PD-ABB-053

UNCLASSIFIED

Annual Budget Submission

FY-1992

ZIMBABWE

JUNE 1990

Agency for International Development
Washington, D.C. 20523

BEST AVAILABLE

UNCLASSIFIED

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AMBASSADOR'S COMMENTS

I have reviewed the Annual Budget Submission prepared by USAID/Zimbabwe for the economic aid program to Zimbabwe for the fiscal years 1990-1996.

I concur reluctantly in the budget figures for 1990, 1991 and 1992, which allocate to family planning some 30 percent of the mere $5 million allocated to Zimbabwe. That allocation restricts our flexibility to use our funds to transfer technical skills, promote the manufacturing sector and support Zimbabwe's pending market oriented reforms.

The expanded budget proposed for 1993 and beyond is absolutely essential if we are to meet our goals to help guide Zimbabwe toward a growth-oriented free-market economic structure and attract U.S. investment to Zimbabwe.

J. Steven Rhodes
Ambassador

U.S. ASSISTANCE TO ZIMBABWE

Budget Proposals, FY 1992-1996

The next twelve to eighteen months will be critical ones for Zimbabwe. With the expiration of the Lancaster House agreements, major decisions are expected regarding the future nature of economic management in Zimbabwe and in the area of land tenure. In addition, after ten years of significant progress in expanding access to education and health services, there are signs that the government is beginning to look to the productive sectors and their requirements both in terms of physical inputs and supporting policies. Accordingly, significant economic reforms are expected over the next year or so.

Given the tremendous potential of Zimbabwe and its importance in the southern Africa region, the USAID Mission remains hopeful that developments will evolve in a positive way. If that does prove to the be case, the Mission would like to be positioned to play a proactive role in the process. Accordingly, we have budgeted additional resources for the out-years 1993 and beyond. These resources will be programmed as non-project sector programs in support of policy reform related to the business environment for the private sector as a whole and to agriculture.

NOTE

Workforce (Table IX) has been split between Zimbabwe and Southern Africa Regional, but both are included in the Regional Section. Table VIII is presented in consolidated form in the Southern Africa Volume as this table is conceptually more difficult to split. Volumes should be printed separately. Zimbabwe has no PL 480 program hence there are no Tables XI and XIII.

Expenditures as shown on Tables VIII and IX may not match, especially for FYs 89 and 90. Table VIII includes some forward funding of contracts while Table IX reflects actual salary costs of employees.

ZIMBABWE (216130)

FY 1992 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT ($000)

	FY 1989 ACTUAL	FY 1990 ESTIMATE	--FY 1991-- CP	PLANNED	FY 1992 REQUEST	---------PLANNING PERIOD--------- FY 1993	FY 1994	FY 1995	FY 1996
AGRIC, RURAL DEV & NUTRITION									
POPULATION PLANNING									
HEALTH									
EDUCATION AND HUMAN RESOURCES									
PRIVATE SECTOR,ENERGY & ENVIRONMENT									
CHILD SURVIVAL FUND									
AIDS									
SUBTOTAL FUNCTIONAL ACCOUNTS:									
DEVELOPMENT FUND FOR AFRICA	5,000	5,000	5,000	5,000	5,000	12,000	12,000	12,000	14,000
DEVELOPMENT PROGRAMS									
SUBTOTAL DEVELOPMENT ASSISTANCE:	5,000	5,000	5,000	5,000	5,000	12,000	12,000	12,000	14,000
ECONOMIC SUPPORT FUND									
SUBTOTAL DA AND ESF:	5,000	5,000	5,000	5,000	5,000	12,000	12,000	12,000	14,000
HOUSING SECTOR ASSISTANCE			[-	15,000	15,000	20,000]			
PL480:									
PL 480 TITLE I									
PL 480 TITLE II, SECTION 206									
PL 480 TITLE III									
PL 480 TITLE II									
~~OPERATING EXPENSES (U.S. $)~~	~~1,607~~								
~~TRUST FUNDS (U.S. $)~~	~~125~~								

Not in machine.

TABLE IV - PROJECT BUDGET DATA

FUNDING SOURCE	OBLIG DATE INIT	OBLIG DATE FINAL	TOTAL COST AUTH	TOTAL COST PLAN	OBLIG THRU FY 1989	FY 1990 OBLIG ATIONS	FY 1990 EXPEND ITURES	FY 1991 OBLIG ATIONS	FY 1991 EXPEND ITURES	YR END MORTGAGE	FY 1992 REQUEST
PROJECT NUMBER: 6130208 TITLE: BASIC EDUCATION & SKILLS TRAINING PROJ/NON PROJ IND.: NP DPRP IND.: NO PACD 8/90											
ES G	83	88	45,000	44,941	44,941		9,771				
PROJECT NUMBER: 6130209 TITLE: ZIMBABWE AGRICULTURAL SECTOR ASSISTANCE PROJ/NON PROJ IND.: NP DPRP IND.: NO PACD 6/92											
SS G	82	89	17,000	10,000	10,000		8,371				
ES G	82	89	45,000	44,784	44,784		1,000		2,000		
PROJECT TOTAL:			62,000	54,784	54,784		9,371		2,000		
PROJECT NUMBER: 6130215 TITLE: ZIMBABWE MANPOWER DEVELOPMENT PROJ/NON PROJ IND.: PA DPRP IND.: NO PACD 9/90 ~~PACD 9/90~~											
ES G	82	84	13,139	13,139	13,139		1,304				
~~PROJECT NUMBER: 6130216 TITLE: COMMODITY IMPORT PROGRAM PROJ/NON PROJ IND.: CI DPRP IND.: NO 1/~~											
~~ES G~~	~~82~~	~~84~~	~~97,000~~	~~97,000~~	~~97,000~~						
PROJECT NUMBER: 6130229 TITLE: ZIMBABWE MANPOWER DEVELOPMENT II PROJ/NON PROJ IND.: PA DPRP IND.: NO PACD 9/93											
EH G	86	93	15,000	2,000	2,000		* 500		644		
SS G	86	93		5,045		2,045 2/		1,000	2,000	1,200	600
PROJECT TOTAL:			15,000	7,045	2,000	2,045	500	1,000	2,644	1,200	600
PROJECT NUMBER: 6130230 TITLE: ZIMBABWE FAMILY PLANNING PROJ/NON PROJ IND.: PA DPRP IND.: NO PACD 9/96											
SS G	90	95		8,600		1,700	1,050	1,700	2,000	5,200	1,700
PROJECT NUMBER: 6130231 TITLE: INTERNATIONAL EXECUTIVE SERVICE CORPS PROJ/NON PROJ IND.: PA DPRP IND.: NO PACD 9/90											
SS G	90	C		185		185	150		35		
PROJECT NUMBER: 6130232 TITLE: ZIMBABWE BUSINESS DEVELOPMENT PROJ/NON PROJ IND.: NP DPRP IND.: NO PACD 9/97											
SS G	91	96		30,000				2,000	700	20,000	2,500
PROJECT NUMBER: 6130510 TITLE: PROGRAM DEV AND SUPPORT PROJ/NON PROJ IND.: PA DPRP IND.: NO											
SS G	88	C		770		270	270	300	300		200
~~PROJECT NUMBER: 6130000 TITLE: HIV/AIDS PREVENTION IN AFRICA PROJ/NON PROJ IND.: PA DPRP IND.: NO 1/~~											
~~SS G~~	~~88~~	~~C~~									
REPORT TOTAL:			232,139	256,464	211,864	5,000	22,416	5,000	7,679	34,400	5,000

NOTES: 1/ DELETION WOULD HAVE BEEN MADE IF PROGRAM DISK ALLOWED.

2/ $2 MILLION 6130229 HRDA BUY-IN SHOWN AS IT WILL BE COVERED BY BILATERAL AGREEMENT.

* amendment.

TABLE IV - PROJECT BUDGET DATA

FUNDING SOURCE	OBLIG DATE INIT	OBLIG DATE FINAL	TOTAL COST AUTH	TOTAL COST PLAN	OBLIG THRU FY 1989	FY 1990 OBLIGATIONS	FY 1990 EXPENDITURES	FY 1991 OBLIGATIONS	FY 1991 EXPENDITURES	YR END MORTGAGE	FY 1992 REQUEST
						APPROPRIATION SUMMARY					
EH							500		644		
GS						5,000	9,841	5,000	5,035	34,400	5,000
ES							12,075		2,000		
REPORT TOTAL:						5,000	22,416	5,000	7,679	34,400	5,000

FY 1992 ANNUAL BUDGET SUBMISSION

AC/SI SUMMARY REPORT

		FY 1990 ESTIMATE	FY 1991 ESTIMATE	FY 1992 REQUEST
PROJECT NUMBER: 613-0229	TITLE: ZIMBABWE MANPOWER DEVELOPMENT II			
EDEI HUMAN RES DVLPMT FOR EDUCATIONAL INSTITUTIONS				
SI CODE: NSP	100 %	284	100	60
SI CODE: PBL	100 %	284	100	60
TOTAL AC CODE:	10 %	284	100	60
EDID HUMAN RESOURCE DEVELOPMENT FOR INDIVIDUALS				
SI CODE: NSP	100 %	2,560	900	540
SI CODE: TAC	40 %	1,024	360	216
SI CODE: TFE	30 %	768	270	162
SI CODE: TIC	10 %	256	90	54
SI CODE: TMA	70 %	1,792	630	378
SI CODE: TTE	60 %	1,536	540	324
SI CODE: TTH	20 %	512	180	108
SI CODE: TUS	70 %	1,792	630	378
TOTAL AC CODE:	90 %	2,560	900	540
PROJECT TOTAL	100 %	2,845	1,000	600
PROJECT NUMBER: 613-0230	TITLE: ZIMBABWE FAMILY PLANNING			
PNCN FAMILY PLANNING CONTRACEPTIVES				
SI CODE: NSP	100 %	850	850	850
SI CODE: PBL	100 %	850	850	850
TOTAL AC CODE:	50 %	850	850	850
PNPD FAMILY PLANNING PROGRAM DEVELOPMENT				
SI CODE: NSP	100 %	340	340	340
SI CODE: PBL	100 %	340	340	340
TOTAL AC CODE:	20 %	340	340	340
PNSD FAMILY PLANNING SERVICE DELIVERY				
SI CODE: INS	10 %	51	51	51
SI CODE: NSP	100 %	510	510	510
SI CODE: PBL	100 %	510	510	510
SI CODE: TIC	60 %	306	306	306
SI CODE: TTE	20 %	102	102	102
SI CODE: TUS	20 %	102	102	102
TOTAL AC CODE:	30 %	510	510	510
PROJECT TOTAL	100 %	1,700	1,700	1,700

AC/SI SUMMARY REPORT

			FY 1990 ESTIMATE	FY 1991 ESTIMATE	FY 1992 REQUEST
PROJECT NUMBER: 613-0231		TITLE: INTERNATIONAL EXECUTIVE SERVICE CORPS			
PEBD BUSINESS DEVELOPMENT PROMOTION					
SI CODE: CIT		80 %	148		
SI CODE: RUR		5 %	9		
SI CODE: TWN		15 %	27		
TOTAL AC CODE:	100 %		185		
PROJECT TOTAL	100 %		185		
PROJECT NUMBER: 613-0232		TITLE: ZIMBABWE BUSINESS DEVELOPMENT			
PEBD BUSINESS DEVELOPMENT PROMOTION					
SI CODE: DRG		70 %		1,050	1,312
SI CODE: NSP		100 %		1,500	1,875
SI CODE: PRT		100 %		1,500	1,875
SI CODE: PSD		100 %		1,500	1,875
SI CODE: REC		10 %		150	187
SI CODE: SPR		25 %		375	468
SI CODE: TPV		50 %		750	937
SI CODE: WDP		20 %		300	375
TOTAL AC CODE:	75 %			1,500	1,875
PEFM FINANCIAL MARKETS					
SI CODE: NSP		100 %		300	375
SI CODE: PBL		20 %		60	75
SI CODE: SPR		75 %		225	281
SI CODE: TIC		100 %		300	375
SI CODE: TTE		50 %		150	187
SI CODE: WDP		25 %		75	93
TOTAL AC CODE:	15 %			300	375
PETI TRADE AND INVESTMENT PROMOTION					
SI CODE: CIP		70 %		140	175
SI CODE: EXP		100 %		200	250
SI CODE: NSP		100 %		200	250
SI CODE: PRT		80 %		160	200
SI CODE: REC		50 %		100	125
SI CODE: SPR		70 %		140	175
TOTAL AC CODE:	10 %			200	250
PROJECT TOTAL	100 %			2,000	2,500

FY 1992 ANNUAL BUDGET SUBMISSION

AC/SI SUMMARY REPORT

		FY 1990 ESTIMATE	FY 1991 ESTIMATE	FY 1992 REQUEST
PROJECT NUMBER: 613-0510 TITLE: PROGRAM DEV AND SUPPORT				
PDAS PROJECT DEVELOPMENT AND SUPPORT				
SI CODE: NSP	100 %	270	300	200
TOTAL AC CODE:	100 %	270	300	200
PROJECT TOTAL	100 %	270	300	200
REPORT TOTAL		5,000	5,000	5,000

ZIMBABWE (216130)
FY 1992 ANNUAL BUDGET SUBMISSION

TABLE V - PROPOSED PROGRAM RANKING

RANK	PROJECT	TITLE	PROGRAM FUNDING ($000) APPROP	INCR
MCC LEVEL				
	613-0229	ZIMBABWE MANPOWER DEVELOPMENT II	SS	600
	613-0230	ZIMBABWE FAMILY PLANNING	SS	1,700
	613-0232	ZIMBABWE BUSINESS DEVELOPMENT	SS	2,500
	613-0510	PROGRAM DEV AND SUPPORT	SS	200
		TOTAL MCC REQUEST		5,000
INCREMENT LEVEL				
		TOTAL INCREMENT REQUEST		0
		TOTAL REQUEST		5,000

ZIMBABWE (216130)
FY 1992 ANNUAL BUDGET SUBMISSION

TABLE VI: EXPENDITURE OF LOCAL CURRENCY GENERATIONS
(all in U.S. Dollar equivalents, and in $millions)

SOURCE/PURPOSES	FY 89 ACTUAL	FY 90 EST.	FY 91 PLANNED	FY 92 PROP
I. ECONOMIC SUPPORT FUND				
A. PUBLIC DEVELOPMENT ACTIVITIES	5,490	8,279	12,376	9,450
B. PRIVATE SECTOR PROGRAMS				
C. PUBLIC SECTOR RECURRING BUDGET				
D. A.I.D. OPERATING EXPENSES (TRUST FUND)	6	400	350	250
E. LOCAL CURRENCY MONITORING (TRUST FUND)		23	69	
SUBTOTAL OF ESF LC EXPENDITURES	5,496	8,702	12,795	9,700
UNEXPENDED ESF BALANCE AT END OF EACH YEAR, I.E. THE PIPELINE		27,664	16,953	8,974
II. DA AND DEVELOPMENT FUND FOR AFRICA				
A. PUBLIC DEVELOPMENT ACTIVITIES			1,861	690
B. PRIVATE SECTOR PROGRAMS				
C. PUBLIC SECTOR RECURRING BUDGET				
D. A.I.D. OPERATING EXPENSES (TRUST FUND)				
E. LOCAL CURRENCY MONITORING (TRUST FUND)				
SUBTOTAL OF DA LC EXPENDITURES			1,861	690
UNEXPENDED DA BALANCE AT END OF EACH YEAR, I.E. THE PIPELINE		6,446	15,385	17,195

ZIMBABWE (216130)
FY 1992 ANNUAL BUDGET SUBMISSION

TABLE VI: EXPENDITURE OF LOCAL CURRENCY GENERATIONS
(all in U.S. Dollar equivalents, and in $millions)

SOURCE/PURPOSES	FY 89 ACTUAL	FY 90 EST.	FY 91 PLANNED	FY 92 PROP
III. PL 480				
A. PUBLIC DEVELOPMENT ACTIVITIES				
B. PRIVATE SECTOR				
C. PUBLIC SECTOR RECURRING BUDGET				
D. TF FOR PL 480 MONITORING AND IMPLEMENT.				
SUBTOTAL OF PL LC EXPENDITURES				
UNEXPENDED PL BALANCE AT END OF EACH YEAR, I.E. THE PIPELINE				
GRAND TOTAL OF ALL LC EXPENDITURES	5,496	8,702	13,856	10,390
GRAND TOTAL OF ALL UNEXPENDED LC BALANCES, I.E. THE PIPELINE		34,110	32,338	26,169

ZIMBABWE (216130)
FY 1992 ANNUAL BUDGET SUBMISSION

AFRICA BUREAU
ACTION PLAN LOCAL CURRENCY EXPENDITURE ATTRIBUTION
($millions)
FY 1989: ACTUAL

TARGET		ESF	DFA	PL480
1-1	ECONOMIC STABILITY			
1-2	REDUCED GOVERNMENT INVOLVEMENT			
1-3	KEY PUBLIC SERVICES:FAMILY PLANNING			
	CHILD SURVIVAL	15.0		
	OTHER HEALTH	586.0		
	BASIC EDUCATION	1,432.0		
	TRANSP INFRSTRU			
2-1	COMMODITY MARKETS			
2-2	FACTOR MARKETS			
3-1	NATURAL RESOURCE MGT	256.0		
3-2	AGRIC TECHNOLOGY DEVEL			
3-3	JOB SKILLS & PRODUCTIVITY	1,351.0		
4-1	REDUCE INSTABILITY			
4-2	FAMINE PREPAREDNESS			
4-3	FOOD & INCOME			
4-4	AGRIC PRODUCTION & UTIL	1,792.0		
	FY TOTALS:	5,432.0		

ZIMBABWE (216130)
FY 1992 ANNUAL BUDGET SUBMISSION

AFRICA BUREAU
ACTION PLAN LOCAL CURRENCY EXPENDITURE ATTRIBUTION
($millions)
FY 1990: ESTIMATE

TARGET		ESF	DFA	PL480
1-1	ECONOMIC STABILITY	98.0		
1-2	REDUCED GOVERNMENT INVOLVEMENT	1,380.0		
1-3	KEY PUBLIC SERVICES:FAMILY PLANNING	19.0		
	CHILD SURVIVAL	223.0		
	OTHER HEALTH	643.0		
	BASIC EDUCATION	1,714.0		
	TRANSP INFRSTRU	42.0		
2-1	COMMODITY MARKETS			
2-2	FACTOR MARKETS			
3-1	NATURAL RESOURCE MGT	1,017.0		
3-2	AGRIC TECHNOLOGY DEVEL			
3-3	JOB SKILLS & PRODUCTIVITY	1,712.0		
4-1	REDUCE INSTABILITY			
4-2	FAMINE PREPAREDNESS			
4-3	FOOD & INCOME			
4-4	AGRIC PRODUCTION & UTIL	1,454.0		
	FY TOTALS:	8,302.0		

ZIMBABWE (216130)
FY 1992 ANNUAL BUDGET SUBMISSION

AFRICA BUREAU
ACTION PLAN LOCAL CURRENCY EXPENDITURE ATTRIBUTION
($millions)
FY 1991: PLANNED

TARGET		ESF	DFA	PL480
1-1	ECONOMIC STABILITY	124.0		
1-2	REDUCED GOVERNMENT INVOLVEMENT	2,299.0		
1-3	KEY PUBLIC SERVICES:FAMILY PLANNING	69.0		
	CHILD SURVIVAL	393.0		
	OTHER HEALTH	878.0		
	BASIC EDUCATION	2,512.0		
	TRANSP INFRSTRU	46.0		
2-1	COMMODITY MARKETS			
2-2	FACTOR MARKETS			
3-1	NATURAL RESOURCE MGT	1,376.0		
3-2	AGRIC TECHNOLOGY DEVEL			
3-3	JOB SKILLS & PRODUCTIVITY	2,678.0	141.0	
4-1	REDUCE INSTABILITY			
4-2	FAMINE PREPAREDNESS			
4-3	FOOD & INCOME		920.0	
4-4	AGRIC PRODUCTION & UTIL	2,070.0		
	FY TOTALS:	12,445.0	1,061.0	

ZIMBABWE (216130)
FY 1992 ANNUAL BUDGET SUBMISSION

AFRICA BUREAU
ACTION PLAN LOCAL CURRENCY EXPENDITURE ATTRIBUTION
($millions)
FY 1992: PROPOSED

TARGET		ESF	DFA	PL480
1-1	ECONOMIC STABILITY	17.0		
1-2	REDUCED GOVERNMENT INVOLVEMENT	631.0		
1-3	KEY PUBLIC SERVICES:FAMILY PLANNING	85.0		
	CHILD SURVIVAL	376.0		
	OTHER HEALTH	1,276.0		
	BASIC EDUCATION	1,770.0		
	TRANSP INFRSTRU			
2-1	COMMODITY MARKETS			
2-2	FACTOR MARKETS			
3-1	NATURAL RESOURCE MGT	1,545.0		
3-2	AGRIC TECHNOLOGY DEVEL			
3-3	JOB SKILLS & PRODUCTIVITY	1,923.0	138.0	
4-1	REDUCE INSTABILITY			
4-2	FAMINE PREPAREDNESS			
4-3	FOOD & INCOME		552.0	
4-4	AGRIC PRODUCTION & UTIL	1,828.0		
	FY TOTALS:	9,451.0	690.0	

TABLE VII - LIST OF PLANNED EVALUATIONS
FY 1992 ANNUAL BUDGET SUBMISSION
COUNTRY/OFFICE: ZIMBABWE USAID/ZIMBABWE

PROJECT LIST (Project # & Title)	LAST EVAL COMPLETED (Mo./Yr.)	FY 1991 START (Qtr)	FY 1991 TO AID/W (Qtr)	FY 1992 TO AID/W (Qtr)	REASONS/ISSUES	FUNDING SOURCE	($000)	USAID PERSON DAYS	COLLATERAL ASSISTANCE
613-0209 ZASA	10/86	-	-	2-3	Final Summative	Project	80	20	ADO, Ag.Econ. Soc.Sci., GOZ Economist
613-0208 BEST	06/90	-	-	-	Final Summative	-	-	-	-

ZIMBABWE (216130)
FY 1992 ANNUAL BUDGET SUBMISSION

TABLE X: MICRO-, SMALL-SCALE AND SMALL FARM ENTERPRISES

ESF and DA
Dollar Commitments for Micro-
and Small-Scale Enterprise Programs
(U.S. Dollars Thousands)

	FY 89 ACTUAL	FY 90 EST.	FY 91 PLANNED	FY 92 PROP.
I. ESF DOLLAR COMMITMENTS				
A. MICRO ENTERPRISE				
1. FOR CREDIT				
2. FOR TA/TRAINING		20		
B. SMALL-SCALE ENTERPRISE				
1. FOR CREDIT				
2. FOR TA/TRAINING				
C. SMALL FARM ENTERPRISE				
1. FOR CREDIT				
2. FOR TA/TRAINING				
SUBTOTAL ESF DOLLAR COMMITMENTS		20		
II. DA DOLLAR COMMITMENTS				
A. MICRO ENTERPRISE				
1. FOR CREDIT				
2. FOR TA/TRAINING			100	100
B. SMALL-SCALE ENTERPRISE				
1. FOR CREDIT				
2. FOR TA/TRAINING			100	300
C. SMALL FARM ENTERPRISE				
1. FOR CREDIT				
2. FOR TA/TRAINING				
SUBTOTAL DA DOLLAR COMMITMENTS			200	400

TABLE IXC: PROJECT MANAGEMENT IN WORK YEARS
FY 1989: ACTUAL

PROJECT NUMBER	TITLE	USDH	--FNDH--		-----USPSC-----			----FNPSC-----			OTHER USG/NON INST			-MPWR CNTRCT-		
		OE	OE	TF	OE	TF	PR	OE	TF	PR	OE	TF	PR	OE	TF	PR
613-0200	BASIC EDUCATION & SKILLS TRAIN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0209	ZIMBABWE AGRICULTURAL SECTOR A	0.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0215	ZIMBABWE MANPOWER DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0229	ZIMBABWE MANPOWER DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0230	ZIMBABWE FAMILY PLANNING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0231	INTERNATIONAL EXECUTIVE SERVIC	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0232	ZIMBABWE BUSINESS DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0510	PROGRAM DEV AND SUPPORT	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE TOTALS		0.5	0.5	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ZIMBABWE (216130)

FY 1992 ANNUAL BUDGET SUBMISSION

TABLE IXC: PROJECT MANAGEMENT IN WORK YEARS
FY 1990: ESTIMATE

PROJECT NUMBER	TITLE	USDH	--FNDH--		----USPSC-----			----FNPSC-----			OTHER USG/NON INST			-MPWR CNTRCT-		
		OE	OE	TF	OE	TF	PR	OE	TF	PR	OE	TF	PR	OE	TF	PR
613-0208	BASIC EDUCATION & SKILLS TRAIN	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0209	ZIMBABWE AGRICULTURAL SECTOR A	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0215	ZIMBABWE MANPOWER DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0229	ZIMBABWE MANPOWER DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0230	ZIMBABWE FAMILY PLANNING	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0231	INTERNATIONAL EXECUTIVE SERVIC	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0232	ZIMBABWE BUSINESS DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0510	PROGRAM DEV AND SUPPORT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE TOTALS		0.5	1.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

TABLE IXC: PROJECT MANAGEMENT IN WORK YEARS
FY 1991: PLANNED

PROJECT NUMBER	TITLE	USDH OE	FNDH OE	FNDH TF	USPSC OE	USPSC TF	USPSC PR	FNPSC OE	FNPSC TF	FNPSC PR	OTHER USG/NON INST OE	OTHER USG/NON INST TF	OTHER USG/NON INST PR	MPWR CNTRCT OE	MPWR CNTRCT TF	MPWR CNTRCT PR
613-0208	BASIC EDUCATION & SKILLS TRAIN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0209	ZIMBABWE AGRICULTURAL SECTOR A	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0215	ZIMBABWE MANPOWER DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0229	ZIMBABWE MANPOWER DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0230	ZIMBABWE FAMILY PLANNING	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0231	INTERNATIONAL EXECUTIVE SERVIC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0232	ZIMBABWE BUSINESS DEVELOPMENT	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
613-0510	PROGRAM DEV AND SUPPORT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE TOTALS		0.4	1.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0

TABLE IXC: PROJECT MANAGEMENT IN WORK YEARS
FY 1992: MINIMUM CARRYING COST

PROJECT NUMBER	TITLE	USDH OE	--FNDH-- OE	TF	----USPSC----- OE	TF	PR	----FNPSC----- OE	TF	PR	OTHER USG/NON INST OE	TF	PR	-MPWR CNTRCT- OE	TF	PR
613-0208	BASIC EDUCATION & SKILLS TRAIN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0209	ZIMBABWE AGRICULTURAL SECTOR A	0.2	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0215	ZIMBABWE MANPOWER DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0229	ZIMBABWE MANPOWER DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0230	ZIMBABWE FAMILY PLANNING	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0231	INTERNATIONAL EXECUTIVE SERVIC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0232	ZIMBABWE BUSINESS DEVELOPMENT	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
613-0510	PROGRAM DEV AND SUPPORT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE TOTALS		0.4	1.0	0.0	0.0	0.0	0.0	1.3	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0

TABLE IXC: PROJECT MANAGEMENT IN WORK YEARS
FY 1992: INCREASE AT REQUEST LEVEL

PROJECT NUMBER	TITLE	USDH OE	--FNDH-- OE	TF	----USPSC----- OE	TF	PR	----FNPSC----- OE	TF	PR	OTHER USG/NON INST OE	TF	PR	-MPWR CNTRCT- OE	TF	PR
613-0208	BASIC EDUCATION & SKILLS TRAIN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0209	ZIMBABWE AGRICULTURAL SECTOR A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0215	ZIMBABWE MANPOWER DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0229	ZIMBABWE MANPOWER DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0230	ZIMBABWE FAMILY PLANNING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0231	INTERNATIONAL EXECUTIVE SERVIC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0232	ZIMBABWE BUSINESS DEVELOPMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
613-0510	PROGRAM DEV AND SUPPORT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTE TOTALS		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ZIMBABWE (216130)
FY 1992 ANNUAL BUDGET SUBMISSION

TABLE X: MICRO-, SMALL-SCALE AND SMALL FARM ENTERPRISES

The Commitment of Non-Project Assistance
Local Currency Generations for Micro-
and Small-Scale Enterprise Programs
(in Thousands of U.S. Dollar Equivalents)

	FY 89 ACTUAL	FY 90 EST.	FY 91 PLANNED	FY 92 PROP.
III. LOCAL CURRENCY GENERATIONS				
A. MICRO ENTERPRISE				
1. FOR CREDIT		570		
2. FOR TA/TRAINING			200	500
B. SMALL-SCALE ENTERPRISE				
1. FOR CREDIT		2,285		
2. FOR TA/TRAINING			300	300
C. SMALL FARM ENTERPRISE				
1. FOR CREDIT				
2. FOR TA/TRAINING				
SUBTOTAL FROM LOCAL CURRENCY GENERATIONS		2,855	500	800

FY 1992 Annual Budget Submission

FY 1992 New Project Narrative

Project Title	:	Zimbabwe Business Development
Project Number	:	613-0232
Project Funding	:	FY 1991 Obligation - $2.0 million FY 1992 Obligation - $2.5 million
LOP	:	$30.0 million
Grant		
Appropriation Account	:	DFA

A. Major Development Problems Addressed: The long-awaited liberalization of policies affecting the Zimbabwe manufacturing sector should have the corollary effect of opening up business opportunities for small and medium-scale enterprises. As Zimbabwe progressively eliminates barriers to trade, devalues the Zimbabwe dollar, allows the importation of manufacturing inputs under Open General Import License and provides foreign exchange for the replacement of outmoded capital equipment, Zimbabwe manufacturers will need to adjust the scope of their manufacturing operations to remain competitive. Many of the diversified Zimbabwe manufacturing "houses", facing the rigors of direct competition from international suppliers, can be expected to specialize, to cut costs, to spin-off ancillary operations and to sub-contract, in the interest of efficiency.

Some new businesses in Zimbabwe will emerge to meet the market demand for sub-contracted inputs. Others will fill market niches abandoned by the larger manufacturers or produce for export in their own right, as access to foreign exchange and imported inputs improves.

Unfortunately a new enterprise in Zimbabwe still faces administrative and bureaucratic obstacles to establishment and growth which are unnecessary hindrances to effective exploitation of market opportunities.

Such counterproductive administrative and regulatory policies include, inter alia:

-labor regulations that prevent businesses from adjusting their permanent and casual staff levels to reflect market demand;

-lack of dispensations, reductions or rebates in the taxation of small, medium-scale and emergent businesses;

-lack of access to suitable industrial sites and services;

-credit policies that require collateral and "track-records";

-difficulties in obtaining title deeds for businesspeople in rural areas.

Development experience has repeatedly demonstrated that long-term potential for employment generation and economic growth is greatest in the small-to-medium-scale enterprise sector. Such enterprises currently account for only a marginal proportion of Zimbabwe's manufacturing output. However, Zimbabwe has all the pre-requisites to unleashing the dynamic potential of the small and medium scale enterprise sector, once bureaucratic impediments are removed or alleviated, viz: a highly-literate population; a diversified manufacturing base; relatively good quality infrastructure; a large domestic market for manufactured goods; political support, and well-developed financial institutions. Removing the remaining administrative and regulatory bottlenecks to Zimbabwe enterprise development will require both rigorous economic analysis and financial leverage. A non-project assistance mechanism that will bring about administrative and regulatory reform while generating local currency to support Zimbabwe enterprise initiatives, is ideally suited to accomplish this objective.

The imperative to encourage the emergence of indigenous entrepreneurs and to improve the efficiency and profitability of existing businesses is underscored by the spectre of massive and worsening unemployment in Zimbabwe and the priority requirement to generate jobs in the formal sector(s) of the economy. Current projections of "school-leavers" in 1991 paint a chilling picture of approximately 300,000 new job-seekers chasing no more than 12,000 new or vacant positions in the formal sector of the Zimbabwe economy.

Small and medium scale enterprise development will be an appropriate target of opportunity, once economic liberalization is a reality, because of its long-term potential for growth and employment generation. Large industry in Zimbabwe, given an environment conducive to expanded production may represent greater employment potential in the short-term. However, once excess manufacturing capacity is utilized, further employment generation from large industry will depend upon resources being available to expand manufacturing plant facilities and to replace or renew capital equipment. Even assuming such resources are made available, new plant and equipment is typically less labor-intensive than earlier designs, resulting in a decreasing marginal effect on employment generation per dollar invested. The small and medium enterprise sector, utilizing less capital and more labor inputs in the production process will yield a higher ratio of jobs created per dollar invested.

B. Project Purpose: The purpose of the program is to assist Zimbabwe small-to-medium scale enterprises to achieve profitable growth and operational efficiency.

C. Preliminary Project Description: Zimbabwe Business Development will be a predominantly non-project assistance initiative focussing on the Manufacturing Sector. It will include either a direct balance-of--payment-support cash transfer or a commodity import program to help bring about significant administrative and/or regulatory reforms to reduce obstacles to small and medium scale enterprise development and growth. Three sub-components of the program will be "projectized":

1) technical assistance to provide analysis and policy studies to make the case for constructive reforms;

2) technical assistance through the International Executive

Service Corps or a similar organization, to improve the operational efficiency of Zimbabwe manufacturers and to enable them to compete more effectively in international markets; and,

3) grant assistance to the Small Business Development Unit of the Confederation of Zimbabwe Industries.

Local currency generations derived from a counterpart fund for cash transfers, or deposits against commodity imports, will be programmed for projects in support of small and medium scale enterprise activities, particularly those sponsored by, or employing a significant proportion of women.

Support to the Small Business Development Unit will take the form of computer hard-and-software, technical assistance and training, to enable the Unit to provide advisory services to small and emergent businesses in the areas of project analysis, portfolio preparation and cash-flow management. The Small Business Development Unit will assist aspiring entrepreneurs to successfully surmount the administrative "red-tape" encountered in establishing and registering a new corporation in Zimbabwe. Assistance may also be provided in the packaging and marketing of a project portfolio, in obtaining financing, in starting operations and in effective management and monitoring of cash-flow.

Grant-funded technical assistance during the initial two years of the Zimbabwe Business Development program will serve to improve the competitiveness of Zimbabwe enterprises and, concurrently, to identify the most appropriate targets for administrative and regulatory reform. Negotiations with Government will only be undertaken as economic liberalization and appropriate macro-economic policy reforms yield an environment broadly conducive to market-driven growth in the manufacturing sector. The proposed obligation schedule reflects this approach, with the greatest proportion of life-of-project funding deferred for non-project assistance purposes until years three through five, and conditioned to constructive reform of the macro-economic environment.

D. A.I.D. Policy and Bureau Sector Action Plan Factors: The proposed program, along with others in the Mission's portfolio, will contribute to the Africa Bureau goal for assistance under the Development Fund for Africa: sustainable, broad-based and market-oriented economic growth in Africa.

The program is consistent with the Africa Bureau Action Plan Target 1-1: Improved Stability in African Economies; Target 2-2: Liberalized Factor Markets; and Target 3-3: Expanded skills and productivity on the job.

E. Design Schedule: The framework for the global program and the projectized components will be developed in a combined PID/PAIP document during the months of September-October 1990, for review and approval in the field in November. A detailed PP/PAAD will be designed in January-February, for program approval and field authorization in the third quarter of FY 1991. Non-project assistance elements will be conditioned to significant economic liberalization and macro-economic policy reform. Accordingly, benchmarks established during PAIP/PAAD preparation will be used to assess the appropriateness of program assistance after the second year of projectized technical assistance.

ANNEX N

LOCAL CURRENCY USE PLAN

Commodity Import Program 603 and 605

Since 1984, the developmental initiatives of the Government of Zimbabwe have been served through local currency generated under the CIP. Based on total allocations since 1984, almost half, 49 percent, of local currency generated has aided education. This 49 percent -- comprised of 15 projects -- included reconstruction of war-damaged primary and secondary schools, programs in support of vocational and technical training colleges and the University of Zimbabwe (UZ). Seven out of the 15 projects have been completed to date.

The agricultural sector has had six major projects, i.e. cotton training center, grain depots and other facilities, which to date have received 19 per cent of local currency generations. Only one project remains unfinished.

With the addition of the Z$7 million allocation to SEDCO Zimbabwe's small-scale enterprise development organization, a total of Z$12 million has been approved to promote and aid private enterprise. SEDCO has reported that the first allocation of Z$5 million established 515 loans and generated 1012 jobs. USAID is optimistic that the additional allocation will continue to support small-scale enterprise development at the grass root level. These two allocations represent 18 percent of the total allocations.

Zimbabwe's health sector has received six percent of approved allocations in the past. These allocations were given to Zimbabwe's Blood Transfusion service and to rural health clinics and hospitals. Of the remaining $3.5 million, at least Z$1 million is tentatively scheduled for the health sector.

Zimbabwe Agriculture Sector Assistance Program 604 and 607

The local currency generated by the programs are to be programmed by an Inter-ministerial Working Group in support of the government's agricultural and rural development programs. Funds are allocated by the Ministry of Finance, on the basis of Working Group recommendation and USAID approval, to a wide variety of projectized initiatives proposed by government agencies through their respective ministries. These initiatives, focussed on seven constraint areas of particular relevance to improving smallholder productivity and incomes, frequently supplement or complement activities toward which applied government resources are insufficient. Sometimes they incorporate innovative work by non-governmental organizations cooperating with ministries on special programs. The constraint areas are: research, extension, credit, marketing and input supply, land and water use, training, and policy planning. ZASA has contributed strongly to the expansion into Zimbabwe's small farmer areas of input supply and marketing systems needed to enable diversification into economically productive farm enterprises. The program's contributions include 18 rural input supply and marketing facilities placed to provide access for smallholders.

Small farmers now produce over 60 percent of Zimbabwe's marketed maize, over 50 percent of marketed cash crops including cotton and oilseed crops, and they are gradually increasing their share in the income benefits from production and marketing of crops such as tea, coffee, fruits and vegetables. ZASA funds have expanded capacity for agricultural training at the university by no less than 100 percent and are building facilities at the two two-year diploma colleges to enable student enrollment to increase from forty to sixty per year in each institution. Half of the new seats are intended for women. ZASA has funded or contributed to funding of 25 communal area irrigation systems, 5 fishing cooperatives, 21 marketing cooperatives and a range of other enterprises involving many thousands of rural people. Program funding has allowed for the short-term training of over 300 rural men and women in crop production techniques each year and has assisted in expanding greatly the ability of the research-extension system to respond effectively to small farm needs for reliable guidance and information on a range of production and conservation needs. Through training and network expansion, ZASA assistance has helped to increase access by needy smallholders, including women, to credit facilities.

Basic Education and Skills Training Program 606

Local Currency projects have had their impact in teacher education, localization of examinations, computerization of regions, the development of low-cost reading materials for schools, provision of secondary school technical kits, construction of the multi-purpose National Education Service Centre (NESC) and decentralization of technical colleges. The Z$7,030 million Education Service Centre will serve as the nerve centre for all Ministry of Primary and Secondary Education Services divisions. Zimbabwe has about 80,000 school teachers; of these 33,000 are untrained, about 18,000 have some training which is not recognized internationally, and the rest have some qualifications.

Graduates of the A.I.D.-funded Belvedere Teacher's College represent a growing number of qualified teachers who are helping to fill the gap; almost 100% have remained in the education system.

Local currency financed construction at specialized technical colleges and the Belvedere National Vocational Training Development Centre is completed, but the institutions are not yet fulfilling their role because of lack of coordination of construction with provision of equipment by other donors and placement staff. This is being addressed by the provision of equipment from the foreign exchange component of the USAID project.

GENERAL

The Mission has contracted with a local accounting firm for the development of a monitoring and evaluation system for local currency projects. The system is designed to record base-line data at the start of a project and to monitor the accomplishments of the project in relation to this base-line.