

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 83

ZIMBABWE

BEST AVAILABLE

JUNE 1981

**UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
WASHINGTON, D.C. 20623**

USAID/ZIMBABWE

ANNUAL BUDGET SUBMISSION

FY 1983

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TABLE I NARRATIVE

The Country Development Strategy Statement (CDSS) submitted earlier by this mission provides the underlying rationale for the Annual Budget Submission (ABS). The ABS flows from the CDSS, apart from the relatively minor program modifications noted below to take account of AID/W suggestions and the altered circumstances in Zimbabwe since the CDSS submission.

The major program change from the CDSS proposed in the ABS concerns the FY1982 Commodity Import Program. We have proposed that this be increased substantially from that originally indicated in the CDSS - from \$10 million to \$40 million. This change has permitted us to omit from the ABS the program grant originally proposed in the CDSS. This results from a more recent assessment of Zimbabwe's commodity import requirements from the United States. We plan to program the CIP in two tranches over FY1982.

We have, however, proposed in the ABS that the mix between loans and grants be spread over the coming three years in a way which concentrates AID grants up front in FY1982 and then shifts rapidly to loans in FY1983 and FY1984. Our principal rationale for this is that much of the FY1982 CIP is for reconstruction, which we believe is more appropriately grant funded - especially since we wish to continue to program the local currency equivalencies these imports generate.

We have also continued to propose in the ABS that the Child Spacing/Family Planning Project be funded from Development Assistance/Population Funds in lieu of Economic Support Funds as suggested by AID/W, for years subsequent to FY1981. We base this on the following considerations: First, we believe that the GOZ is already making a major contribution to family planning by providing \$2.1 million of its own extremely tight resources to the Family Planning Association, which it plans to increase in the next fiscal year starting in July to \$2.4 million. The Government has indicated to us that in view of the extremely sharp and pressing alternative priorities with which it is faced - alternative priorities which are much more politically attractive - it cannot afford in the immediate future to allocate more to this program of its own limited resources and ZIMCORD aid pledges. Second, we are convinced that the potential long-term effects of an expansion in the program at this time will have important benefits not only to the family planning efforts in Zimbabwe, but for African family planning programs as a whole.

Consequently, while we will be continuing our negotiations with the GOZ on this matter in the coming weeks - an AID PP design team is presently in Zimbabwe - we believe that AID should plan to provide additional Development Assistance/Population Funds on a matching basis with the GOZ to permit expanded family planning coverage and improved documentation and verification of the results achieved by the program.

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TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

Country/Office ZIMBABWE

DEVELOPMENT ASSISTANCE	FY 1981 EST	FY 1982 EST	FY 1983 REQUEST			PLANNING PERIOD			
			MIN	CURR	AAPL	1984	1985	1986	1987
Agriculture, Rural Development & Nutrition									
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Population									
Grants	2,100	2,400	-	-	2,800	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
(of which centrally procured commodities)	-	(1,142)	-	-	(1,525)	-	-	-	-
Health									
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Education									
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Selected Dev. Activities									
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
SUBTOTAL FUNC. ACCOUNTS									
Grants	2,100	2,400	-	-	2,800	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Other DA ACCTS. (Specify)									
Grants	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
TOTAL DA ACCTS.									
Grants	2,100	2,400	-	-	2,800	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
<u>Economic Support Fund</u>									
	25,000	75,000	-	-	75,000	75,000	50,000	50,000	10,000
Grants	25,000	69,000	-	-	32,000	31,000	15,000	10,000	5,000
Loans	-	6,000	-	-	43,000	44,000	35,000	40,000	5,000
TOTAL DA AND ESF									
	27,100	77,400	-	-	77,800	75,000	50,000	50,000	10,000
PL 480 (non-add)									
Title I (of which Title III)	-	-	-	-	-	-	-	-	-
Title II	-	-	-	-	-	-	-	-	-
Housing Guaranties (non-add)									
	-	(25,000)	-	-	(25,000)	(25,000)	(25,000)	(25,000)	-
TOTAL PERSONNEL									
USDH (workyears)	-	6	-	-	6	6	6	5	4
FNDH (workyears)	-	5	-	-	5	6	6	6	7

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1981 to FY 1983
 (\$ thousands)

Country/Office ZIMBABWE

APPROPRIATION ACCOUNT	FY 1981	FY 1982	FISCAL YEAR 1983		
			MINIMUM	CURRENT	AAPL
<u>POPULATION</u>					
613-0214					
Child Spacing/Family Planning (G)	2,100	2,400	-	-	2,800
(Commodity Procurement, AID/W)	(1,142)	(1,525)			
TOTAL -ALL DA APPROPRIATION ACCOUNTS	<u>2,100</u>	<u>2,400</u>	-	-	<u>2,800</u>
<u>ECONOMIC SUPPORT FUND</u>					
613-0203 Zimbabwe Labor Development (G)	350	-	-	-	-
613-0206 Program Grant for Zimbabwe (G)	20,000	-	-	-	-
613-0207 Makuti Chirundu Road (L)	-	6,000	-	-	-
613-0208 EDU/ MNPWR SECTOR GRANT(G)	-	-	-	-	3,000
613-0209 Agriculture/Rural Dev. Sector (G)	-	12,000	-	-	10,000
613-0212 Rail Svc & Maint Trg (G)	-	-	-	-	6,000
613-0213 PVO's (G)	850	3,000	-	-	1,900
613-0215 Zimbabwe MNPWR DEV (G)	3,800	-	-	-	5,100
613-0216 Commodity Import Prog (G)	-	40,000	-	-	-
613-0216 Commodity Import Prog (L)	-	-	-	-	35,000
613-0217 Regional Grain Storage (G)	-	14,000	-	-	6,000
613-0218 Regional Transport Sector (G)	-	-	-	-	<u>8,000</u>
TOTAL ESF	<u>25,000</u>	<u>75,000</u>			<u>75,000</u>
Country Total	27,100	77,400	-	-	77,800
Grant	27,100	71,400	-	-	42,800
Loan	-	6,000	-	-	35,000

TABLE III - A
PROGRAM MANAGEMENT
AND
RESEARCH (PMR) REQUIREMENTS

<u>ACTIVITY</u>	(\$000)	
	<u>FY 82</u>	<u>FY 83</u>
Agricultural Sector Assessment	60	
Health Sector Assessment	60	
Grain Storage-Design Assistance	24	
Regional Transport Sector Feasibility Study		36
Rail Service and Maintenance		36
Evaluation of Local Currency Use, Program Grants	48	48
Small Industry Sector Assessment	36	
Agr. Sector Assessment Update		30
Education/Manpower Assessment Update		24
Education/Manpower Feasibility Studies		18
Agriculture/Rural Development Feasibility Studies		18
Small Enterprise Feasibility Studies		24
TOTAL	228	234

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PROJECT		ESTIMATED U.S. DOLLAR COST (\$000)													Country/Office		
		ZIMBABWE															
		NUMBER	TITLE	OBLIGATION DATE	LIFE OF PROJECT (MILLION)	CUR PIPELINE AS OF 9/30/80	FY 1981		FY 1982		1983 AAPL	FY OBLIGATIONS				FUTURE YEAR	ITEM #
OBL	EXP						OBL	EXP	1984	1985		1986	1987				
	DEVELOPMENT ASSISTANCE-POPULATION																
613-0214	Child Spacing/Family Pln	81	83	- 7.3	-	2,100	-	2,400	3,500	2,800	-	-	-	-	-	-	-
	DA APPROPRIATION TOTAL			- 7.3		2,100	-	2,400	3,500	2,800	-	-	-	-	-	-	-
	ECONOMIC SUPPORT FUND																
613-0201	Rural Health Services	80	80	2 2	914	-	914	-	-	-	-	-	-	-	-	-	433
613-0203	Zim Labor Dev (PVO)	80	81*	.15	.75	350	225	-	200	-	-	-	-	-	-	-	404
613-0204	Science & Tech Coop	80	80	.75	.75	-	50	-	450	-	-	-	-	-	-	-	402
613-0206	Prog Grant for Zimbabwe	81	81	20	20	20,000	20,000	-	-	-	-	-	-	-	-	-	324
613-0207	Makuti-Chirundu Road	82	82*	-	-	-	-	6,000	2,500	-	-	-	-	-	-	-	323
613-0208	Education/MNPR Sector Grant	83	84*	-	-	-	-	-	-	3,000	3,000	-	-	-	-	-	322
613-0209	Agriculture/Rural Dev. Sector Grant			-	32	-	-	12,000	12,000	10,000	10,000	-	-	-	-	-	321
613-0212	Rail Service Maintenance Trng	83	84*	-	6	-	-	-	-	6,000	6,000	-	-	-	-	-	-
613-0213	PVO's	81	C	-	-	850	-	3,000	1,500	1,900	1,900	2,000	2,000	2,000	2,000	2,000	318
613-0215	ZIMAN	81	84	-	12	3,800	-	-	2,200	5,100	3,100	-	-	-	-	-	-
613-0216	Commodity Import Program	83	85	-	110	-	-	-	-	35,000	35,000	-	-	-	-	-	-
613-0216	Commodity Import Program	82	82	-	40	-	-	40,000	35,000	-	-	-	-	-	-	-	-
613-0217	Regional Grain Storage	82	84	-	28	-	-	14,000	10,000	6,000	8,000	-	-	-	-	-	-
613-0218	Regional Transport Sector	83	84	-	14	-	-	-	-	8,000	6,000	-	-	-	-	-	-
	ESF APPROPRIATION TOTAL			23 264	1,889	25,000	21,191	75,000	63,850	75,000	73,000	37,000	37,000	2,000	2,000	2,000	-
	GRANT			23 84	1,889	25,000	21,191	69,000	61,350	32,000	29,000	2,000	2,000	2,000	2,000	2,000	-
	LOAN			- 186	-	-	-	6,000	2,500	43,000	44,000	35,000	35,000	-	-	-	-
	COUNTRY TOTAL			23 301	1,889	27,100	21,191	77,400	67,350	77,800	73,000	37,000	37,000	2,000	2,000	2,000	-
	GRANT			23 168	1,889	27,100	21,191	71,400	63,850	34,800	32,000	2,000	2,000	2,000	2,000	2,000	-
	LOAN			- 133	-	-	-	6,000	2,500	43,000	41,000	-	-	-	-	-	-

PROJECT NARRATIVE

613-0208 Education/Manpower Sector Grant

Proposed FY 83 \$3 million
LOP \$6 million

Purpose:

To assist the Government of Zimbabwe meet its critical human resource requirements through a relevant and efficient system of domestic training and educational programs.

Problems:

The Government of Zimbabwe (GOZ) has moved rapidly since independence to expand the access of children to formal primary and secondary schooling. In the last year, primary school enrollment doubled to nearly 1.6 million children and secondary enrollment tripled to about 100,000.

These dramatic increases in educational opportunity occurred against a background of severe shortages of trained and experienced teachers, insufficient schools and classrooms, and the absence of adequate learning materials particularly textbooks. The expansion was made possible by substantial deficit financing, hiring of untrained staff, double shifting of facilities and staff, and foregoing the provision of textbooks for most children.

The education budget nearly doubled between the years 1979/1980 and 1980/1981 to US \$375 million. Preliminary estimates for the next fiscal year beginning in July 1981 show another increase of approximately 50% to US \$565 million. If this occurs, education will come close to matching defence in its claim on national budgetary resources, accounting for over 25% of the entire GOZ budget, and some 40% of expected government revenues.

The danger in the current situation is three-fold. First the tremendous intake into primary and secondary schools took place mostly in the lower grades. As this bulge moves through the system, along with just as large if not larger enrollment bulges in the immediate future, the problems which this year were barely manageable will become increasingly difficult to cope with effectively. Quality of education is likely to suffer as pressure steadily builds within the system. Second, given the need to continue to address people's unmet expectations, the GOZ will be under extraordinary pressure to finance this geometric enrollment expansion through deficit financing. With the economy nearing or at full capacity, deficit financing of the magnitude required by education alone will exert considerable upward pressure on the underlying inflation rate in the economy. Third, for each one percent increase in real Gross

Domestic Product, employment in Zimbabwe grows at less than one percent.

Providing the growing labor force, particularly those with some form of education, with employment is at best a formidable undertaking. It is made even more difficult by the dislocations in the economy caused by war and the emigration of skilled white labor. During the war, semi-skilled Zimbabweans were increasingly employed by industry in skilled jobs for which they continued to be paid semi-skilled wages. The various institutions training skilled labor have been unable to keep up with the demand for skilled labor in the economy. As a result, the losses of skilled labor at present exceed the output from these institutions resulting in a growing scarcity of technical talent.

The GOZ has adopted policy objectives designed to address both the labor supply and demand dimensions, as well as financial implications, inherent in its growth with equity development strategy. These are

- Achieving high rates of real economic growth over the next several years to finance the expansion of social services particularly education and health out of increased government revenues rather than budget deficits;
- Promoting the decentralization of urban growth to a number of strategically located growth points in proximity with large concentrations of rural populations;
- Expanding and improving technical and vocational training in conjunction with programs to upgrade eligible semi-skilled workers to skilled worker status in order to increase the flow of semi-skilled and skilled labor into labor force; and
- Reorienting school curriculum to make it more relevant to Zimbabwe's economic and social realities. The major problem faced by the GOZ in each of these areas is the difficulty of translating these objectives into logical and coherent as well as workable programs and activities.

This sector program grant is directed at assisting the GOZ to implement an effective program to meet these objectives by focusing on strengthening the domestic training and educational infrastructure which will supply the manpower necessary to their achievement.

Outputs:

The outputs expected from this activity are related to the four government of Zimbabwe objectives described above. They are

- Significant increase in the flow of both semi-skilled and skilled labor into the economy through a series of program interventions designed to expand the capacity of the two existing and the proposed third Polytechnic Institutes, establish regional vocational training centers for semi-skilled labor, and to foster greater involvement by the industrial and commercial sectors of the economy in manpower training;
- Significant reductions in the rate of growth in unemployment among those with primary education and above through the development of more relevant education and training programs and through more effective manpower planning and policy determination;
- Significant reduction in the cost per student completing primary and secondary school associated with the development of a more relevant and efficient means to deliver primary and secondary education.

Inputs:

First year funding of this activity will be utilized to provide the local currency required for the construction of physical facilities involved in manpower training and the foreign exchange necessary for the importation of required equipment and materials. Technical assistance and participant training associated with the activities will come from the ZIMMAN project.

Host Government/Country Agencies or Institutions:

There will be six host country agencies and institutions involved directly and indirectly in this sector grant. Those directly involved will be the Ministry of Education and Culture, the Ministry of Manpower Planning and Development and the University of Zimbabwe. Those indirectly involved will be the Ministry of Lands, Resettlement, and Rural Development; the Ministry of Local Government and Housing; and the Public Works Department.

PROJECT NARRATIVE

Project 613-0209

AGRICULTURE/RURAL DEVELOPMENT SECTOR GRANT

Funding: FY 82 \$15 million
 FY 83 \$15 million
 LOP \$45 million

Purpose

To assist the Government of Zimbabwe in developing necessary support systems for the smallholder sector.

Project Description

In support of the GOZ growth with equity strategy this grant will constitute one of the main channels of the US support for increasing agricultural production and income generating activities in the smallholder areas where 4.5 million Zimbabweans live. In concert with the Zimbabwe Manpower Development Project (ZIMMAN) and the commodity Import Program (CIP) it will provide a means of addressing major rural development constraints in agricultural extension, credit, agricultural research, input supply and marketing, small scale irrigation, off-farm employment generation and agricultural manpower development. The grant will support the already established GOZ capacity to plan and implement development activities in the rural sector which meet the above constraints. Precise identification of these programs must await the completion of a Sector Assessment but the further expansion of input supply and marketing facilities, the establishment of local level extension training centers and the development of a producer-oriented research program for smallholder farmers are probable priorities.

The focus of the grant will be on smallholders with the potential of producing a marketable surplus. Women as heads of rural families, as agriculturalists and as workers off-farm, will receive particular attention. The project will primarily involve the Ministry of Agriculture with some involvement of the Ministry of Lands, Natural Resources and Rural Development and, in the off-farm employment activities, possibly, the Ministry of Industry. It may involve the Agricultural Finance Corporation, the Tribal Trust Lands Development Corporation and the Agricultural and Rural Development Authority.

Expected outputs from the grant will include in-service training courses for extension staff and smallholders, training and research staff facilities, new research programs in smallholder farming systems, cooperative depots for inputs, buying points for outputs, new and rehabilitated small irrigation schemes and pilot off-farm employment creation activities. First year funding will be used primarily for commodities, and the construction of needed physical facilities.

Major issues to be addressed during design are;

- (1) the relative emphasis to be placed on the various components
- (2) the capacity of the GOZ to design and implement the smallholder-focused programs, and
- (3) GOZ administration and coordination of AID-supported activities.

PROJECT NARRATIVE

Project: 613-0216

COMMODITY IMPORT PROGRAM

Grant:	FY 82	\$ 40 million
Loan :	FY 83	\$ 35 million
LOP :		\$150 million

PURPOSE:

To provide interim balance of payments and budget support assistance to the GOZ to help the government complete reconstruction and to proceed with their well-conceived development plans.

PROJECT DESCRIPTION:

The attainment of majority rule in Zimbabwe followed years of warfare and economic isolation. Massive destruction of rural infrastructure was aggravated by the increasing strain placed on the worn and obsolete capital base. In order to provide the basis for a substantial expansion in development programs required to meet the rising expectations of the emergent majority, there must a major replacement of capital equipment for both the private and public sectors.

There is a critical shortage of foreign exchange in Zimbabwe at the present time. All imports are presently controlled by the GOZ through an import licensing system. The CDSS estimated that demand for import licenses amounted to some three times the amount of foreign exchange available.

The proposed CIP will make foreign exchange allocations available for the importation of capital equipment critical for addressing key development problems, particularly those associated with construction, transport and management control. Items funded will include earth moving equipment, computers, farm equipment, etc. To maximize the impact of the resources provided, emphasis will be given to essential imports necessary to exploit and enhance the productivity of existing investments.

Through this Commodity Import Program, A.I.D. will be providing a portion of the external resources required to complete the reconstruction program and to address critical development needs identified in the ZIMCORD documentation and AID's CDSS.

In addition, the local currency equivalencies generated by these imports, particularly those imported by the private sector, will provide essential budget supplements to the GOZ for use for Development Programs. These local currencies will be programmed with USAID concurrence to address priority development needs.

RELATIONSHIP OF PROJECT TO AID COUNTRY STRATEGY:

The AID strategy is designed to enable the GOZ to raise the standard of living for the poor majority by increasing agricultural income, employment opportunities and basic social services. The equipment imported will directly support these objectives while the local currencies generated by these imports will be used to finance reconstruction and development activities impacting directly upon the rural poor.

HOST COUNTRY AND OTHER DONORS:

This program will be financed entirely by A.I.D. A number of other donors are currently providing similar tied commodity assistance, e.g., Japan, United Kingdom, and Sweden.

PROJECT NARRATIVE

Project: 613-0207

REGIONAL GRAIN STORAGE

Grant : FY 82 \$14 million
FY 83 \$6 million
LOP \$28 million

Purpose:

To increase the effectiveness and capacity of the Government of Zimbabwe's grain and food pulse storage, and to assist in developing a strategic reserve in support of regional food security.

Project Description:

The high priority placed by the Government of Zimbabwe on food production was emphasized by its action in doubling the announced price to be paid farmers for corn. As a result of this economic incentive (combined with the cessation of hostilities and ample rainfall) more corn was grown in the traditional smallholder areas in 1980/81 than had been grown in the entire country during the previous year. With a record crop, Zimbabwe has over one million metric tons of corn available for export and/or storage.

This regional grain storage project is intended to help Zimbabwe to develop its long term grain storage capacity so that it can maintain a strategic reserve to serve its own needs and the needs of those neighboring countries which frequently have import requirements resulting from drought. This project will provide for construction of storage facilities and training in prevention of post-harvest grain loss.

The major impact of the project will be in smallholder areas which in the past have not been served by adequate marketing or storage facilities. The new storage facilities will be able to handle additional smallholder production coming through the expanded marketing network (expansion is currently underway) and will reinforce the price incentive already provided by the GOZ.

Host Government and Other Donors:

The GOZ will provide the land for construction of storage facilities, transport and working capital requirement to purchase and move food stocks.

PROJECT NARRATIVE

Project: 613-0218

REGIONAL TRANSPORT SECTOR LOAN

FY 83 \$ 8 million
LOP \$14 million

PURPOSE:

To assist the Government of Zimbabwe (GOZ) in revitalizing its railway system which constitutes a vital link in the regional railway infrastructure.

PROJECT DESCRIPTION:

The prolonged period of warfare and international sanctions which preceded Zimbabwe's independence accelerated the deterioration of the rolling stock now operated by the National Railway of Zimbabwe (NRZ). A further complication arose during the record corn harvest of 1981 when the Republic of South Africa recalled twenty-four locomotives which had been on loan to the NRZ. The NRZ found itself with a fleet of 120 locomotives out of the 220 needed to cope with the traffic demand.

The NRZ serves as an important transportation link for Botswana and Zambia, permitting international trade to be routed through the nearby eastern ports rather than the more distant southern ports. Therefore, the inadequacy of its rolling stock impacts almost as seriously upon neighboring countries as it does upon Zimbabwe, itself.

This Regional Transport Sector Loan will provide foreign exchange to enable the NRZ to acquire additional locomotives and spare parts from the United States, upgrading the capacity of the NRZ to fulfill its potential role as the hub of a regional transportation system.

RELATIONSHIP OF PROJECT TO AID STRATEGY:

This project addresses simultaneously the pressing requirement for foreign exchange and budget support as well as the need for replacement of capital infrastructure, both of which are foci of the Zimbabwe CDSS. At the same time this project supports the sub-regional transportation strategy currently being developed in the Southern Africa Regional Strategy Statement.

HOST COUNTRY AND OTHER DONOR CONTRIBUTIONS:

This loan will be financed entirely by AID. Kuwait has already provided funds for the purchase of twenty-five locomotives in the United States. The World Bank is examining other NRZ capital requirements, and other donors are considering the upgrading of port facilities in fulfillment of their Southern Africa Development Coordination Conference (SADCC) commitments.

TABLE V NARRATIVEFY1983 Proposed Program Ranking

If the GOZ is to meet its targets for increasing the incomes of, and providing social services to, its entire population, a decrease in the population growth rate is mandatory. At current estimates of population growth rates, the population will double within the next twenty years. The budgetary implications of this are formidable, and will have an extremely high opportunity cost in terms of maintaining the standard of living for the majority of Zimbabweans, let alone increasing their living standard.

The Child Spacing/Family Planning Project is given first priority because a reduction in the rate of population growth is considered essential if any long term improvement in the welfare of the majority of the population is to take place at all.

Immediate resource transfer through the CIP ranks second only to reduction of the population growth rate because it will enable the GOZ to meet its most pressing balance of payments and budgetary constraints. The CIP will make a major contribution to the GOZ's well-conceived development plans for achieving growth with equity.

Complementing the need for financial resources, and of only slightly lower priority, is the requirement for adequately trained human resources. This need will be addressed, in part, by the Zimbabwe Manpower Development Project which will provide temporary technical assistance experts in key positions while simultaneously providing training for Zimbabweans to perform these new tasks. In addition to meeting the critical needs for these development skills, the proposed training will also meet important equity considerations by moving black Africans into middle level positions in the modern sector, positions heretofore effectively denied them.

The Agriculture/Rural Sector Grant will focus on major constraints to increasing agricultural productivity in smallholder areas.

The Education/Manpower Sector Grant will increase the opportunity for the poor majority to participate in the benefits of independence. While it addresses an important objective, it has been given a lower priority than most of the strictly bilateral activities because tangible results will be less immediately realized in the education sector.

The Regional Grain Storage Project will assist Zimbabwe in its leadership role regarding food security among the SADCC countries. This is the highest priority of the three regional projects since food security is a serious concern in the region.

The Rail Service and Maintenance Training Project is second in priority among the regional projects since it will facilitate food shipments.

The Regional Transport Sector Loan is ranked last among the regional projects only because the grain storage is more urgent and because the strengthening of NRZ's maintenance services logically should precede the expansion of its inventory of rolling stock.

PVO's have been placed relatively lower in priority because of less GOZ interest. Nevertheless, USAID expects to identify appropriate areas for significant PVO contribution, probably in agriculture and in small-scale entrepreneurial development. Possible interventions in the health area will depend upon decisions to be made following further analysis of the health sector during FY 1982.

The Housing Investment Guaranty for FY 1983 is assigned last priority, not because of any lack of demand for low cost housing, but because the GOZ has been reluctant to use these funds at the current high interest rates, and because growth with equity will be more directly addressed in the agricultural and entrepreneurial sectors.

TABLE V - FY 1983 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		ZIMBABWE WORKFORCE (Number of Workmonths)			
					INCR	CUM	USDH		FNDH	
							INCR	CUM	INCR	CUM
DECISION PACKAGE AAPL										
1.	613-0214 Child Spacing/Family Planning	O	G	POP	2,800	2,800	3	3	-	-
2.	613-0216 Commodity Import Program	N	L	ESF	35,000	37,800	6	9	-	-
3.	613-0215 Zimbabwe Manpower Development	O	G	ESF	5,100	42,900	6	15	-	-
4.	613-0209 Agriculture/Rural Dev. Sector Grant	O	G	ESF	10,000	52,900	12	27	-	-
5.	613-0208 Education/Manpower Sector Grant	N	G	ESF	3,000	55,900	6	33	-	-
6.	613-0217 Regional Grain Storage	O	G	ESF	6,000	61,900	2	35	-	-
7.	613-212 Rail Service and Maint Trng	N	G	ESF	6,000	67,900	2	37	-	-
8.	613-0218 Regional Transport Sector Loan	N	L	ESF	8,000	75,900	2	39	-	-
9.	613-0213 PVO's	O	G	ESF	1,900	77,800	3	42	-	-
10.	HIG Low Income Housing Guaranty Program	-	-	-	(25,000)	-	10*	52	-	-
11.	BASIC WORKFORCE	-	-	-	-	-	17	69	60	60

* Residual work time of Housing officer will be available to other USAID's in Southern Africa

TABLE VIII
OPERATING EXPENSE SUMMARY

	FY 1980		FY 1981		FY 1982				
	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
COST SUMMARIES									
US Direct Hire	12.0	-	-	301.4	2.7	111.6	365.9	7.0	52.3
FN Direct Hire	-	-	-	10.7	1.0	10.7	55.8	5.0	11.2
US Contract Pers.	-	-	-	-	-	-	16.0	0.2	80.0
FN Contract Pers.	-	-	-	5.4	0.5	10.8	12.0	0.5	24.0
Housing Expense	11.5	-	-	152.8	2.7	56.6	58.0	5.0	11.6
Office Operations	32.2	xx	xx	245.2	xx	xx	251.1	xx	xx
Total Budget	55.7	xxx	xxx	715.5	xx	xx	757.9	xx	xx
Mission Allotment	99.9	xxx	xxx	575.0	xx	xx	436.4	xx	xx
FAAS *	-	xxx	xxx	-	xx	xx	-	xx	xx
Trust Fund	-	xxx	xxx	-	xx	xx	-	xx	xx

* FAAS budget figure to be supplied by AID/W

Note: Bulges in FY 81 unit costs for U.S. Direct Hire and for Housing expense represent mission start-up costs for initial assignments to post and for procurement of household furniture.

TABLE VIII

	FY 1983		AAPL		FY 1983			FY 1983		
	(\$000's)	Related Workyear	Unit Cost	(000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost	
<u>COST SUMMARIES</u>										
US Direct Hire	418.3	7.0	59.8	-	-	-	-	-	-	
FN Direct Hire	61.5	5.0	12.3	-	-	-	-	-	-	
US Contract Pers.	18.0	0.2	90.0	-	-	-	-	-	-	
FN Contract Pers.	13.2	0.5	26.4	-	-	-	-	-	-	
Housing Expense	56.1	5.0	11.2	--	-	-	-	-	-	
Office Operations	258.9	XX	XX	-	XX	XX	-	XX	XX	
Total Budget	826.0	XX	XX	-	XX	XX	-	XX	XX	
Mission Allotment	504.5	XX	XX	-	XX	XX	-	XX	XX	
FAAS		XX	XX	-	XX	XX	-	XX	XX	
Trust Fund		XX	XX	-	XX	XX	-	XX	XX	

AGENCY FOR INTERNATIONAL DEVELOPMENT
OVERSEAS WORKFORCE REQUIREMENTS
IN WORKMONTHS

BUREAU: BUREAU FOR AFRICA

04/15/81

DECISION UNIT: ZIMBABWE

-----FY 1983-----

US/ ITEM	FUNC FN	SKILL	POSITION NUMBER AND TITLE	PERS LEVEL	CAT	SHC	FY 81	WORK MO	FY 82	AT MIN	CURR	AT APPL	ABOVE PLAN LEVEL	FY 84	FY 85
3481	U	10	011 31005 MISSION DIRECTOR	S	-	40	12	12	12	12	12	12	-	12	12
3482	U	10	080 31020 SECRETARY	E	-	40	09 12	12	12	12	12	12	-	12	12
3484	U	40	804 31030 MRS DEVELOPMENT OFFICER	H	-	40	09 12	12	12	12	12	12	-	12	12
3483	U	40	103 31040 AGRICULTURAL DEV OFFICER	H	-	40	02 12	12	12	12	12	12	-	12	12
3485	U	60	034 69905 GENERAL SERVICES OFFICER	H	JAO	40	12	12	12	12	12	12	-	12	12
TOTAL FOR DECUNIT															
U	30	940	Capital Projects Development Officer	H	-	40	03	12	12	12	12	12	-	12	12
U	40	805	Housing Officer	H	-	40	01	12	12	12	12	12	-	12	00
F	50	043	Accountant	P	-	40	02	12	12	12	12	12	-	12	12
F	60	050	Secretary	N	-	40	02	12	12	12	12	12	-	12	12
F	60	050	Secretary	N	-	40	02	12	12	12	12	12	-	12	12
F	60	071	Clerk-Messenger	N	-	40	-	12	12	12	12	12	-	12	12
F	40	024	Program Assistant	P	-	40	-	12	12	12	12	12	-	12	12

ANNEX A

Design Schedule for New FY 82 Program Elements
(for which PID has not yet been submitted to AID/W)

	ZAMDP	1st Tranche CIP	2nd Tranche CIP	Ag Sector Grant	Regional Grain Storage
PID to AID/W	May 81			Apr 82	Feb 82
PID reviewed by AID/W	Jun 81			May 82	Feb 82
PID approval received	Jun 81			May 82	Mar 82
PP designed	Jul 81			Jun 82	Apr 82
PP reviewed by AID/W	Aug 81			Jul 82	Jun 82
PP approved	Aug 81			Aug 82	Jul 82
PAAD to AID/W		Jul 81	Mar 82		
PAAD reviewed by AID/W		Aug 81	Apr 82		
PAAD approved		Sep 81	Apr 82		
Grant Agreement negotiated	Sep 81	Oct 81	Apr 82	Aug 82	Jul 82

ANNEX B

REQUIREMENT FOR REDSO ASSISTANCE

The Zimbabwe program for FY 82 and FY 83 as outlined in the ABS will continue to rely upon REDSO and AID/W for design assistance as well as for frequent consultation regarding implementation and evaluation.

While the primary design responsibility for the regional projects (Makuti-Chirundu Road, Regional Grain Storage, Railroad Service and Maintenance Training, and Regional Transport Sector) lies with AID/W, at the minimum REDSO legal and engineering assistance will be required. For the other new activities - the CIP, the Education/Manpower Development Sector Grant - the mission expects to continue to rely very heavily upon REDSO with complementary assistance from AID/W and from PMR-funded experts.

USAID/Zimbabwe already has a Human Resources Development Officer in place. The Agricultural Development Officer will arrive on assignment in early August, 1981, and we anticipate assignment of a CPDO and a Housing Officer before the end of the current fiscal year. This small increase in the mission's staff will not significantly decrease the requirement for REDSO assistance because of the considerably greater funding levels and larger program planned for FY 82 and subsequent years. Consequently, we estimate that over the next two fiscal years, USAID/Zimbabwe will require approximately the same amount of support from REDSO that has been provided during the current fiscal year. Timely and competent REDSO assistance has been indispensable in assisting a very small USAID mission to design and implement a very large AID program.