

CLASSIFICATION: UNCLASSIFIED

AID 1120-1 (8-66)	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	1. PAAD NO. 613-K-601, Amendment 1	
		2. COUNTRY Zimbabwe	
		3. CATEGORY Program Grant (cash)	
		4. DATE August 28, 1980	
5. TO: A/AID, Douglas J. Bennet, Jr.	6. OYB CHANGE NO.	6. OYB INCREASE plus \$7 million TO BE TAKEN FROM:	
7. FROM: AA/AFR, Goler T. Butcher			
9. APPROVAL REQUESTED FOR COMMITMENT OF: \$ 7,000,000		10. APPROPRIATION - ALLOTMENT ESF, 037-61-698-00-50-01	
11. TYPE FUNDING <input type="checkbox"/> LOAN <input checked="" type="checkbox"/> GRANT	12. LOCAL CURRENCY ARRANGEMENT <input checked="" type="checkbox"/> INFORMAL <input type="checkbox"/> FORMAL <input type="checkbox"/> NONE	13. ESTIMATED DELIVERY PERIOD 8/28/80 - 9/30/80	14. TRANSACTION ELIGIBILITY DATE 8/28/80
15. COMMODITIES FINANCED None			

16. PERMITTED SOURCE U.S. only: Limited F.W.: Free World: Cash: \$7,000,000	17. ESTIMATED SOURCE U.S.: Industrialized Countries: Local: Other:
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18. SUMMARY DESCRIPTION

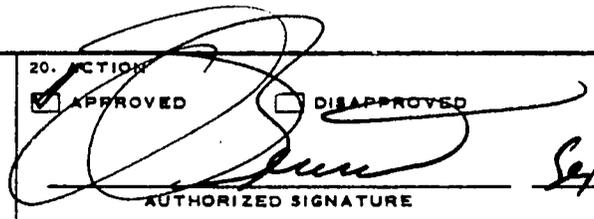
This amendment authorizes the increase in the dollar value of the Zimbabwe Program Grant by \$7 million, to a new total of \$20,000,000. The Government of Zimbabwe continues to face a large budget deficit and the country is facing a foreign exchange gap. The case for financial support set forth in PAAD prepared in June remains compelling in the interest of political and economic stability in Zimbabwe.

A.I.D. will increase its program grant by \$7 million to a new total of \$20 million. This will provide the Government with additional, scarce foreign exchange.

For its part, the GOZ will be required to provide the Zimbabwean equivalent of \$7 million for the special Reconstruction/Rehabilitation account, and then disburse those local currencies for the following activities:

- purchase of locally produced farm and construction equipment for use on resettlement projects carried out by the Department of Agricultural Development (Devag), and the Division of District Administration. The

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19. CLEARANCES	20. ACTION
REG/DP : RASTacy <i>RA</i> <u>9/10/80</u>	<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED  AUTHORIZED SIGNATURE DATE <u>Sept 11/80</u> TITLE Administrator
REG/GC : EADragon <i>END</i> <u>9/9/80</u>	
AA/PC : APShakow <i>AS</i> <u>9/10/80</u>	
<del>XXXXXX</del> FM/PAD:TDant (phone) <u>9/5/80</u>	
<del>XXXXXX</del> GC:NHolmes <i>NH</i> <u>9/9/80</u>	
<del>XXXXXX</del> AFR/SA:MVDagata <i>MV</i> <u>9/10/80</u>	
AFR/DR:JKoehring <i>JK</i> <u>9/10/80</u>	

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items, which will be titled and controlled by Devag and District Administration, will include plows, water pumps, farm and utility trailers and cement mixers;

- Reconstruction of mission schools and clinics in conjunction with the Division of District Administration's reconstruction plans.
- Provision of funds for a revolving loan fund of the Ministry of Commerce designed to help local small-businessmen re-establish their stocks and stores through the provision of credit. The Ministry of Commerce will also supply advisory services to the small businessmen in areas such as stock inventory and accounting.
- Devag's scheme to help African "master" farmers, who own on the average 4 to 5 hectares of land, resettle and begin farming again on their properties in the former TTLs; these are farmers one step up from the subsistence level.
- Reconstruction of Devag and Health staff housing at reconstruction project sites, so that Devag/Health staff can live at the project site. This is necessary in order to have maximum project impact. At present, Devag/Health staff are commuting daily from Salisbury and other towns to work on projects, with a loss of effectiveness.
- Support to the Ministry of Social Services for its refugee resettlement and feeding programs.