe
VAT	Value Added Tax
VMI	Volume of Manufacturing Index
WB	World Bank
ZEPARU	Zimbabwe Economic Policy Analysis and Research Unit
ZIMACP	Zimbabwe Agricultural Competitiveness Program
ZIMRA	Zimbabwe Revenue Authority
ZIMSTAT	Zimbabwe National Statistics Agency

SERA HIGHLIGHTS – PROGRAM QUARTER 8

Assistance to ZEPARU

- Policy research: Continued progress on STTA support to ZEPARU through Professor Daniel Makina on studies on financial sector development and mentorship of ZEPARU researchers in the finalization of the research papers previously presented in a dissemination workshop in Quarter 8. Q9 saw the finalization of Research mentorship products by Daniel Makina:
 - Contribution and Challenges Facing the Financial Sector in Zimbabwe
 - Financial Regulation and Supervision in Zimbabwe: An Evaluation of Adequacy and Options
 - Financial Liberalization and Crises: Experiences and Lessons for Zimbabwe
 - Financial Inclusion: Strategies that Make the Financial Markets Work for the Poor in Zimbabwe
- STTA support to ZEPARU: Dr. Dan Fitzpatrick who presented his Research Report to a dissemination workshop on Enhancing Zimbabwe's Regime for Resolving Corporate Financial Distress: Current Challenges and Possible Solutions, on 6 December 2013;
- STTA support to ZEPARU: Dr. Robert Kirk's study on Tripartite Free Trade Area (TFTA) negotiations was not completed by the end of Q9;
- All the four Value Chains Consultants commenced their respective studies during the quarter: three from SIRDC successfully submitting their first Draft progress reports while AfriConsult will submit in January 2014.
- In-country training course by Paul McNelis: on a high level Applied Econometrics course mainly requested by the Reserve Bank of Zimbabwe with participants from the RBZ, Ministry of Finance and Economic Development and ZEPARU, was undertaken from 7 – 18 October, 2013 in Harare, Zimbabwe.
- Regional short-courses: supported 7 economists to attend three regional short-courses offered by MEFMI, MEFMI, and TIPS respectively. See text for details.
- Long-term training of economists: By end of Q9, 15 SERA-funded ZEPARU bursary recipients in the part-time M.Sc. Economics program continued studies at the University of Zimbabwe (UZ) and sat for the 2013/2014 first semester examinations. Examination results are expected in Q10.
- Four studies from Q6 –Q8 were finally completed and submitted by ZEPARU as final deliverables, namely:
 - Capital Account Restrictions in Zimbabwe in the Multicurrency Period;
 - A Review of Zimbabwe's Optimum Future Currency Regime;
 - The Nexus between Growth, Employment and Poverty in Zimbabwe: the Economics of Employment Creation; and
 - Economic Literacy Handbook for Parliamentarians.

Assistance to ZIMSTAT

- Central Business Register (CBR): Fixed-price contract in progress covering CBR field work, report writing, and stakeholder's workshop; Payment from Nathan HQ for Tranches 3 -4 were effected in Quarter 9.
- Central Business Register (CBR) Inquiry data processing: Cost-Based contract was negotiated and technical approval received for the data processing phase.

- A consultant for discovery and design phase, with approval from ZIMSTAT and technical approval from USAID, has not completed his work at the end of the quarter, but this will be finalized during Q10. This is to be followed by procurement of data development service via purchase order with local website company.

Assistance to the Ministry of Finance and Economic Development (MOFED)

- Up to the end of the quarter the MOFED's Training Committee had not forwarded its training priority list to the SERA Program to develop modalities for this new channel of activity. Efforts to engage the Ministry of Finance and Economic Development (MOFED) were not successful as the ministry was preoccupied with its budget preparations.

1. INTRODUCTION

The USAID Strategic Economic Research and Analysis — Zimbabwe (SERA) Program contract took effect on October 1, 2011, with Nathan Associates Inc. (hereinafter “Nathan”) as the prime implementing partner, for a performance period of four years. USAID developed the SERA Program in partnership with the Ministry of Finance and Economic Development (MOFED) with three **Strategic Objectives**, which may be summarized as follows:

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

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

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

To produce these results the SERA contract specifies the following 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 for implementation of a demand-driven agenda to support the twin foci of policy reform and capacity development, including:
 - a. Assistance to the Zimbabwe Economic Policy Analysis & 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

In essence, our mandate has been to deliver *demand-driven* support to strengthen human and institutional capacity for partner organizations; 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. Nathan has been pursuing these aims through the provision of technical and financial support to ZEPARU and ZIMSTAT as our principal partner organizations. A major development during the quarter under review has been negotiation between

USAID and the MOFED to establish a new channel for direct SERA support to the Ministry (see Section 2).

The present Quarterly Progress Report (QPR) covers SERA Program Quarter 9, October-December, 2013. The report discusses progress on each of the Services and Tasks cited above, challenges faced, and plans for the next quarter. **Annex 2** provides the latest update of the Performance Monitoring Indicators from our revised Monitoring and Evaluation Plan, as approved by USAID in October 2013.

2. MANAGEMENT AND ADMINISTRATIVE SERVICES

For this first program component, Nathan activity during the reporting period focused on management and administration of operations, fulfillment of reporting requirements, and planning for the management transition that took place at the beginning of Year 3.

Management and Administration of Operations

Management and administration of SERA Program operations continued to proceed smoothly during this quarter. Recurrent tasks included maintenance of accounts and records, timely payment of wages and payroll, taxes, management of our equipment inventory, and ensuring compliance with USAID regulations on procurements and activities. Nathan headquarters continued to provide efficient backstopping in the areas of contract administration, recruitment of consultants, financial management, and reporting.

Maintaining full and open communications with USAID/Harare is a critical and on-going element of our field operation. The SERA Chief of Party (COP) continued to hold 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.

The management and administration of all programmatic activities is done in collaboration with our primary partner organizations, ZEPARU and ZIMSTAT. Concomitant tasks include developing and supervising STTA assignments, training events, equipment procurements, and workshops or conferences. These activities are captured in technical sections below (see sections 3 and 4) and the agenda of activities that are under development for following quarter (see section 8).

Two special issues were addressed during the quarter under review.

- Program restructuring discussions. Following the exchange of formal letters between the USAID and MOFED that provided a documentary basis for activating the new channel for program activity, the SERA team and the USAID COR met with MOFED's Training Committee officials on 25 September to explain the procedures and regulations governing the provision of technical or financial assistance through USAID SERA. However, by the end of the quarter, the Ministry had not followed up with the specific requests to the SERA Program.

However, the Quarterly Progress Reports and our Work Plan for Year 3 will continue to include activities involving direct assistance to MOFED, as appropriate.

In addition, the USAID COR has continued to seek additional avenues of expanding the coverage of SERA activities to cover the private sector organizations/associations and Civil Society Organizations (CSOs).

- VAT refunds: At the end of Q9, Nathan Associates had received three VAT refunds from the Zimbabwe Revenue Authority (ZIMRA), covering claims for our operations in Harare through

December 2012. The position at the end of Q9 is that the total amount of refunds received is \$20,273.12 out of a total claim of \$33,391.16 leaving \$13,118.14 in refund claims up November, 2013 outstanding. The SERA Program Manager will continue to communicate with USAID's finance office to facilitate this process

Reports

During Quarter 9, Nathan Associates complied with all periodic reporting requirements, including submission of the quarterly financial report, monthly activities calendars, and the quarterly accrual report, among others. We also submitted periodic "bullets" on program highlights as warranted by activities.

Management Transition

In accordance with Nathan's Technical Proposal and the approved SERA program budget, Daniel Ndlela took over as COP at the beginning of the Quarter after Dr. Bruce Bolnick completed his two-year assignment as Chief of Party on 30 September (the end of Year 2). The understanding is that Dr. Bolnick will be available thereafter for intermittent STTA assignments in support of the program.

At the beginning of Q9, Nathan headquarters made a decision to ensure a seamless and effective transition to the new management structure of the SERA Program. The combination of measures to support the COP in Year 3 included the allocation of time slots for Peter Miller from Nathan headquarters on intermittent basis to provide backup and oversight support from headquarters. Mr. Miller will be able to travel to the field office three times a year during Year 3. This arrangement is part of the Nathan's original measures put in place during the project proposal stage. In addition Professor Ashok Chakravarti, a part time University of Zimbabwe economics professor will provide up to 4 days per month or more if needed to support the COP with administration and technical inputs. Professor Chakravarti has the added advantage of having been a USAID project COP and hence comes in with valuable experience as well as expertise. As soon as the required LCP waiver for Professor Chakravarti is approved we will contract his services.

By end of Q8, the COP and RA had reached a conclusion on their discussions with ZEPARU and USAID the idea of engaging a distinguished local or regional economist to provide intermittent medium-term technical assistance (MTTA) to ZEPARU during Year 3 in place of the RA position. The objective for this assignment is to continue providing senior-level support to ZEPARU for mentoring and training research staff, quality control of technical products, and advising on institutional management. Following receipt of the required LCP Waiver, our local subcontractor Imani Development signed a contract with Professor Rob Davies, a leading local economist with an outstanding research record and wide international experience, to provide mentorship to ZEPARU on an intermittent basis or as and when needed.

3. TECHNICAL SERVICES: ASSISTANCE TO ZEPARU

This section reviews SERA support to ZEPARU during Quarter 9 under four sub-components: research and analysis; training for Parliamentarians; training of economists (short term and long term); and workshops and other research dissemination events.

Following the withdrawal of Daniel Ndlela's service as full-time Resident Advisor, Professor Rob Davies will step in from early Q10 to provide continued assistance in the development of ZEPARU research activities, mentoring and training for the research staff, including quality control of technical products, and advising on institutional management.

Nathan has continued to engage a junior economist who is seconded full-time to ZEPARU as Training Coordinator to help manage their training activities, workshops and research dissemination events, especially those supported by SERA. In addition, the Training/M&E Coordinator at the SERA office devotes approximately 70% of her time to supporting ZEPARU-related activities.

During the quarter, the COP continued to meet regularly with the Executive Director (ED) of ZEPARU, though at times these meetings became irregular due to the busy schedule of the ED. The meetings address 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 sub-component, our attention during the quarter focused on three major activities: SERA-supported ZEPARU studies; funding of outsourced research; continued monitoring of website development and public information on research products.

- **SERA-supported ZEPARU studies:**

- Financial Sector studies: Under the guidance, mentorship and supervision of a USAID SERA consultant Daniel Makina, there was continued mentorship of ZEPARU researchers in the preparation of draft work-in-progress on the four research papers listed below:
 1. Role of the financial sector in the economy: An evaluation of enhancement measures for Zimbabwe
 2. Financial liberalization and crises: Experiences and Lessons for Zimbabwe
 3. Financial Regulation and Supervision in Zimbabwe: An Evaluation of Adequacy and Options
 4. Access to Bank Credit as a strategy to re-industrialization in Zimbabwe.

In addition Professor Makina also led in the preparation of the paper on Financial Inclusion Strategies for Making Financial Markets for the Poor in Zimbabwe, in collaboration with ZEPARU researchers, and worked with ZEPARU to expand financial sector research to embrace capital markets, insurance and pension sectors. The latter is expected to be pursued during next quarter.

- Zimbabwe Country Study on Negotiations for the Tripartite Free Trade Area (TFTA): Following the field visit by Dr. Robert Kirk to Zimbabwe from 16-20 September 2013 to work with the TFTA-ZEPARU team of ZEPARU, and Ministry of Industry and Trade researchers: Evangelista Mudzonga, Erinah Chipumho, Jacob Nyamadzawo, Elizabeth Magwaza and Ruvimbo Sandauke, the Study team continued to work on the study during Q9. However due to delays in obtaining research materials from the team members from the government ministries, the study will only be completed at the end of February 2014.
- Modernization of Laws and Procedures for Resolving Insolvencies: The STTA led Bankruptcy Study for the Competition and Tariff and Commission led by Dr. Dan Fitzpatrick proceeded well during Q9 with the dissemination workshop being held on 6th December, 2013. The dissemination workshop was well attended by a high profile membership of the Judicial Management experts who committed to work with the international expert to provide him with useful comments to help towards the finalization of the report. The final report entitled

'Enhancing Zimbabwe's Regime for Resolving Corporate Financial Distress: The Current Challenges and Possible Solutions' was delivered in early January 2014.

- **Other studies:**

- Economic Literacy Handbook for Parliamentarians: This report was completed and submitted as a deliverable during the quarter. It was well received by the Clerk of Parliament, Mr. Austin Zvoma, who suggested that it could be published with a joint foreword by Parliament administration. It is expected that the Tool-Kit will be launched through a series of economic literacy training sessions for the new members of the House of Assembly.
- The following seven in-house studies on private sector development did not start during Q9:
 1. Competitiveness and Private Sector Development of SMEs - Erinah Chipumho
 2. Enhancing Women Market Access - Evangelista Mudzonga, Evidence Ndari
 3. Access to and use of ICTs by SMEs in Zimbabwe – Jacob Nyamadzawo
 4. Enhancing Small and Medium Enterprises through Cluster Development – Cornelius Dube, Priscilla Chipinduro, Owen Murwira
 5. The Role of Financial Intermediation in Private Sector Development -Wellington Matsika, Mike Nyawo
 6. Women in Business: Special Focus on SMEs -Gamuchirai Chiwunze, Ivy Gurure
 7. International Experiences on Growth and Development of SMEs: Implications for Zimbabwe- Ethel Sithole and Evaristo Mugocho.

Whilst the principle of supporting these studies was plausible and acceptable, the USAID COR took a cautious approach and advised that SERA should hold back in funding STTAs to mentor these studies until ZEPARU has cleared a backlog of unfinished studies being funded by the SERA program. The good news was that all the unfinished studies from the previous quarters were completed and accepted during Q9. The preferred stance taken by both SERA and the USAID COR to shift focus more on policy studies that have quick policy impacts than research studies that serve the purpose of publication still remains. This, however, does not mean that the private sector studies will not be supported, even though the back-log is cleared.

- Sustainability study: Since the Final Report by Stephen Yeo was turned in, approved and submitted to USAID during Q8, ZEPARU has been waiting for their Board to make clear recommendations on the way forward. 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 on April 8-10 at Victoria Falls. As a condition of this support Dr. Chigumira agreed to submit a 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. This remains an outstanding matter, as at the end of quarters Q7 – Q9 the report had not yet been delivered.

- **Outsourced research:**

During Q9, a LEDRIZ report titled 'The Nexus between Growth, Employment and Poverty in Zimbabwe: The Economics of Employment Creation' was accepted as a deliverable by ZEPARU. This report which turned out to be a good piece of research has potential to have positive impact on employment creation and inclusive growth.

During Q9 all four ‘Value Chain outsourced studies’ commenced, of which three were by the SIRDC and the fourth was by AfriConsult:

- Engineering and Metals Industry Value Chains
- Chemical Industries Value Chains
- Agro-industries Value Chains
- Textiles and Clothing Value Chains

The SIRDC consultants successfully completed the reference group meetings with stakeholders, which were followed by presentation of Draft Reports which were reviewed and acceptable by ZEPARU and the SERA COP. Subsequently SERA has paid the stipulated Tranche 2 equal to 30% of the fixed price to the consultants. However, AfriConsult was not able to submit an acceptable Draft Report by the end of Q9. The latter will only be received early during Q10.

During the course of Q9, the SERA team and ZEPARU were not able to start a set of outsourced studies on Inclusive Growth due to competing priorities on the part of ZEPARU. In addition to the SERA COP, senior economist Professor Rob Davies will be able to assist with the development of the research plan, with the intention of beginning the process now that ZEPARU is going to complete the industrial value chain studies during Q10.

- **Website development and Public information.** During Q9, the Website continued to be populated with relevant material including studies carried out by ZEPARU hence providing much added value to the visibility of the policy think-tank. However, the much awaited formal launch of the website has not materialized, and remains an outstanding issue.

According to ZEPARU, the delay in making a public announcement about the new website is due to scant population of material in the website. However, since more material has been added to the website during Q9 ZEPARU’s weakness in public relations has to improve, a factor that SERA will continue to engage ZEPARU in order to improve on.

Beyond these primary activities, SERA has continued funding three interns with masters’ degrees in economics, on one-year assignments to assist with ZEPARU’s research and analysis activities. This activity combines research support, capacity building, and training.

Training Parliamentarians

During the course of Q9, a SERA funded consultancy for the preparation of the Economic Literacy “Tool Kit” for the training of Parliamentarians was completed and accepted as a SERA deliverable. Following the finalization of the “Tool Kit” the Clerk of Parliament was appraised and was very happy with the product. In this respect the Clerk of Parliament has suggested that the product would be greatly enhanced if a joint foreword by the Clerk of Parliament is included in the printed copies of the Tool Kit. By the end of the Q9, ZEPARU had advanced in their preparations of the printed copies which would be completed in early Q10, to be followed by a roll-out plan of the economic literacy training of the members of Parliament.

Training of Economists (short-term)

In-country Courses

- The long awaited internal course on **Advanced Econometrics for Policy Analysis** by our STTA, Professor Paul McNelis was held from 7-18 October, with 19 participants from the RBZ, MOFED and

ZEPARU, 14 males and 5 females. 12 participants were economists from the RBZ, 4 from MOFED and 3 researchers from ZEPARU.

- The fourth **Advanced Excel Skills** was held on 3-4 December, 2013 during Q9, with 9 males and 5 females. Participants were drawn from MOFED, RBZ and ZEPARU. There is still demand for this course within the ministries and it is expected that more sessions of the course will be run in 2014.
- During Q9, the SERA team continued to collaborate with ZEPARU and government partners to develop and recruit facilitators for an in-country short-course on **Public Finance Management and Budget Control**. In February 2013, 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. Though the Ministry had agreed to run the course from August 5-9, the decision of the Constitutional Court to hold the election on July 31 necessitated rescheduling. The decision to hold this course is still pending and can be resuscitated during the next quarter.

External Courses

- **MEFMI Course:** Debt Statistics Compilation and Reporting, 14-23 October 2013, Gaborone, Botswana. The beneficiary for this course was Ms. Dorcas Mhishi, Senior Economic Analyst at Reserve Bank of Zimbabwe. The 8-day training course on Debt Statistics Compilation and Reporting has the following specific objectives:
 - To impact knowledge and skills in debt statistics compilation and reporting;
 - To train on the application of computer-based debt management systems in debt statistics compilation and reporting;
 - To enable participants to understand international methodologies for producing debt statistics and reports; and
 - To foster adoption of international best practice in debt statistics compilation that promotes debt information disclosure, transparency and accountability.

The course reviews recent developments, including the recently published international Public Sector Debt Guide, and provide training on best practice in debt statistics compilation and reporting, based on the existing international definitions, standards and conventions. It also examines the role of computer-based debt management systems in debt statistics compilation and reporting in order to comply with international frameworks. The target group for this training is junior to middle level staff responsible for compilation and reporting of debt statistics from Ministries of Finance and Central Banks, including staff from the national statistical offices.

- **MEFMI Course:** Medium Term Debt Management Strategy, 4-13 November, 2013, Mombasa, Kenya. The beneficiaries of this course were:
 - Mr. Tinotenda Karise, MOFED; and
 - Mr. Edwin Chihava, MOFED

The 8-day training course BY MEFMI has the objective of developing participants' skills on the use of Medium Term Debt Management Strategy (MTDS) tool of the World Bank and IMF and skills to develop a national debt management strategy. Sound practice requires that Governments develop and implement debt management strategies in order to minimize the costs and risks that are associated with

their debt portfolios. The experiences of the debt crises illustrate that the absence of a formal public debt strategy can lead to poor choices and thus aggravate the risks associated with public sector borrowing. It is therefore important for Governments to actively manage their debt portfolios through formulation of effective debt strategies. This course has been designed to address the capacity gaps in this area among member States and among other things, focuses on how to develop a debt management strategy, including identifying the objectives and scope for debt management, identifying funding sources, and assessing the costs and risks associated with a range of alternative strategies.

The target group for this course includes middle level officials from Ministries of Finance and of Economic Planning and officials working in the macroeconomic planning and economic policy research departments, especially those involved in macroeconomic forecasting. Participants are required to be computer literate, especially in the use of both Microsoft Excel and Word. It is expected that after this course, participants will be able to use the MTDS tool to prepare and monitor the implementation of their national debt management strategies

- **TIPS Course:** Introduction to Economy Wide Modeling for Policy Analysis, 11 -15 November 2013, Pretoria, South Africa. The beneficiaries for this course conducted by the African Tax Institute were:
 - Mr. Everisto Madziva Mugocha, Research Fellow – ZEPARU; and
 - Mr. Wellington Jeremiah Matsika, Research Fellow – ZEPARU.
 - Mr. Cathebert Mudhunguyo, Senior Economist, MOFED.
 - MR. Noell Machinjike, Senior Economist, MOFED.

The 5-day TIPS training workshop was on Introduction to Computable General Equilibrium (CGE) Modeling with GAMS. The workshop integrates theory, real world data, hands-on computer work and real world application. The workshop also builds on previous TIPS Introduction to CGE events in which the GAMS software was not used directly.

In the course of training participants are:

- introduced to the micro, macro and trade theories that underlie typical CGE models;
- offered an overview and practical examples of Social Accounting Matrices (SAMs) and of parameter and elasticity estimation methods which typically provide the data on which CGEs are built;
- instructed in the necessary commands in GAMS, a programming language widely used in economy-wide policy modeling; and
- exposed to issues involved in using models for specific applications, such as the analysis of trade, public finance, regulation and environmental economics.

Training of Economists (long-term)

SERA support for the long-term training of economists through the ZEPARU Economic Scholars Program continued in Quarter 9 through funding bursaries for 15 government economists who are pursuing the part-time M.Sc. program in Economics at the University of Zimbabwe; Male = 11; Female = 4. This includes 7 economists from the MOFED, 3 from the Ministry of Industry and Commerce, 1 each from ZIMRA and the Ministry of State Enterprises, RBZ, Ministry of Youth Development Indigenization and Empowerment and Ministry of Transport, Communication and Infrastructural Development. Details of the bursary coverage have been explained in previous QPRs.

The SERA program is also currently supporting three economists pursuing Ph.D. programs in economics in South African universities, namely:

- **Mr. Nebson Mupunga**, Principal Economist and Deputy Division Chief of the Economic Research Division at RBZ. Mr. Mupunga is pursuing the part-time Ph.D. program in economics at Nelson Mandela Metropolitan University (NMMU) in Port Elizabeth, South Africa. His dissertation research proposal focuses on “Simulation Analysis of Optimal Public Debt Management Policies in Low Income Countries: The Case of Zimbabwe.” In Q9, one of Mr Mupunga’s thesis paper entitled "Analyzing the Theoretical and Empirical Foundations of Public Debt Dynamics in Zimbabwe" which he submitted to the Economic Research Southern Africa (ERSA) was accepted for publication. The ERSA reviewers have recommended publication, but also suggested some minor revisions to the manuscript. Mr. Mupunga’s revised manuscript should be submitted by 21-Jan-2014. The SERA Program is providing funding for language editing for the paper before it is submitted.
- **Mr. Prudence Stephen Moyo**, Senior Economist, Economic Research Division, RBZ. Mr. Moyo is pursuing the M.Phil/Ph.D. programme in Economics at the University of Pretoria. Under this program his first year consists of M.Phil courses in Microeconomics, Macroeconomics, and Econometrics. Upon successful completion of these courses he will focus on dissertation research, on a topic to be determined at that time. At the end of Q9, Mr Moyo sat for year-end examinations of the M. Phil courses in Monetary economics and banking, Microeconomics, Macroeconomics and Econometrics. His examination results are expected in Q10. He is also expected to start working on his PhD thesis, beginning in Q10.
- **Mr. William Kavila**, Chief Economist, Economic Research & Policy Enhancement Division, RBZ. Mr. Kavila is pursuing the part-time PhD in Economics at NMMU in Port Elizabeth. His proposed dissertation topic is on “Zimbabwe: From High Inflation to Hyper-Inflation, 1980-2012.” Mr Kavila continues to work on his thesis as he waits for approvals from the supervision committee at NMMU which is expected to sit early 2014.

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.

Workshops and Other Research Dissemination Events

ZEPARU made only one request to USAID SERA during Q9 for funding a research dissemination event (Section 2 above).

Dr. Dan Fitzpatrick presented his Research Report to a dissemination workshop on Enhancing Zimbabwe’s Regime for Resolving Corporate Financial Distress: Current Challenges and Possible Solutions, in Harare, Zimbabwe on 6 December 2013.

Similarly, due to the post-election impasse, there was virtually no progress during the quarter, on planning an International Economics Conference for 2013. We are keeping this issue on the agenda for discussion with ZEPARU during Q10.

4. TECHNICAL SERVICES: ASSISTANCE TO ZIMSTAT

USAID SERA assistance to ZIMSTAT during Quarter 9 continued to focus on providing funding for development of a Central Business Register (CBR), as a cornerstone for improving the quality of

economic statistics. Our support for the Survey of Services (SS) has been deferred to 2014, because ZIMSTAT must first complete the CBR to establish the sampling frame for this very important survey.

Support for the CBR and SURVEY OF SERVICES (SS):

As mentioned in the previous QPRs, we continue to emphasize that the CBR project is central to our mandate to help ZIMSTAT improve the quality and timeliness of economic statistics as the basis for evidence-based policy analysis and effective policy management. Once completed, the CBR will provide a central register of establishments operating in all sectors and regions of the economy, classified by primary activity using the latest international standard industrial classification codes. This will constitute the master sampling frame for collecting basic economic statistics such as the Survey of Services (SS), Quarterly Employment Inquiry (QEI), Census of Industrial Production (CIP), Volume of Manufacturing Index (VMI), and Business Tendency Survey (BTS).

During the quarter, SERA continued to support the next steps of the implementation of the CBR questionnaire—the CBR Inquiry—to gather basic data such as economic sector, business turnover and employment, and gender of ownership.

The CBR Inquiry was scheduled to begin in early August and end by January 2014 (now estimated to end in February) has on the whole remained on course during Q9, with recovery of questionnaires continuing through late December for those companies that had not closed for the annual shut down. Disbursement of the fourth Tranche of funding was slightly delayed while progress of the activity was reviewed; however ZIMSTAT continued the retrieval of questionnaires.

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In a Partner's meeting in support of the ZIMSTAT 2014 Annual Work Plan, the Partners (UNDP, AfDB, DFID and SERA) discussed issues concerning the funding of many areas of ZIMSTAT, including the funding of the Survey of Services (SS). A presentation by ZIMSTAT officials demonstrated that the total cost of 'Production and dissemination of quality data and statistics' under which the conduct of Survey of Statistics falls amounts to \$4,326,288.00, and this amount falls short of DIFD's total budget for this activity of \$3million. Since the larger part of SERA's funds have already been spent in the CBR, SERA has only committed to contribute about \$500,000.00 to the budget of SS amounting to \$1,401,192.00. Given the coming of the AfDB, it is likely that the SS will be fully funded.

Support for the Website Development:

ZIMSTAT had during Q8 requested technical assistance (TA) from the USAID SERA Program to implement a major upgrade to the agency's website, which is their primary window for disseminating statistical reports and data to the world. The initial set of specifications was reviewed by a Nathan specialist in IT/website development (Mr. Peter Miller) and by a statistical development expert who is providing support to the USAID SERA team (Dr. Beverley Carlson). Both reviewers strongly recommended splitting the technical assistance for website development into two phases. It was decided that in line with international best practices, the first phase should focus on "discovery and design," to assist ZIMSTAT in articulating their needs and those of their users in order to produce a more complete "blueprint" for the website upgrade. The result of this design phase will therefore include (i) a full and detailed set of specifications for the ZIMSTAT website upgrade, and (ii) recommendations for a longer-term strategy for website development.

A local STTA was engaged to bring out recommendations on the architecture of the discovery phase of the website including identification of:

- Current processes for updating content, including internal technical contributors of content
- An overview of the desired content, organization and functionality of the website
- Required upgrades to and streamlining of functionality and content of the ZIMSTAT website, including interactive data elements
- Any special requirements suggested by website users which should be considered for the website upgrade.

Based on the findings, recommendations were to be made to ZIMSTAT on the proposed functional architecture outlining in sufficient detail what the website upgrade should provide to end users in terms of content and function

5. CROSS-CUTTING ISSUES

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

Coordination with other USAID programs:

The COP and Program Director attended the meeting of all Chiefs of Party and one additional staff member to an implementing (annual) partners meeting on 20 November 2013, at 3 Tina Close, Chisipite, Harare. The meeting was attended by the USAID Mission director and the Ambassador of the United States addressed the group which was followed by Q&A. The meeting also covered topics that are pertinent to the operating environment and work processes. Issues for discussion included a partner presentation on Local capacity development and gender mainstreaming. Operational issues discussed in partner breakout group sessions included: Visa/TEP issues, NGO Registration Requirements and VAT refunds.

Outside the USAID community, the COP continued with 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). Because of the post-election impasse in government, there was very little progress in collaboration with MOF Directors on coordination between USAID-SERA and DFID PFM training program.

Poverty

Because the SERA program is demand driven, the scope of our involvement with poverty issues continues to be defined by needs of our partner agencies. However, we consistently seek to incorporate the poverty lens in dealing with other policy issues. Indeed, the fundamental goal of our support for research, training, and outreach with ZEPARU is to improve policy analysis and research dissemination *in order to foster inclusive growth* and employment creation as primary engines for poverty reduction.

With reference to the summary of our assistance to ZEPARU, above, several SERA-supported activities during Q9 involved elements relating to poverty reduction. These included: continuation of support to studies on financial sector development; continuation of funding for outsourced research on the economics of employment creation. In addition, the issue of poverty reduction is a component of our work on a Tool Kit for training Parliamentarians, which was finalized and submitted as a deliverable to SERA during the quarter. Also finalized as a deliverable during Q9 was the study by LEDRIZ entitled ‘The

Nexus between Growth, Employment and Poverty in Zimbabwe: The Economics Of Employment Creation’ which focuses on poverty and employment creation. The COP continued to hold discussions with ZEPARU on a series of outsourced studies on the issue of inclusive growth; an activity developed during Q8, but was put on hold pending the finalization of the contracts of the value chains studies.

For the ZIMSTAT component of the program, our support continued to concentrate on the finalization of the CBR during Q9.

The senior management at ZIMSTAT singled out the CBR and the SS as being especially important initiatives, with the CBR being cited as critical to the compilation of economic data as the census is to demographic data, and that these are the only two statistical surveys mandated by special Statutory Instruments.

Gender

The SERA team applies a gender lens as far as possible in developing and managing all of our activities. As with our work on poverty issues, however, the demand-driven nature of our program means that our efforts on gender mainstreaming are filtered through needs of ZEPARU and ZIMSTAT.

In addition to the standard practice of tracking participants by gender in our activities (see Annex 2), we can report the following gender-related elements of our activities Quarter 9:

- Consistently emphasizing the importance of gender balance in meetings with ZEPARU and client ministries in all USAID-SERA supported training and outreach activities.
- Working with ZEPARU to incorporate gender considerations meaningfully in scopes of work for research supported by USAID SERA. 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 programs on both private sector development and inclusive growth include studies on women in business, for which we expect to provide technical assistance.
- Our ongoing monitoring and evaluation activity includes scoring the gender content of research designs and SERA-supported studies (see Annex 2).
- Working with ZEPARU to come as close as possible to achieving gender balance in sponsoring economists for SERA-sponsored training activities. With reference to the activities summarized in Section 3, our results during Q9 were as follows:
 - Short course on Advanced Excel Skills (session 4): 5 women, 9 men.
 - Short Course on Applied Econometrics for Policy Analysis: 5 women, 14 men
 - External short-courses: 1 woman, 6 men.
 - MSc bursary: 4 women, 11 men.
 - PhD bursary: 3 men, no women. Again, the recruiting challenge for this program was discussed in earlier quarterly reports.

Through to the end of Q9, our cumulative gender balance for local and external short-courses was 36% women, compared to approximately one-third representation of women in the target group of economists in key economic ministries.

- 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.

6. IMPLEMENTATION OF THE WORK PLAN

Given the need to develop our activities through collaboration with ZEPARU or ZIMSTAT and in response to their expressed needs, the implementation of our Work Plan for Year 3 is heavily affected by the decisions and actions of these partners. Many planned activities have been carried out on schedule, some are behind schedule but in process, and others have not been prioritized by our partners. This continued to be the case both during Q8 and Q9 where the implementation of our programs were affected by elections activity and the post elections inertia. Following the July 31 elections, the cabinet was announced on 16 September, and it took time to restructure the two Ministries of Economic Planning and Finance into one combined Ministry of Finance and Economic Planning. **Annex 2** provides an itemized summary of the status of activities targeted in our Work Plan for Year 3, as implemented through Quarter 9.

In addition, the implementation of the work plan included:

- Completion and dissemination of STTA-supported study on capital account liberalization which was finally received as a final deliverable and posted onto the ZEPARU website during the quarter.
- Completion of ZEPARU-managed outsourced research on the Economics of Employment Creation, with USAID SERA funding, also received as a final deliverable and posted onto the ZEPARU website during the quarter.
- The STTA assignments to assist ZEPARU on two new research products: (1) Zimbabwe Country Study on the Tripartite Free Trade Agreement; and (2) Reform of Zimbabwe's Bankruptcy Laws and Procedures were implemented during the quarter.
- The STTA developed Economic Literacy "Tool Kit" for training Parliamentarians (STTA was received as final deliverable during the quarter).

7. SERA PROGRAM CHALLENGES

During Quarter 9, the SERA team dealt with 5 key challenges, including two (items 1 and 3) carried over from the previous reporting period:

1. Absorptive capacity at ZEPARU: The USAID SERA continued to work with ZEPARU to improve their absorptive capacity in many ways of our engagement. Though the post of Resident Advisor had been abolished, the COP continued to assist ZEPARU in developing technical work, capacity building, and mentoring during the quarter. It was hoped that during Q9, this service would be delivered by a senior economist to be engaged through our sub-contract, Imani Development, but due to delays in approving the formalities of contract, Professor Rob Davies only signed his contract with Imani at the end of Q9. During Q9, we continued to work with USAID and the MOF towards the establishing a new channel for programming SERA resources, through direct support to the Ministry. These negotiations were themselves a challenge right up to the end of Q9 (next item).

The SERA program also continues to provide ZEPARU with a full-time Training Coordinator to augment their limited staff capacity. In addition, we have provided case-by-case support for

ZEPARU research and dissemination activities, including upgrading their website, funding research interns, and printing research products.

2. Developing the new channel of program activities through direct support to the MOFED: Efforts to develop a new channel for program activities through direct support to the MOFED continued to move very slowly during Q9 due to difficulties in scheduling meetings between the Ministry and USAID. Since the first meeting with the Ministry officials, constituted as Training Committee on 25 September which was attended by the SERA COP, Resident Advisor and USAID COR, there was no follow up meeting during Q9. The challenge of expanding the engagement of the Ministry beyond the training function to include the Ministry's Policy Directors involved in technical and policy oriented work has remained in place.
3. Outsourcing research: In Q9 the SERA team continued to provide extensive technical support to ZEPARU to help them develop capacity for manage outsourced research that would be eligible for SERA funding (under our budget allocation for "Research—Subcontracts and Grants in support of ZEPARU"). During the quarter, all the four outsourced studies on industrial value chains Consultants that were awarded the tenders started working on their respective studies. This process followed the signing of the 'fixed-price contracts' between SERA and ZEPARU at the very end of the Q8. As mentioned in Section 3 (2) above the studies by the Consultants proceeded smoothly during the quarter, so that they are all in time to be completed by end of January or early February 2014.

Furthermore, the delivery of the outsourced study on Economics of Employment Creation was signed-off and received as a deliverable from ZEPARU during the quarter.

The in-country training activity - Applied Econometrics for Policy Research, in collaboration with RBZ was undertaken during the quarter. This left the other planned activity, the Public Finance Management and Budget Control, in collaboration with the MOFED in abeyance as this failed to take place during Q9. SERA continued to remain engaged and maintained communication to keep the consultant informed about the delay mainly due to political developments in the post-election period. By the end of Q9 there was still no clear direction the Ministry of Finance on the scheduling for the Public Finance Management and Budget Control.

4. Managing STTA assignments requested by ZIMSTAT: The one problematic task under ZIMSTAT were (i) the STTA assignment on distance learning has been going well, though rather slowly, and virtually grinding to a halt, mainly due to ZIMSTAT waiting for Powertel to install fibre optic connections at all the provinces.

8. PLANNING FOR THE NEXT QUARTER

This section outlines selected key activities that were in process during Q9 planning for Quarter 10.

Assistance to ZEPARU

- The completion of all the four outsourced value chain studies by end of January or early February in Q10.
- Conduct at least one new round of training for government and central bank economists in Advanced Excel Skills during Q10.
- Conduct local short-courses on: (1) Public Finance Management – Budgeting and Budget Control, and (2) Monitoring and Evaluation of Project that failed to take off during the quarter.

- Develop local short-course on Monitoring & Evaluation of Projects, which was in collaboration with the then Ministry of Economic Plan and Investment Promotion will now need to be re-negotiated after that ministry has been merged with the Ministry of Finance to become Ministry of Finance and Economic Development (MOFED).
- Develop local short-course on Tax Analysis and Revenue Forecasting, in collaboration with MOFED remains on the cards from Q9.
- Fund 10 economists (more or less) to attend regional short-courses offered by MEFMI, ESAMI, or other regional organizations.
- Continue funding ZEPARU bursaries for 15 government economists to pursue part time M.Sc. program in economics at UZ.
- Continue funding ZEPARU bursaries for 3 economists from RBZ who are pursuing Ph.D. programs in South Africa.
- Assist ZEPARU in developing effective measures to disseminate research products and public information those products.
- Provide funding or co-financing for ZEPARU research seminars and workshops relating to SERA-supported studies.
- Provide technical assistance on grant-writing, to assist ZEPARU in attracting new sources of funding for their research.

Assistance to the Ministry of Finance

- Initiate newly negotiated channel of direct support to the MOFED activities, which has already commenced with the SERA/COR meeting with the Ministry's Training Committee towards the end of the quarter.

Assistance to Private Sector and Civil Society Organizations

- USAID-COR continued to coordinate with SERA COP on widening the scope of SERA Program activities to work with other stakeholders in the Private sectors and CSOs.

Assistance to ZIMSTAT

- Funding for the CBR Inquiry, will continue through to the end of February 2014 in Q10, before the kick-off of the SS roll-out implementation plan.

9. PERFORMANCE MONITORING

Annex 2 provides three matrices that appear in each progress report to monitor USAID SERA program performance in terms of delivering outputs, achieving results, producing proximate outcomes.

A fourth matrix provides information on “context indicators” that track Zimbabwe’s progress towards the USAID-SERA program goal of improving the macroeconomic environment for growth and poverty reduction. Although no claim can be made for attribution to SERA, several observations are worth citing:

- The IMF approved a Staff Monitored Program for Zimbabwe. This is a major milestone for achieving debt relief that is needed for Zimbabwe to regain access to long-term concessional financing from the World Bank and the AfDB, among others.

- Year-on-year growth of non-mineral revenues slowed to 8% for the April-June quarter, compared to 13% and 25%, respectively, in the previous two quarters. The latest figure is approximately equal to the growth rate of nominal GDP, implying that the ratio of revenue to GDP is stabilizing after four years of rapid increase since 2009. At the same time, mineral revenues continue to fall far short of target, putting a serious squeeze on government expenditure.
- The year-on-year growth rate of bank deposits further fell to 5.8% in Q9 from 12.2% the previous quarter, compared to 27.2% growth a year earlier. Since December, there has been virtually no increase in the deposit base, presumably reflecting political uncertainty.
- Despite the political uncertainty, over 7500 new businesses have registered through to the end of SERA Year 2.
- The year-on-year rate of inflation continued to trend lower with the July rate reported at 1.25% after a drop from the previous month level of 1.87%. Disposable income continued to suffer thus impacting the consumer spend across the entire economy.

ANNEX 2: PERFORMANCE MONITORING INDICATORS

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Table A2.4. Context Indicators p45

TABLE A2.1 – OUTPUT INDICATORS

No.	Item	Baseline	Source	Year 2 Actuals	Year 3 Annual Target	Year 3 Actuals			
						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: 3 With Gender Content: 3 (revised in Q9)	Total (with ZEPARU) : 8 With gender content: 4 Total (for MOFED) : 2 With Gender content: 1	Total (with ZEPARU) : 2 (Capital account restrictions in Zimbabwe, Choice of future currency regime) With gender content: 0 Total (for MOFED) : 0			
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	Total: 1 (Economics of Employment Creation) With Gender Content: 1			
3.	Person-hours of training completed in fiscal policy and fiscal administration supported by USG assistance (USAID PMP indicator): total, women	0	SERA	Total: 7600 Women: 1895	Total: 6500 Women: 3250	Total : 2809.5 Women : 805			
4.	Number of days of SERA technical assistance in fiscal policy and fiscal administration (USAID PMP indicator)	0	SERA	442	400	67.4			
B. PARLIAMENTARIAN TRAINING									
5.	Number of SERA-supported seminars for Parliamentarians, on economic	0	SERA	0	12 seminars	Clerk of Parliament			

No.	Item	Baseline	Source	Year 2 Actuals	Year 3 Annual Target	Year 3 Actuals			
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
	policy and economic literacy.					approved economic literacy toolkit. STTA recruiting for training to begin in Q10			
6.	Number of Parliamentarians trained with SERA support: total, women	0	SERA	0	Total: 200 Women: 100	0 (see previous line)			
C. SHORT-TERM TRAINING OF ECONOMISTS									
7.	Number of SERA-supported customized short-courses for training economists.	0	SERA	6 customized short courses	5 customized short courses	2 customized short course (Applied Econometrics, Advanced Excel)			
8.	Number of economists attending customized short-courses: total, women	0	SERA	Total: 121 Women: 47	Total: 115 Women: 58	Total: 33 Women:10			
9.	Number of individuals sponsored to attend external training courses: total, women	0	SERA	Total: 31 Women: 12	Total: 33 Women: 17	Total: 7 Women: 1			
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: 15 Women: 4	Total: 20 Women: 5	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 Mandela Metropolitan University) in South Africa - total, women	0	SERA	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	3	3	1 (Resolving corporate financial distress)			
13.	Number of participants in SERA-	0	SERA	a) Total: 262	a) Total: 300	a) Total: 60			

No.	Item	Baseline	Source	Year 2 Actuals	Year 3 Annual Target	Year 3 Actuals			
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
	supported workshops or seminars a) total, women b) government, private sector, ZEPARU/SERA, other			Women: data not available b) Government: 85 Private Sector: 51 ZPR/SERA: 34 Other: 92	Women:150 b) For tracking purposes no targets	Women: 18 b) Government:20 Private Sector: 30 ZPR/SERA: 10			
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	1	2	0			
15.	Number of SERA-supported public information events on economic statistics, through ZIMSTAT	0	SERA	0	3	0			
16.	Number of participants in SERA-supported public events through ZIMSTAT - total, women	0	SERA	0	Total: 100 Women: 50	0			
B. DEVELOP PHYSICAL, IT AND STATISTICAL INFRASTRUCTURE									
17.	Number of SERA-supported training events for ZIMSTAT staff	0	SERA	2 (training workshop for enumerators), (Distance Learning Training of trainers)	2	0			
18.	Number of participants in SERA - supported training courses for ZIMSTAT staff - total, women	0	SERA	Total: 183 Women: 48	Total: 150 Women: 75	0			
19.	Cum. number of distance learning training modules in economic statistics developed/supported by SERA	0	SERA	Software platform for DL system and strategy paper for provision of DL developed. Training of trainers	6	Initiation of pilot phase of implementation of DL and SERA support put on hold because SERA assistance			

No.	Item	Baseline	Source	Year 2 Actuals	Year 3 Annual Target	Year 3 Actuals			
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
				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		continues to focus on the implementation of CBR Inquiry			

TABLE A.2.2 – INTERMEDIATE RESULT INDICATORS

	Item	Baseline	Source	Year 2 Actuals	Year 3 Annual Target	Year 3 Actuals			
						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: 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	Total: 8 With gender content: 4	Total : 1 With Gender Content : 0 -Resolving Corporate Financial Distress			
2.	Number of economic research material available through online library on the ZEPARU website	12 (9 Periodic articles, 3 serials)	ZEPARU	27 (16 research papers, 9 economic barometers, 2 policy briefs) 77 economic resource links	>=110 research material	35 (18 research papers, 10 economic barometers, 2 policy briefs, 5 presentations) 77 economic resource links			
B. PARLIAMENTARIAN TRAINING									
3.	Number of MPs completing Certificate Program: total , women	0	Parliament	SERA STTA completed and submitted the final draft of the economic literacy tool kit. Consultations with Clerk of Parliament on Program launch	Total: 40 Women: 20	Clerk of Parliament approved economic literacy toolkit. STTA recruiting for training to begin in Q10			

	Item	Baseline	Source	Year 2 Actuals	Year 3 Annual Target	Year 3 Actuals			
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
				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	Total: 40 Women: 2 (One bursary recipient did not sit for examinations, his bursary support was terminated)	Total: 80 Women: 12	Total: 55 Women: 6			
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: 4 With Gender content: 0	Total: 10 With gender content: 5	Total: 3 With gender content: 0			
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	7 Quarterly Digest of Statistics, CPI, Business Tendency Survey, Poverty Datum Line Report, PICES Report, Poverty and Poverty Datum Line Analysis in Zim, Compendium of statistics 2012	9	2 Consumer Price Index and Poverty Datum Line Report			
B. DEVELOP PHYSICAL, IT AND STATISTICAL INFRASTRUCTURE									

	Item	Baseline	Source	Year 2 Actuals	Year 3 Annual Target	Year 3 Actuals			
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
7	Completion and publication of the Poverty, Income, Consumption Expend. Survey (PICES)	field work underway	ZIMSTAT	PICES Report completed and launched in April 2013.	-	-	-	-	-
8	Completion of Central Business Registry (CBR) update	poor quality data	ZIMSTAT	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.	Fieldwork completed and results disseminated.	CBR inquiry continued and as at 24 December 2013, 55.5% of questionnaires dispatched had been recovered. Data collection to resume in Q10.			
9	Completion and publication of Census of Services (COS)- changed to Survey of Services (SOS)	Last done 1981 (partial coverage only)	ZIMSTAT	SOS likely to take place in 2014 after CBR is finished.(see previous line)	SOS completed and disseminated. Index of Services developed.	SOS likely to take place in 2014 after CBR is finished.(see previous line)			
10	Number of ZIMSTAT staff using/completing SERA-supported distance learning training modules: total, women	not applicable	ZIMSTAT	on - line training plan established	Total: 40 Women: 20	Initiation of pilot phase of implementation of DL and SERA support put on hold because SERA assistance continues to focus on the implementation of CBR Inquiry			

TABLE A.2.3 - OUTCOME INDICATORS

	Item	Baseline	Source	Year 2 Actuals	Year 3 Target	Year 3 Actuals			
						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	Total: 2 With gender content: 2 (Mining Sector Policy; Financial Sector Development)	Total: 2 With gender content: 1	0			
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	Total: 2 With gender content: 2 (Mining Sector Policy; Financial Sector Development)	Total: 2 With gender content: 1	0			
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 : 49 Women: 19	Total: 83 Women: 42	Total: 30 Women: 14			
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 : 64 Women: 26	Total: 83 Women: 42	Total: 30 Women: 15			
5	Number of “hits” and downloads of policy briefs/reports/studies posted on ZEPARU website	568 hits 353 downloads	ZEPARU	7585 hits 2750 downloads (through to Sept 2013)	100 percent increase over prior year	17045 hits 4037 downloads			
6	Amount of funding for ZEPARU, excluding SERA and ACBF support	Budget vote 2010=\$10,000 2011=\$200,000	ZEPARU	\$139,595 (of which \$85,000 from GoZ)	\$300,000, incl. \$200k budget vote + other sources	Funds received this quarter AfDB: 8 250 Motor Industry			

	Item	Baseline	Source	Year 2 Actuals	Year 3 Target	Year 3 Actuals			
						Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
						Association: 1 400 UNDP Gender Training: 9 450 UNDP Seminar Series: 9 000 AERC: 5 000			
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 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.	Second revision to NIPA using SOS data complete.	PICES Report completed. CBR inquiry continued and as at 24 December 2013, 55.5% of questionnaires dispatched had been recovered. Data collection to resume in Q10.			
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	5 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, PICES Report, Poverty Datum Line Analysis Report, Compendium of Statistics 2012	8	5 Quarterly Digest of Statistics, CPI report, Poverty datum line Report, PICES Report, Poverty Datum Line Analysis Report			

TABLE A.2.4 - CONTEXT INDICATORS

	Item	Baseline	Source	Year 2 Actuals	Year 3 Annual Target	Year 3 Actuals			
						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 4.42%; projections reduced to: 3.18% in 2013; 3.57% in 2014; 4.15% in 2015	IMF baseline proj. for 2014 exceed by 1% = 4%	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	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)	Quick Poverty Survey developed, conducted and published.	PICES data remains latest available 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	Paid employment as % Ec Active Pop age 15+: Total: 23.8% Men: 31.2% Women: 16.2% Total employment outside gov &	10% growth in formal sector jobs	PICES data remains latest available data. Paid employment as % Ec Active Pop age 15+: Total: 23.8% Men: 31.2%			

	Item	Baseline	Source	Year 2 Actuals	Year 3 Annual Target	Year 3 Actuals			
						Oct-Dec	Jan-Mar	Apr-June	Jul-Sept
				agric: Total: 1,046,463 Men: (65.2%) Women: (34.8%) (PICES 2011/12, & Nathan calc's)		Women: 16.2% Total employment outside gov & agric: Total: 1,046,463 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 2013 Q3=\$858.3m Same period 2012 = \$786.2m Growth = 9%	Non-mineral revenue gr. >= growth of non-mining GDP	NMR for the year 2013 =\$3.296 billion NMR for the year 2012=\$3.12billion Growth= 5.6%			
5.	Percentage of central government expenditure on social services and productive infrastructure (excl. personnel cost)	Est. 18.42% (September 2011)	MOF	Government capital expenditure as a % of total expenditure = 6.6% (Treasury State of the Economy Report, August 2013)	24%	Capital expenditure as a % of total disbursements to November 2013 = 9.25% (MOFED, 2014 National Budget Statement)			
DEBT RELIEF									
6.	Improved debt management	Controversy on use of HIPC	MOF	IMF approved a Staff Monitored Program for Zimbabwe covering the period April-December 2013	HIPC decision point	Validation and reconciliation exercise of external debt database completed.			
INVESTMENT PROMOTION									
7.	Foreign direct investment, net inflow (US\$ millions)	\$105m, 2009 \$122.6m, 2010 (RBZ Actuals)	Baseline: Actuals: RBZ BOP Data	2012 estimate remains at \$353.5m. 2013 projection = \$334.0m	10% growth	2012 estimate remains at \$353.5m. 2013 projection =			

	Item	Baseline	Source	Year 2 Actuals	Year 3 Annual Target	Year 3 Actuals			
						Oct-Dec	Jan-Mar	Apr-June	Jul-Sept
						\$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 = 65.2% Female = 34.8% % of paid employment Male = 66.4% Female = 33.6% (Nathan calc., data from final PICES Report 2011/12)	10% growth	PICES data remains latest available 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	7445 (through to September 30, 2013)	15000	2333 (Oct-Dec) 9778 (through to December 31, 2013)			
10.	Doing Business Ranking	171 out of 183 countries for 2012	IFC/WB Doing Business Report 2012	172 out of 185 countries for 2013	165	170 out of 189 countries for 2014 Figure for 2013 revised to 168 out of 189 countries			
FINANCIAL SECTOR									
11	Level and Growth of deposits in banking system	December 2011 total deposits = \$3318.2m , Growth = 42.6%	RBZ Monthly Report	August 2013 = \$3796.2m Growth from year	> Nominal GDP growth	November 2013=\$3807.1m Growth from year			

	Item	Baseline	Source	Year 2 Actuals	Year 3 Annual Target	Year 3 Actuals			
						Oct-Dec	Jan-Mar	Apr-June	Jul-Sept
				earlier = 5.77%		earlier= (-) 0.46%			
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	5.89%* (August 2013)	5.5%	5.6%* (November 2013)			
13	World Bank Statistical Capacity Indicator (Indicator from NSDS Monitoring F/Work).	49 (2011)	World Bank	53 (2012) Figures for 2013 expected by end of Sept.	70	54 (2013)			

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

Annex 4: Comments to ZIMSTAT on Microdata Access

Comments to ZIMSTAT on the UNECE document: *Principles and Guidelines for Managing Statistical Confidentiality and Microdata Access*

3 May, 2013

This note has been drafted by the USAID SERA program in consultation with the UNDP, DFID and the World Bank. The document therefore incorporates the views of all four agencies.

1. Comments on UN Guidelines

The UNECE Guidelines provide an excellent basis for establishing rules and procedures for managing the release of anonymized microdata for statistical purposes. There can be no disagreement on the Core Principles presented in the UN document. We concur, in particular, the sixth UN Fundamental Principle of Official Statistics, on confidentiality, stating that:

“Individual data collected by statistical agencies for statistical compilation, whether or not they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.”

However, the Guidelines also state that “making available microdata for research is not in contradiction of the sixth UN Fundamental Principle as long as it is not possible to identify data referring to any individual or entity.” Legitimate research use of microdata should never involve efforts to identify any individual or entity. Procedures are needed to ensure that this does not occur.

We also wish to highlight the UN statement that “supporting research is an important function of the National Statistical Offices.” Indeed, the key objectives of the UN document include “facilitating better access to microdata by the research community for worthwhile purposes,” and “enabling countries to improve their arrangements for providing access to microdata.”¹ As explained in the Guideline, providing access for researchers greatly enhances the value and utilization of data that is produced at high cost.

At the same time, it is clearly essential for any National Statistical Office (NSO) to adhere to all legal provisions on the confidentiality of individual data -- for Zimbabwe, this is Section 17 of the Census and Statistics Act of 2007 (discussed below).

Aside from legality, we agree fully on the need for establishing transparent systems for handling microdata, in order to maintain trust in the community at all levels that information about any particular individual or entity will be fully confidential.

¹ The third key objective of the document is “fostering greater uniformity of approaches by countries,” but this point is attenuated by recognition that arrangements will necessarily vary depending on factors such as the level of statistical development, public attitudes, and capacity to support the research community.

Fundamentally, we agree with the UN Guideline’s conclusion that these considerations, taken together, call for an appropriate risk management strategy for release of microdata. That strategy must suit the operational conditions facing ZIMSTAT with regard to funding and capacity constraints. This implies the application of relatively simple, yet sound and effective, approaches to ensure confidentiality.

2. Considerations

- Statistical agencies have a comparative advantage in the production and dissemination of statistics. The research community has a comparative advantage in using the data to conduct statistical analysis for academic and policy research. This division of labour is especially important where the statistical agency faces serious resource and personnel constraints.
- The provision of quality statistics for research is included in one of the strategic goals of ZIMSTAT’s NSDS. The release of microdata is essential for achieving this goal.
- Many developing countries have already developed systems for the release of microdata, including South Africa, Kenya, Tanzania, Rwanda, and Uganda – in every case with full consideration of confidentiality provisions of the law. Some of these countries release microdata for public use, while others have a standard licensing procedure or case-by-case conditional access.
- In legislation we have examined for several countries, what is prohibited is the release of data that allows identification of a person -- not the release of data at the micro-record level. This is consistent with Section 17.1.b of the Census and Statistics Act for Zimbabwe, which prohibits the disclosure of any particulars “so arranged as to enable the identification of the person by whom or on whose behalf the return was made, form was submitted, or answer was given.” Given this language in the Act, we anticipate that microdata sets that have been adequately anonymized will easily pass the legal test in Zimbabwe.
- We also note that Section 19 of the Act authorizes the Director-General to “ensure that the results of any census or statistical survey” are released for general dissemination, as long as the quality and accuracy have been ascertained and confidentiality secured with respect to any individual.
- Specialized software to anonymize the data is not used to prepare LSMS microdata for release.. Instead they use straightforward techniques such as suppressing identity fields, and geographic aggregation. In developed countries, the use of sophisticated software is motivated in part by the enormous amount of household and individual data available through commercial data set, which opens the possibility for individual identification through linking and matching.
- In Zimbabwe, the scope for this practice is virtually nil if the microdata is properly anonymized using traditional low-tech methods. The risk is even smaller if the release of microdata is limited to statistical use by researchers under a standardized licensing agreement. In short, the application of sophisticated software to anonymize household data is not necessary.

3. Suggestion on the Way Forward

We propose for consideration by ZIMSTAT the following approach for quickly developing systems for the release of microdata while guaranteeing confidentiality, maintaining trust, and ensuring accountability:

1. Begin with recent *household or individual* surveys, leaving the question of business surveys for later consideration. We suggest starting with the PICES results and the Labour Force Survey results as pilot tests for the development of standard procedures.

2. Develop effective systems for creating Anonymized Microdata Files (AMFs) from household or individual surveys, using techniques that preserve the quality of the data for research purposes (see section 4).
3. Develop pragmatic and efficient Guidelines for the release of the AMFs for household and individual surveys (see section 5).
4. Obtain formal legal opinion from at least 2 well qualified sources to ensure that the proposed systems and Guidelines comply with sections 17 and 19 of the Act. It might also be useful to seek an *initial* legal opinion on the interpretation of 17.1(b) before putting resources into steps 2 and 3 cited above.
5. We agree with the view expressed by the DG on the value of seeking Board approval for the systems and guidelines, once legal opinion is secured to ensure compliance with the Act.
6. Once approved, the Guidelines should be posted on the ZIMSTAT website along with a clear and concise statement emphasizing ZIMSTAT's overriding commitment to protecting the confidentiality of individual data. For the sake of emphasis and transparency, this statement can be placed on the home page.

4. Anonymizing Microdata Files

We suggest for consideration by ZIMSTAT the following technical procedure may be used for creating Anonymized MicroData Files (AMFs) from household or individual surveys such as PICES, DHS, MIMS, and the Labour Force Survey, among others.

1. Strip out all individual identifiers, such as name, address, and phone numbers.
2. Aggregate geographic codes to a level that effectively masks individual locations.
3. These procedures should preserve sufficient information on primary sampling units to allow researchers to calculate standard errors.
4. Constructed household identifiers should be included to allow researchers to merge separate data files, without revealing individual identities.

5. Suggested Guidelines and Procedures

We suggest for consideration by ZIMSTAT the following guidelines and procedures may be used for releasing microdata:

1. Produce and post on the ZIMSTAT website public-use *meta-data* describing variable names, definitions, and basic statistical properties for each microdata set. This will allow interested parties to submit well-specified requests for access to the microdata.
2. The guidelines should allow the release of AMFs to researchers for specified purposes on the basis of a standard license agreement. For this purpose, ZIMSTAT can be readily adapted from the uniform Memorandum of Understanding used by IPUMS—International or the Integrated European Census Data websites.² Among other things, this agreement can include:
 - a) Specification that ZIMSTAT retains full copyright ownership to the data.
 - b) Specification by the researcher of the data fields or modules to be released;
 - c) Specification by the researcher of the research use
 - d) Limitation to that specified use, as approved by ZIMSTAT;

² See <http://www.ipums.org/international>, and Annex 1.23 of the published version of the UNECE Guidelines.

- e) Prohibition of any effort by the researcher(s) to identify individuals through data matching or any other method;
 - f) Prohibition of any release of the microdata files to third parties without prior written approval from ZIMSTAT;
 - g) Requirement to furnish ZIMSTAT with copies of research products and allow ZIMSTAT to comment on the research products within a stipulated time frame (such as 2 weeks);
 - h) Stipulation of the consequences for any breach of agreement, drawing on the UN guidelines, pages 8 and 18.
3. For extra security, the guidelines may provide for a Disclosure Review by an advisory committee that includes at least one outside expert.
 4. The guidelines should allow the release of special data tables on request. Since the compilation of special tables places extra demands on ZIMSTAT staff, approvals should be limited until such time as ZIMSTAT is more fully staffed.
 5. The guidelines should allow the release of Public Use Microdata at the discretion of the DG (under Section 19 of the Act) and conditional on a technical review process to ensure anonymity of the data. For the immediate future, it may be best to withhold this option due to concerns about public perceptions on data release.
 6. The guidelines should also allow the option of working on-site within ZIMSTAT on research involving microdata that cannot otherwise be released, again subject to the discretion of the DG.

6. Assistance from Donors

Donor support is likely to be available in response to requests from ZIMSTAT, including:

- Technical assistance in developing guidelines, technical procedures, and the standard license agreement.
- Funding to cover the cost of vetting compliance with sections 17 and 19 of the Act.
- Funding for procurement of specialized software for anonymizing data, if required, and technical assistance for training ZIMSTAT staff in the use of this software.

To reduce costs and maximize the research value of ZIMSTAT data sets, ZIMSTAT may wish to consider using NADA, a web-based cataloguing system that serves as a portal for researchers to browse and apply for access to selected AMFs of special interest to researchers. The application is used by a diverse and growing number of national, regional, and international organizations and is available through IHSN.

7. Conclusion

The discussion above has highlighted the need to establish effective risk management procedures for releasing anonymized microdata to researchers for statistical purposes, in order to maximize the value of survey data collected by ZIMSTAT. This is fully consistent with the objectives and procedures contained in the UN Guidelines.

We therefore request a meeting with ZIMSTAT management, at your earliest convenience, to discuss the best approach for facilitating development of the required procedures.