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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

EVALUATION OF LOCAL CURRENCY PROGRAMS

Main Volume

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1 Introduction

1.1 Preamble

Since independence in Zimbabwe in 1980 the United States Agency for International Development has, through counterpart funds generated from commodity aid programmes, accumulated in total approximately Z\$252 million.

By November 1986 approximately Z\$208 million of this had been allocated as grants to some 140 development projects in Zimbabwe. Projects have been directed at a range of sectors, including agriculture, education, health, housing, small business, water development and natural resources.

While several studies of administrative procedures used in these programmes have been carried out no examination of the similarities and differences had been done, and nor had the success or otherwise of the individual projects been documented. Therefore the Mission of the United States Agency for International Development in Zimbabwe in conjunction with the Zimbabwe Ministry of Finance, Economic Planning and Development, commissioned this evaluation.

The evaluation is presented in three sections. An overview of the procedures followed for the administration of the local currency generated from the commodity import programmes (PL-480 "Food for Peace" programme, 613-K-603 CIP and 613-K-605 CIP) and those of the sector assistance programmes in Zimbabwe; the Zimbabwe Agricultural Sector Assistance Programme (ZASA) and the Basic Education and Skills Training Skills Training Sector Assistance Programme (BEST).

Ten of the development projects supported by grants of local currency were selected by the Ministry of Finance, Economic Planning and Development. These were evaluated individually and comprise the second part of this study.

From the work done on the ten individual projects and from the overview of the procedures adopted for the administration of the counterpart funds in Zimbabwe, it has been possible to derive certain tentative conclusions as to what factors go to ensuring the success of a project. These, together with overall impressions and opinions, are presented below.

1.2 Reports

The main volume comprises of summaries of the ten projects evaluated, the overview of the procedures, the overall impressions and conclusions and supporting appendices. The

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individual evaluations of the ten projects are contained in separate volumes.

1.3 Acknowledgments

The Directors, staff and evaluation team of Agriserve (Private) Limited wish to record here their grateful thanks to the United States Agency for International Development's mission to Zimbabwe for their most valuable help during the course of the evaluation. In particular we should like to record our thanks to Miss Lucretia Taylor for her help, understanding and guidance. Without her help we would not have been able to complete the project.

We wish to thank the officials of the Ministry of Finance, Economic Planning and Development for their help at all times. In particular, we wish to thank Mr C Kanyuchi, Mr R Mugwara and Mr P Chingombe without whose assistance we would have been unable to proceed.

Finally we wish to thank all those in the implementing agencies who tolerated the disturbance that we undoubtedly caused, and so readily gave us the information asked for. We hope that they may benefit from this work.

2 Summaries of ten evaluated projects

2.1 Introduction

The ten projects evaluated are as follows;

Drought Relief Crop Packs
University of Zimbabwe, Faculty Expansion and Farm
Chegutu Bulk Grain Depot
Chibero Agricultural College
Adult Literacy Campaign
Co-operative Warehousing
Co-operative Credit
Co-operative Marketing
Kwekwe/Mupandawana Pilot Housing Scheme
Small Enterprises Development Corporation

From the original list presented, the "Staff Development Project" from the BEST programme was replaced with "Distance Education" also from BEST. Due to difficulty with the implementing Ministry this was finally replaced with the Chibero College of Agriculture.

The three Co-operative projects were found to be best evaluated as one as they involved the same beneficiary, the Marketing and Supply Co-operative Unions. The "Co-operative Marketing" Project

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was found to be a minor study involving a grant of Z\$2 000. It was however decided by USAID and the Ministry that this should remain as one of the ten.

In the time available for each evaluation it was not possible to schedule interviews of the ultimate intended beneficiaries. Thus, for example, the views of those who have received loans from SEDCO have not been obtained, nor was it possible to interview the communal farmers who now make use of the warehouses constructed under the Co-operative Warehousing Project. It is felt that a further study, taking the evaluation right to the ultimate beneficiary would add valuable insight.

2.2 Marketing and input supply Co-operatives

2.2.1 Warehousing

2.2.1.1 Major Findings

2.2.1.1.1 Introduction

In 1980, for the first time, communal farmers were given finance for agricultural production. There were, at that time, no adequate facilities for the distribution of agricultural inputs, such as seed and fertilizer to the communal farmers. Nor were there adequate facilities for the marketing of agricultural produce from communal areas. Government decided to construct warehouses and distribution centers in the communal lands to overcome this problem. The Marketing and Supply Co-operative Unions had been in operation in the country since 1956. It was decided that this movement should be appointed to manage and administer the warehouses and depots.

USAID provided all the funds for the project, which amounted to \$9 300 000. The grant was allocated from counterpart funds generated from 613-K-601/602, 613-K-603 and 613-K-605 commodity import programmes. The monies were put into a revolving fund that is administered by the Agricultural Finance Corporation.

2.2.1.1.2 Warehouses and depots built

By December 1984 40 warehouses and 234 distribution centers had been completed. At that time there were plans for five more warehouses and 109 more distribution centers. However, all development apart from the completion of facilities under construction was stopped. This was due to the decision to review the whole project in view of the numerous problems that had arisen.

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2.2.1.1.3 Problems encountered

2.2.1.1.3.1 Design

The warehouses were designed as an open shed with wire mesh walls. The distribution centers consisted of a concrete slab surrounded by a fence. These proved to be inadequate for the security and shelter of stocks.

2.2.1.1.3.2 Location

Many warehouses and distribution centers were not used efficiently, and some have not been used at all, due to their unsuitable situation.

2.2.1.1.3.3 Viability of Co-operative Unions

It is reported that several of the Co-operative Unions are in serious financial difficulty and are threatened with collapse. The warehouses and centers have placed a burden of repayment on the Co-operative Unions. In some cases there is not enough business activity for them to generate the money necessary to meet the debt obligation. This is being compounded by the suppliers of inputs who deal direct into the communal areas. It was assumed by the Unions that all inputs that were financed by the Agricultural Finance Corporation would be bought from them, and this happened in the early stages. Now the Agricultural Finance Corporation is issuing buying orders to the farmers choice.

2.2.1.1.3.4 Release of funds

The programme was delayed by a full year by the slow release of funds from Treasury to the Ministry of Agriculture. There were exceptionally long delays in the payment of the contractor who eventually threatened legal action.

2.2.1.1.4 Purpose achieved.

Despite the problems encountered the project did achieve its basic aim, that of enabling the communal farmer to increase his agricultural production by a significant margin. Without the warehousing and depot facilities, the farmer would have found it difficult to acquire the seed, fertilizer and chemicals he needed and to market his produce.

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2.2.1.2 Recommendation

2.2.1.2.1 Repayments

The development of the warehousing and distribution facilities was, in many cases, not under the control of the Co-operative Unions, and they are now obliged to pay for these facilities. This, in some cases is now a threat to their continued success. With this in mind, the Ministry may find merit in the suggestion that the repayment be rescheduled.

2.2.1.2.2 Training

There is in operation a programme, sponsored by USAID, where a local established Co-operative Company is providing management training and support to the Co-operatives. It is reported that this programme has already shown considerable success, with the turnover of assisted Unions rising dramatically. The programme (which is not the subject of this report) involves expanding of the activity of the Unions, to include trading in domestic consumer products and the like. This concept should be encouraged as it provides material means by which problems of low economic activity of the Unions can be tackled.

2.2.2 Co-operative Credit

2.2.2.1 Introduction

Following the development of the Warehousing Project it was found that the Co-operative Unions were undercapitalized and were thus unable to purchase stocks to be able to supply the communal farmers with agricultural inputs. To overcome this initially, the Agricultural Finance Corporation guaranteed overdraft facilities that were given to the Co-operative Unions by one commercial bank. This was found to be unsuitable. The interest rate was high at 18 percent and the amount of money available was less than half of that required. In 1983 USAID granted \$2 000 000 from ZASA (613-K-604) counterpart funds to establish a revolving fund to finance the working capital of the Co-operatives. The fund is administered by the Agricultural Finance Corporation. Loans are given for one season at 13 percent interest. In 1986 a further \$5 000 000 was given to the fund by USAID.

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2.2.2.2 Major findings

2.2.2.2.1 Savings

The fund has enabled Unions to take advantage of the early delivery rebates offered by the fertilizer and crop chemical companies, and has allowed Unions to take advantage of off season discounts on transport costs.

2.2.2.2.2 Administration

As the Agricultural Finance Corporation administers this fund and at the same grants loans, the Unions' customers administration is a fairly simple matter. When a farmer purchases from the Union, the Agricultural Finance Corporation merely debits the farmer and credits the appropriate Cooperative Union's account with the value of the purchase.

2.2.2.2.3 Release of funds

Although the second grant of \$5 million was given to Treasury in June 1986, the first \$1,5 million was not received by the Agricultural Finance Corporation until October. Another one million was received at the end of November. The rest is still to be released.

2.2.2.3 Recommendation

The slow release of funds is again a feature of this project. The procedures and protocols currently in practice are complicated and involved. This contributes greatly to the delays. It is recommended that the system is thoroughly reviewed and revamped where appropriate.

2.3 Chegutu Bulk Storage Grain Depot

2.3.1 Major Findings

2.3.1.1 Depot Completed

The Chegutu Bulk Grain Depot was completed in August 1985, although grain was accepted in January of that year. The depot was officially opened on April 25th, by the Minister of Agriculture.

The depot, which forms part of a network of depots throughout the country, has a capacity for 68 000 tonnes of grain stored in bulk and 60 000 tonnes stored in bags. This amounts to 15 percent of

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the Nation's grain storage capacity at present, and some 7 percent of the projected capacity that will be required by the year 2000.

USAID granted \$5 400 000 in local currency. This funded the entire project except for the imported machinery required, which was supplied through Danish Aid. The USAID funds were derived from the 613-K-601/602, 613-K-603, and 613-K-605 commodity import programmes.

2.3.1.2 Management

The project was successfully completed within the time expected and over budget by only 2 percent. The silos were in full utilization within months of the project's completion.

The project was managed with exceptional efficiency and professionalism. Funds were released on time in accordance to the projections. There were no delays.

2.3.1.3 Effect on farmers

Those farmers who are geared and equipped to handling grain in bulk find the depot to be of enormous benefit in terms of savings in both time and money. The farmer does not, in effect, benefit directly from any saving on grain bags as this is borne by the Grain Marketing Board.

2.3.1.4 Grain Marketing Board

The Grain Marketing Board has felt the beneficial impact of the Chegutu Bulk Grain Depot in many ways. The depot has had a marked effect in reducing the handling of grain from the Chegutu area, and has thus reduced operating expenses. The depots have had a significant effect in reducing the cost of purchase of jute grain bags, and reducing the foreign currency required for them. The depot has played a major part in recent large exports of maize in bulk from Zimbabwe.

2.3.1.5 USAID

Officials from the Grain Marketing Board and the consulting engineers for the project have been enthusiastic in their praise for the donor, the United States Agency for International Development mission in Zimbabwe, for the way in which the funding was administered. The fact that the USAID officials were familiar with the implications and technicalities of the project meant that the normal requirement for numerous explanations and reports was avoided.

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2.3.2 Recommendations

2.3.2.1 Further Depots

The Grain Marketing Board has a plan for the development of Grain Storage Depots throughout the country. This will cater for Zimbabwe's needs until 2000 AD. It is planned that bulk storage facilities will be developed on an integrated basis in the communal and commercial farming areas in Zimbabwe. Large depots, based on design of the Chegutu facility will be built to serve the commercial farming areas and areas of high consumption. These have a small foreign currency component, amounting to some 15 percent of the total cost. It is envisaged that small steel silos will be erected to serve the communal farmer. These have a higher foreign currency content amounting to approximately 75 percent of the total project cost.

Based on the experience of the successful Chegutu Bulk Grain Depot, USAID may consider that further support for the large scale depots using counterpart funds is justified and warranted. The smaller steel silos will require a significant amount of foreign currency, other donors have shown interest in these.

Grain Marketing Board's plan for bulk grain storage development is a worthwhile project that will benefit the communal and commercial farmers in Zimbabwe, will benefit the rural and urban populous and will contribute to the alleviation of starvation and poverty in Zimbabwe and the SADCC Region. It provides opportunities for a multi donor co-operation and would be a worthwhile target for local currency counterpart funds.

2.4 Chibero Agricultural College.

2.4.1 Introduction

Chibero College of Agriculture is one of a number of agricultural training institutions that are part of the function of the Ministry of Lands, Agriculture and Rural Resettlement. The college takes students with passes in five subjects, including English, mathematics and a science at O'level (11 years schooling).

USAID has supported Chibero with three projects, that have in total amounted to \$2 234 000. The grants were made from 613-K-601/602, 613-K-605 and 613-K-604 commodity aid programmes.

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2.4.2 Major findings

2.4.2.1 Achievements

As planned, and as the result of the grant made to it the college has increased its annual intake of students from forty to sixty. At the same time, and also as planned, the college now has forty female students. Expansion consists of a new women's hostel, a library, improved catering facilities and further lecture rooms. To increase instructional capacity, an irrigation scheme has been created and increased facilities for crop and animal husbandry have been provided.

2.4.2.2 Graduate demand

Despite the difficult employment climate in Zimbabwe, graduates from the college have readily found careers, although the opportunities open to women are limited in number and character. The demand for graduates has declined recently. An improvement in the economy would provide more job opportunities and there is certainly a need to create jobs for people who will serve the small scale farming sector. Information on where Chibero graduates are and what they are doing is not readily available since no records have been kept.

2.4.2.3 Management

Expenditure was \$800 000 below allocation. This has allowed some expansion of the project to improve facilities used in animal and crop husbandry but constitutes an unauthorised use of funds.

2.4.3 Recommendations

2.4.3.1 Graduate and Employer survey

A survey of the graduates from Chibero and a survey of the needs of employers of the graduates is recommended as this would be of great value in the continuing development of the curriculum, and future development of the college.

2.4.3.2 Curriculum Evaluation

A survey of presented potential employers would provide guidelines for curriculum change, and would establish whether there is scope for two kinds of diploma, one aimed at entrepreneurial careers, the other in public service, aimed at work with ministries serving the communal lands and resettlement areas.

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2.5 Kwekwe/Mupandawana Housing Scheme

2.5.1 Introduction

The shortage of housing, especially for the low income groups, is a major problem in Zimbabwe. A team of experts from the United Nations Center for Human Settlement designed specific modes of house construction for low income families in urban and rural area. The Kwekwe/Gutu Low Income Housing Pilot Project was designed to test them.

In 1983 USAID granted \$2,6 million from the 613-K-603 commodity aid programme to the project to finance the development of the infrastructure at the sites. The other donor in the project was the United Nations Development Programme.

2.5.2 Major Findings

2.5.2.1 Alleviation of housing shortage

In the alleviation of the housing shortage in Zimbabwe the aims of the project were met. 199 houses were constructed in Gutu while 1045 were constructed in Kwekwe. Although in terms of the housing shortage in the nation this did not have a major impact, at 0,7 percent.

2.5.2.2 Pilot scheme

The original objective to compare different housing schemes was not achieved. Only one housing mode, that of urban low cost units, was actually built. The housing scheme for the rural area was not tested. It is apparent that the importance of testing the various types of housing was lost in the desire to have the building programme underway.

2.5.2.3 Co-operation between private and public sectors

For the first time in Zimbabwe a building society lent money to home owners with low income. The repayments of these loans, to date, has been satisfactory. The scheme has proved to the building societies that there is potential business for them in this sector.

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2.5.3 Recommendations

2.5.3.1 Rural housing project

The omission of the rural housing project has meant that this mode is still untested. It is recommended that a further pilot project in a truly rural setting is implemented.

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2.6 SEDCO

2.6.1 Introduction

The Small Enterprises Development Corporation is a parastatal organisation in Zimbabwe.

SEDCO is one of the newest of the 33 parastatal organisations in the country and is classified as "non-financial".

SEDCO is administered by the Ministry of Trade and Commerce in Zimbabwe. SEDCO has its head office in Harare, and has branch offices throughout the country.

SEDCO operates in two ways. Firstly it grants loans to small scale enterprises. These are issued from SEDCO's own resources and the organisation is responsible for all those activities necessary to administer the loans.

Secondly SEDCO offers a range of services designed to assist the small scale enterprise. These include training, consulting, viability studies and the like.

2.6.2 Major Findings

2.6.2.1 Z\$5 000 000 USAID GRANT

In December of 1984 the United States Agency for International Development granted five million Zimbabwe dollars to the Small Enterprises Development Corporation. The funds were obtained from the counterpart local currency generated under the commodity import programme 613-K-605, and were allocated to the Zimbabwe Ministry of Trade and Commerce for SEDCO.

This grant has, to date, been the only source of funds that SEDCO has had to lend. Government supplies the funding for the operation of the parastatal, but was unable to provide the capital base for the lending function of SEDCO. Without the USAID grant SEDCO may have been able to do no more than offer training, management and technical services to its clients. Access to these funds for lending has enabled SEDCO to become a significant force in the development of the small scale sector in Zimbabwe.

The USAID grant has had further impact. Recently the Government negotiated a new loan for ten million United States dollars from the International Bank for Reconstruction and Development. This money is to be used by SEDCO for lending. The five million Zimbabwe dollar capital base provided by the USAID grant was the foundation for this loan.

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2.6.2.2 Organisation established

Since its beginning in 1984, SEDCO has established a working organisation that supports the small scale sector throughout Zimbabwe. Branch offices have been set up and staffed throughout the country, and the Corporation has a fully functional Head Office in Harare.

2.6.2.3 Loans granted by SEDCO

By June 1986 loans to a value of approximately Z\$3,9 million had been granted, to assist 226 small scale enterprises.

2.6.2.4 Massive demand for finance from the small scale sector

Applications from 2179 enterprises for a total of 52,3 million Zimbabwe dollars have been received by SEDCO. Support given amounts to 7,5 percent of the amount of funds asked for, and ten percent of the applicants have been granted loans. Reasons for this include;

1. The Corporation's inability to handle the volume of application.
2. Many applications are for projects that prove to be not viable.
3. Many applications are not followed through by the applicants due, we suspect, to the cumbersome application procedure.

2.6.2.5 Sector distribution

In terms of its aims, SEDCO has given preference to co-operatives. However and despite this, sole proprietaries have received the bulk of the assistance (54 percent). This was due entirely to the demand for finance from this sector.

2.6.2.6 Jobs created

It has been estimated that by June 1986, the activities of SEDCO had resulted in the direct employment of 494 people in the small scale sector. The amount of capital required, on average, for each new job was Z\$8 600.

2.6.2.7 Management

Several inefficiencies in the operation of SEDCO have been identified. These relate mostly to the newness of SEDCO, and should thus ameliorate as the organisation gains experience.

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The time taken by SEDCO to process an application for a loan from its clients has been excessive. On average, eight months have elapsed from application to the approval of a loan.

Loan recovery is at a rate far below the standard of the commercial banking sector, suggesting that the Corporation's funds may, in the future, be depleted through bad debts.

A large proportion of loan applications are not pursued by the applicants. It appears that this is due mainly to the cumbersome procedures and the complexity of the application formalities.

At present the level of services provided (including loans) in relation to the operating expenses of the Corporation is low. SEDCO has a large staff of qualified professionals, but the level of experience is relatively low. SEDCO's staff spend a major part of their time on being trained.

2.6.2.8 High operating costs

Operating costs of the Corporation are high in relation its capital base. This is the result mainly of SEDCO's need for a large staff of qualified people to fulfill its functions.

2.6.2.9 Viability

The Small Enterprises Development Corporation derives substantial revenue from Zimbabwe Government grants. These grants cover the entire operating cost of the Corporation. Government plans to withdraw financial support for SEDCO from 1990. Thereafter, the Corporation's viability will be severely challenged.

2.6.3 Recommendations

2.6.3.1 Scope of Operations

As so often happens in parastatal organisations, SEDCO is required to fulfill both a commercial and a service function. In this there is potential dissonance. It is probable that commercial needs will, at times, conflict with the requirement to give service. This conflict is readily apparent when related to the financial performance of the organisation. The need to cut costs, for example, may result in services being curtailed. However, what is less apparent, but no less important, is the effect that potentially conflicting objectives have on management performance. It is extremely difficult for management to make decisions when it is not clear what the prime function of their organisation is. Are the managers of SEDCO to strive to make the Corporation self-financing, or are they to strive to support the

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small scale enterprises to the maximum extent? If the answer is to be somewhere between these, then argument and delay will inevitably prevail whenever a decision is needed.

The original concept for SEDCO was for support services to small scale enterprises in Zimbabwe. Envisaged was an organisation that would encourage the development of this sector by providing technical assistance, training, and advice, and by thorough liaison with, and guarantees to, the established financial sector, enable the small scale sector to make use of the loan facilities offered by the finance houses.

This concept was modified and the Corporation is now expected to function as a fully professional finance house, giving attractive loans to the small scale sector. In doing this the Corporation is in potential competition with the established financial organisations in Zimbabwe. At the same time, the Corporation is required to offer services to its target market, services that are not normally provided by development banks or commercial banks. SEDCO offers loans at lower rates than the commercial banks, it is less stringent in its requirement for security for loans from its clients and thus takes greater risk, it provides additional services to its clients at uneconomic charges, and it is managed by a relatively inexperienced staff. At the same time the Corporation is expected to be self-financing, self-supporting. All this, together with the peculiar feature of the Public Corporations where there is potential conflict between service and commercial objectives, puts SEDCO in a precarious position.

With this in mind SEDCO's Board and the Government may consider separating the service function from the banking function. The loans could be granted to suitable small scale enterprises from a parastatal organisation operating as a financial institution as its prime function. Those departments that supply services could be taken into the Ministry of Trade and Commerce where they could function as do the Departments of Agricultural and Technical Services and the Research and Specialist Services in the Ministry of Lands, Agriculture and Rural Resettlement. A further possibility would be for the Corporation to support small scale enterprises by offering guarantees for the loans granted to them by existing financial institutions.

2.6.3.2 Fund base

The Corporation's fund base is small in relation to its level of activity and thus its operating costs. If SEDCO is to continue to provide services and loans, and if Government is to withdraw its subsidy as planned, there will be an urgent need for more funds. It is recommended that the future viability of the Corporation be thoroughly analysed now, with the view to planning for its future support to the small scale sector in Zimbabwe.

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2.7 Drought Relief Crop Packs

2.7.1 Introduction

Zimbabwe suffered a severe drought in the years from 1982 to 1984. Food aid was distributed to avert widespread famine. By 1984, after successive crop failures it was realised that the communal farmers were unlikely to have the resources to grow another crop. Even in the event of good rains, lack of money for seed and fertilizer would result in no production and prolong the need for direct food aid.

For these reasons the "drought relief crop pack scheme" was devised. All the necessary inputs for 0,5 ha of crop were purchased, assembled into packs and distributed to centers as near as possible to the farmer. From here the farmer collected the pack free of charge.

USAID granted \$3 900 000 to the project from the counterpart funds generated from the PL 480 "food for peace" programme. The other major donor to the project was the EEC.

2.7.2 Major Findings

2.7.2.1 Effects of the Drought minimised

In general the project was exceptionally successful. Crop production from the communal areas rose dramatically after the distribution of the packs, and has continued to rise since.

2.7.2.2 Administration effective

The project was administered by the Department of Agricultural and Technical Services of the Ministry of Lands, Agriculture and Rural Resettlement. Administration was both efficient and effective.

2.7.2.3 Release of funds delayed

2.7.3 Recommendations

2.7.3.1 Model for future

The project was effective. It should serve as a model should the need for this type of aid again arise.

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2.8 Faculty of Agriculture

2.8.1 Major Findings

2.8.1.1 Faculty Building

The project was formulated to enable the Faculty of Agriculture at the University of Zimbabwe to fill the need for trained graduates and to improve research into local agricultural problems. The project fitted in with the National Development Plan for Zimbabwe, which emphasized the need for agricultural production in the country, and with USAID's Country Development Strategy.

There were no changes in the objectives during the implementation of the project. Changes that occurred were in the estimates of the costs and some additions to the building - eg, the construction of the conference room on the flat roof of the large lecture theatre.

The main aim of the project was to allow a 1st year intake of 100 students for the BSc Agriculture Honours Degree Course by the year 1987. In fact this has been fulfilled in 1986, one year early.

Professor M J Blackie, past Dean of the Faculty, deserves special mention for the part that he played in the design, planning and carrying out of the project. His was a major contribution to all stages of the project and without his drive and enthusiasm it is doubtful if all the objectives could have been achieved.

The general conclusion is that this project is a model of how this type of exercise can be carried out through the ZASA working group. Co-operation was achieved between the donor agency, USAID, the Government of Zimbabwe and the University. The funds allocated to the project were used in full, the objectives were fulfilled and the target date for completion was achieved. The architects have completed the six monthly check of the building and stated that they are completely satisfied with the standard of workmanship.

Errors and delays in the release of funds in turn caused delays in the payment of the contractor. This, at one stage, threatened to bring the entire building programme to a standstill.

There were serious underestimates of the cost of the project. The budget had to be revised a few times. It was fortunate in this case that the donor was agreeable to such revisions. Without that the project would not have been as successful as it turned out to be.

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2.8.1.2 College Farm

It was found that the acquisition of the University farm was welcomed by all parties concerned. The farm has been utilized commendably for practical training, agricultural demonstration, experimentation, research and production.

Most use of the farm was being made by Part I students during Saturday mornings and by Part II students for their Agricultural Production option.

A good start had been made in experimentation and research with the introduction of eleven hectares of irrigation for CIMMYT (The International Centre for Maize and Wheat Improvement).

Production was noted to be continuing on a sound footing especially with beef and cereal production.

The farm's distance from the campus (15 kilometres), the large number of students involved in practicals, the timing of the academic year and the limited variety of both crops and livestock on the farm are limitations to the farm's ability to act as an effective teaching facility.

2.8.2 Major Recommendations

2.8.2.1 Faculty Building

Greater expertise should have been used in the planning stages of the project. Professor Blackie admitted to serious underestimates for the costs of both the purchase of the University Farm and the Land Management Building Project.

If possible, a more streamlined method of payment of funds from the donor to the contractor should be employed. The involvement of two Government Ministries increases the chances of administrative mistakes and poor administrative control.

Before starting a project of this size in future, the contractor must make sure that the materials required are available. In the case of this project, work would only continue at one stage because materials were obtained from a Government building project. The general trend at present is for building materials to become more and more scarce.

The same team of architect and contractor could be used on future projects of a similar size. In the case of the Land Management Building Project, the team worked well together and accomplished the task in the time allowed and to the satisfaction of the clients.

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2.8.2.2 College Farm

The possibility should be examined of students being on the farm during November to March as this is the busiest period on the farm. This will give the students meaningful hands-on experience. At present the students go on vacation during this period. Also, Saturday practicals should be rescheduled to weekdays.

As wide a variety of livestock and crops as possible should be grown on the farm to ensure broad experience for the students.

2.9 Adult Literacy Campaign

2.9.1 Introduction

At Independence it was estimated that over 50% of the adult population of Zimbabwe was illiterate, with the majority of these being women and in the rural areas. Before 1980, no government organisations were involved in efforts to improve the literacy rate. The Prime Minister launched the National Literacy Campaign in July 1983, as a crusade against illiteracy with full government support.

Project documents prepared by the Ministry of Community Development and Women's Affairs for donor funding, gave a two year budget of \$2 633 580. The responsibilities for the campaign were divided between the Ministry of Community Development and Women's Affairs and the Ministry of Education.

The United States Agency for International Development (USAID) granted Z\$2,6 million for three years to be used to fund two aspects of the campaign. Z\$1 million was allocated to the Ministry of Education for the preparation of suitable literacy material. The remaining Z\$1,6 million was to be used by the Ministry of Community Development and Women's Affairs for mobilization of the campaign and its participants.

2.9.2 Major findings

2.9.2.1 Under-utilisation of funds

Great difficulty was experienced in obtaining up-to-date figures from the two Ministries concerned to show expenditure on these aspects of the project so far. Figures provided by the Ministry of Finance show that the funds allocated have so far been under-utilized. Ministry of Education data suggests that less than \$250 000 of their Z\$1 million allocation has been spent to date. Although no current figures from the Ministry of Community Development and Women's Affairs are available, a similar situation appears to exist with their allocation.

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2.9.2.2 Impact

The campaign cannot be said to have had a significant effect on the overall level of literacy in the country. By September 1985 less than 400 000 of the estimated 2,5 million illiterates had enrolled in classes. At community development level, however, and particularly for the individual people who are now literate, there has been a beneficial impact.

2.9.2.3 Problems

The campaign has been beset by many problems. The most important of these are:

- a lack of co-ordination between the two Ministries in their different areas of responsibility;
- cumbersome administrative procedures in both Ministries resulting in delays and under-utilization of the funds allocated;
- a shortage of skilled personnel;
- the loss of momentum in the campaign which no longer has the political support it enjoyed initially;
- delays in the production and distribution of materials resulting in shortages.

2.9.3 Recommendations

Since most of these problems relate to management, improvement of co-ordination and streamlining of procedures could go a long way towards solving them. The following are the main recommendations made in this report:

- that a directorate of senior officials be set up to co-ordinate the responsibilities of the two Ministries concerned and streamline procedures;
- that a decision must be made on whether to revitalise the campaign to regain its original momentum, or to change the approach to a long-term programme. Once the decision is made, appropriate strategies can be drawn up.

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3 Principal overall findings

3.1 Introduction

In all of the ten projects that were evaluated in this study a substantial measure of success has been achieved. In some cases there was exceptional effectiveness in the attainment of objectives, while in a few these have not all been met. Presented below is an attempt at an analysis of those factors that may have contributed to the varying degrees of success. Conclusions are not drawn, but hypotheses based on the analysis are presented. These hypotheses have not been tested, but it is hoped that they will indicate what it is that ensures a successful project and give insight into the probability of success of any future counterpart funded project.

3.2 Approved local currency allocations 29/11/86

| Z\$'000 | AGENCY | 601/632 | DIP 403 | DIP 605 | PL480 | ZASA | BEST |
|---------------------------------|--------|---------|---------|---------|-------|------|------|
| Vegetable Prod. Training | MLARR | 15 | 106 | | | | |
| Mleziu Equipment | MLARR | 50 | 75 | | | | |
| Chibero Equip | MLARR | 53 | 101 | | | | |
| UT Pasant Research | UZ | 74 | 200 | 120 | | | |
| Secretarial Courses | MF&D | 93 | 219 | | | | |
| Sweru Med Assoc Training School | MPCNH | 205 | 45 | | | | |
| Field Staff Housing | MPCNH | 348 | 354 | | | | |
| Cheguru Bulk Grain Depot | GMB | 489 | 1511 | 3400 | | | |
| Bye Branch Mat Stores | MPCNH | 1268 | 232 | | | | |
| Cooperative Warehouse Develop | MLARR | 3500 | 4300 | 1500 | | | |
| Belvedere TC-Construction | MPCNH | 3770 | 9067 | 3549 | | | 450 |
| Govt. Housing | MPCNH | | 1 | | | | |
| Msengazi School | MOE | | 2 | | | | |
| SADCC Drought Relief Report | MLARR | | 19 | | | | |
| Irrigation | MLARR | | 21 | | | | |
| Desk Top Acct Manual-Printing | MFEPD | | 42 | | | | |
| Council Clinics | MDH | | 43 | | | | |
| Zintec Nat'l Warehouse | MPCNH | | 60 | | | | |
| Mission School | MOE | | 83 | | | | |
| Rural Afforestation | FC | | 128 | | | | |
| Belvedere Vcc.-Land Purchase | MLGRUD | | 135 | | | | |
| Extention Assist. Ing | MLARR | | 259 | | | | |
| Chibero College Expansion | MPCNH | | 500 | | | 1500 | |
| Rural Sec Schools-3 | MPCNH | | 623 | | | | |
| Cotton Training Center Constr. | CGA | | 863 | | | | |
| Zwifep Secondary Schools | MPCNH | | 1000 | 1250 | | | |
| Morton Bulk Grain Depot | GMB | | 1000 | 4200 | | | |
| Spilhaus Training Centre | MDH | | 1000 | | | | |
| Binga District Hosp Expansion | MPCNH | | 1000 | | | | |
| Cooperative Staff Housing | MPCNH | | 1000 | | | | |
| Gwanda/ZINTEC | MPCNH | | 1003 | 800 | | | |
| Govt. Building | MPCNH | | 1268 | | | | |

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| 197000 | AGENCY | 601/602 | DIP 603 | DIP 605 | F. 100 | IABA | BEST |
|------------------------------------|---------------|---------|---------|---------|--------|------|------|
| Brought Relief Drilling | WATER RES | | 1400 | | | | |
| Handfield Clearance | MDC | | 550 | | | | |
| Banyati Ginnery Local Cost | OME | | 1710 | | | | |
| Mission Primary/Sec Schools | MDE | | 2200 | 1700 | | | |
| Adult Literacy Campaign | CCBWA/MDE | | 2800 | | | | |
| Kwekwe/Mupfema | MPCN | | 2800 | | | | |
| Agribusiness Train. Centre Chinoyi | MPCMH | | 2600 | | | | |
| Comm. Dev. Development Fund | CCBWA | | 1700 | | | | |
| District Council Primary Schools | MLGRUD | | 5000 | | | | |
| Water, Household Cap. Survey | OSD | | | 220 | | | |
| Coop. Training Center Training | CSA | | | 300 | | | |
| Coop. Training Centre | MOH | | | 500 | | | |
| Secondary School Construction | MPCMH | | | 1200 | | | |
| Gov. Housing (Co-ops + others) | MPCMH | | | 1350 | | | |
| Masvingo Technical College | MPCMH | | 1500 | | | | 6500 |
| Fativa Refugee School | MDE | | | 1700 | | | |
| Grants for Day Sec Schools | MDE | | | 2000 | | | |
| Rural Secondary Schools | MPCMH | | | 2650 | | | |
| Blondie Ginnery Works | OME | | | 3000 | | | |
| Flucent Hostel Construction | UZ | | | 3000 | | | |
| Mutare Technical College | MPCMH | | 3500 | | | | 9050 |
| Private Sec. Sch. Construction | MDE | | | 3800 | | | |
| Rural Service Centre | MLGRUD | | 4000 | | | | |
| Small Enterprise Dev. Corp | TIC | | 5000 | | | | |
| Salvadors Vot-Construction | MPCMH | | 5000 | | | | 2000 |
| Food Relief (WV) | WVI | | | | 150 | | |
| Health | MOH | | | | 292 | | |
| Brought Relief Transport | | | | | 350 | | |
| ENFFC (Family Planning) | ENFFC | | | | 625 | | |
| Nyanzadi Clean Water | | | | | 697 | | |
| MDC's | | | | | 990 | | |
| Social Welfare | | | | | 990 | | |
| Food Relief | | | | | 1300 | | |
| DDP-Food for Work | | | | | 1600 | | |
| Norton Bag Depot | OME | | | | 1800 | | |
| Agriculture | MLARR | | | | 3700 | | |
| Lion's Den Silo | OME | | | | 4000 | | |
| Cooperative Credit | AFC | | | | 5000 | 2000 | |
| Irrigation Fund | AFC | | | | 5000 | | |
| Cooperative Mktg & Supply | MLARR | | | | | | 2 |
| IABA Evaluation Fund | MLARR | | | | | | 3 |
| Agri. Data Analysis | AMA/MLARR | | | | | | 30 |
| Conservation Strategy | MNRT | | | | | | 32 |
| AFC Internal Audit | AFC | | | | | | 41 |
| Turini/Unilmi Magazine | MLARR | | | | | | 50 |
| Wedza Open Wells Test-I & II | WATER RES | | | | | | 50 |
| Rainfall Gaugers | MLARR/AGRITEC | | | | | | 60 |
| Chibero Irrigation | MLARR | | | | | | 65 |
| Animal Waste Invest. | MLARR | | | | | | 65 |

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| 19700 | AGENCY | 601/602 | 619 | 610 | 619 | 105 | P. 181 | 7434 | 6687 |
|------------------------------------|--------------|---------|-----|-----|-----|-----|--------|------|------|
| Henderson Nat'l Dairy Res. Prog | MLARR | | | | | | | | 77 |
| Limpopo Valley Mech Tillage | MLARR | | | | | | | | 100 |
| Extension Educ Programme | | | | | | | | | 100 |
| Small Farmer Research Program | MLARR | | | | | | | | 102 |
| Port Muthi Cheese Lab | Vet Services | | | | | | | | 121 |
| Equipment Forestry Dev. | FC | | | | | | | | 150 |
| Forestry Research | FC | | | | | | | | 155 |
| Communication Radios/Agritex I | Agritex | | | | | | | | 157 |
| Mapema Fishing Co-op | Dept. Coops | | | | | | | | 160 |
| Mod. of Co-op Union A/Cs | Dept. Coops | | | | | | | | 210 |
| Mod. of Indigenous Forests | FC | | | | | | | | 200 |
| Mod. Co-ops Storage Chipping | GMB | | | | | | | | 200 |
| JI Irrigation | REC | | | | | | | | 200 |
| Inyanga Sheds Mod. Babi Depot | GMB | | | | | | | | 225 |
| Shedders | GMB | | | | | | | | 240 |
| BEUDE Farmers' Co-op | BEUDE | | | | | | | | 250 |
| Specific Irrigation Schemes | BEUDE | | | | | | | | 259 |
| Communication Radios/Agritex II | Agritex | | | | | | | | 269 |
| Tswane Irrigation Scheme | MLARR | | | | | | | | 350 |
| Underground Water Inv | WATER RES | | | | | | | | 400 |
| Makwe Primary Market Depot | GMB | | | | | | | | 470 |
| Hotel @ Fara | MLARR | | | | | | | | 500 |
| Tip Tank | Vet Services | | | | | | | | 500 |
| Rutanga Mapping | MLARR | | | | | | | | 502 |
| Limpopo Valley Development | MNRT/DNPWL | | | | | | | | 557 |
| Rutanga/Kotwa Tsetse Control Co | Vet Services | | | | | | | | 600 |
| Agritex Diagnostic Radios (III,IV) | Agritex | | | | | | | | 605 |
| Heartwater Project | MLARR | | | | | | | | 905 |
| Rural Depots | GMB | | | | | | | | 950 |
| UI Ag Fac Land Purchase | UI | | | | | | | | 1300 |
| New Mutare Fag Depot | GMB | | | | | | | | 1350 |
| Irrigation Development | MLARR | | | | | | | | 1741 |
| Trucks for Rural Milk Distr. | MLARR | | | | | | | | 1750 |
| Nenhowe/Nyanyadzi Irr. | MLARR | | | | | | | | 1875 |
| Irrigation Support Fund | AFC | | | | | | | | 2000 |
| Gwebi College Expansion | MLARR | | | | | | | | 2250 |
| UI Ag Fac Local Construction | UI | | | | | | | | 3953 |
| Planning/Research & Evaluation | MCE | | | | | | | | 20 |
| Belvedere TC-Tractor | CMED | | | | | | | | 30 |
| Teachers College Boreholes | MPCNH | | | | | | | | 45 |
| Ada/Processing Exams | MCE | | | | | | | | 100 |
| Upgrade Sec Teachers | MCE | | | | | | | | 100 |
| Training Examiners | MCE | | | | | | | | 233 |
| Staff Development | MCE | | | | | | | | 364 |
| Belvedere TC-Equipment | MCE | | | | | | | | 480 |
| Staff Development Program (UI) | MCE&MLMP | | | | | | | | 500 |
| Swazi Technical College Hostels | MPCNH | | | | | | | | 500 |
| National/Regional Computer | MCE | | | | | | | | 1765 |
| Distance Education Materials | MCE | | | | | | | | 2000 |
| Secondary School Technical Kits | MCE | | | | | | | | 4100 |
| National Ed. Centre/Exam Branch | MPCNH | | | | | | | | 6070 |

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201/00

| AGENCY | 601/602 | DIP 607 | DIP 608 | FL-150 | ZABA | 758T |
|--------|---------|---------|---------|--------|-------|-------|
| Total | 9815 | 8175 | 36237 | 26078 | 27697 | 34710 |
| Mean | 398 | 335 | 2015 | 1653 | 612 | 1366 |
| Number | 24 | 24 | 24 | 24 | 24 | 24 |

3.3. Summary of results

| | 601/602 | DIP 607 | DIP 608 | FL-150 | ZABA | 758T | Source | Co-op | Co-op | Co-op |
|-------------------------|---------|---------|---------|--------|-------|-------|--------|-------|-------|-------|
| | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table |
| Success rating | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Technical | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Financial | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Management | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Cooperation | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Impact | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Cost-effectiveness | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Flexibility | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Transferability | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Replicability | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Cost-benefit | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Community participation | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Gender | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Environment | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Social | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Health | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Education | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Employment | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Income | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Equity | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Accountability | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Transparency | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Efficiency | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Effectiveness | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Impact | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Sustainability | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Relevance | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Coherence | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |
| Consistency | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | n/a |

3.4 Notes

Presented above is a table summarising the major factors that we believe contributed to the success or otherwise of the evaluated projects.

Presented under "Z\$'000 000" is amount in total allocated to each project;

1. Some projects received funds from several counterpart funds as indicated under "source". "11% of Budget" reflects the amount of the allocation spent on the project as originally planned;

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2. In some cases surplus funds were used for additional purposes on the same project. Where the grant has been put into a funds for to be lent to the beneficiaries no data is given.

"Bodies involved" reflects the number of organisations that were involved in the implementation of the project.

"Impl exp" is a rating (3 for excellent) of the degree of experience and organisational capacity of the implementing agent for the project.

"Planning" is a rating of the planning done for the project.

"Fund release" is a rating of speed and timeousness of the release of funds to the implementing agent from the Treasury.

"Grant/loan". All monies were given by USAID in the form of grant. However, in some cases these funds are retained, and lent to the final beneficiary. "Grant/Loan" refers to this aspect

Locality refers to the central or dispersed nature of the project. Some projects are confined to one site while others have national coverage.

If more than one donor was involved in the project this is indicated under "+ donor".

Much of the information is not available or not appropriated for the Co-operative Marketing Project. This is due to the fact that this was an exceptionally minor project, with a grant of only Z\$2 000.

3.5 Success Rating

The success rating given ranges from 3 for excellence to 1 for failure to achieve substantial success. It must be pointed out that these ratings are based on the subjective concurrence of the evaluators. Ratings given were as follows;

The Drought Relief Crop Pack Scheme; Although, in some cases the crop packs did not arrive in time, for most of the beneficiaries the project was of great value. (3)

Chegutu Bulk Grain Depot; This was completed on time and on budget and was very soon put to full use. (3)

Chibero Agricultural College; All objectives were achieved. The number of students was increased by 50 percent and the full requirement for female students enrolled at the college. (3)

University Agricultural Faculty; The number of students was doubled as planned and the facilities were in full use a year ahead of schedule. (3)

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Kwekwe/Mupandawana Pilot Housing Scheme; As far as the provision of suitable housing for low income people, the project was successful. However, the requirement that a rural housing scheme be tested was not met. (2)

Co-operative Credit; A fund has been established, administered by the Agricultural Finance Corporation that has benefited the Marketing and Supply Co-operative Unions. Lateness in the release of funds resulted in the AFC having to deploy its own resources for the procurement of inputs. (2)

The Small Enterprises Development Corporation; The Corporation is in operation and supporting small enterprise. There have been difficulties in processing loans, and more funds will be required for the Corporation to remain viable. (2)

Co-operative Warehousing; Many of the warehouses have been completed, and some are being used to good effect. However the design was not fully suitable for the purpose, many of them were sited in unsuitable localities, and many are not adequately utilised. The construction programme has been suspended. (1)

Adult Literacy Campaign; The project has "run out of steam". (1)

Co-operative Marketing has not been rated as the project was of a minor nature.

3.6 Programme type

There is apparently no correlation between the success of a project and the programme from which the funds were derived. Success came from all programmes represented in the ten selected projects. There were successful projects from PL-480, from all the Commodity Import Programmes and from ZASA. It would appear, therefore that the differing administrative procedures between the sector assistance programmes and the pure commodity import programmes have little or no effect on the success of a project. It is difficult to draw firm conclusions on this as the BEST sector programme is not represented in the sample, and it is apparent that the "working group" approach may have been applied to the selection of some of the commodity import programme and PL-480 projects. For example, the PL-480 "Drought Relief Crop Pack Project" was selected and approved by a committee, chaired by the chairman of both the ZASA and BEST working groups, and comprising representatives of the Ministry of Finance, Economic Planning and Development, the United States Agency for International Development and the District Development Fund.

3.7 Ministry

The Ministry of Lands Agriculture and Rural Development is represented in three of the four most successful projects. This Ministry has been associated, for a short time with the Department of Co-operatives, which, in Co-operative Warehousing has had one of the more troubled projects.

Restructuring of Ministries in Zimbabwe has resulted in the Department of Co-operative Development being administered by several Ministries over the years since Independence. It was formerly in the Ministry of Lands, then was moved to the Ministry of Agriculture, then to the Ministry of Lands, Agriculture and Rural Development; recently the Department has now been elevated to a Ministry in its own right.

The Ministry of Education has been involved in a most successful project, that of the University. It is also represented in the project in which least has been achieved; the Adult Literacy Campaign.

Any other correlations are not readily apparent, as this size of the sample is small. Other represented Ministries have only one project.

3.8 Experience and Capacity

There is an apparent strong correlation between the institutional capacity of the implementing agent and exceptional success in the project. In all the most successful projects the implementing agency has had many years of experience, has been long established, and has a well organised and developed organisational infrastructure. The Department of Agricultural and Technical Services in the Ministry of Lands Agriculture and Rural Resettlement, The Grain Marketing Board, The Chibero College of Agriculture, and the Agricultural Faculty of the University of Zimbabwe are well established and mature institutions in Zimbabwe.

While the implementing agency for the Co-operative credit project is an experienced organisation with a well established infrastructure, the lessened success of this project may be attributed to inexperience of the other involved institution, the Ministry of Co-operative Development.

3.9 Budgeting

The ability to budget effectively is related to an organisation's experience and stage of development. In this study it is not possible to analyse the accuracy of budgeting as this is not appropriate to several of the projects. However, most effective in their budgeting were the planners of the Grain Marketing

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Board, for the Chegutu Bulk Grain Depot. The project was completed at a cost two percent above the budget. This was met from the Board's own resources. Such accurate planning resulted in the most efficient deployment of the aid money. In other projects the amount that the project actually cost was substantially less than the amount budgeted. This meant that more money was allocated to the project than was necessary.

3.10 Number of involved organisations

It would seem that the fewer organisations that are involved in the implementation of a project the greater its probability of a success. Against this trend was the Kwekwe/Mupandawana Housing Pilot scheme where the Ministry of Public Construction and National Housing, the Ministry of Local Government, Rural and Urban Development and the Beverley Building Society worked together well for a relatively successful outcome.

Where more than one organisation is involved it is essential that there is a well established leadership for the project. In the case of the Housing Scheme the Ministry of Public Construction and National Housing took the lead and a UNDP expert was appointed to ensure that there was the necessary co-ordination. In the case of the Adult Literacy Campaign there are two Ministries involved with no functioning overall co-ordination. This has been the main factor leading to the limited success of the project so far.

3.11 Release of Funds

A delay in release of funds from Treasury was a serious problem in most of the projects, and in some cases threatened to result in total failure of the project. In the case of the Co-operative Warehousing Project, implementation was delayed by a full year, with the contractor resorting to legal action. The Drought Relief Crop Pack scheme was delayed by the slow release of funds, which in some areas resulted in the relief arriving too late for planting. Errors in the submissions from the University, through the Ministry of Education to Treasury resulted in one tenth of the monies required being paid. This caused unnecessary problems and delay. In the case of SEDCO, the release of funds to the Corporation was done in several stages. This resulted in loss of revenue. SEDCO was expecting to be able to invest the grant to generate money to meet establishment and operating expenses.

It was those implementing agencies that applied unremitting pressure on Treasury that were able to secure their funds when they were needed, and thus ensure the success of the project.

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3.12 Grants or loans

While all the projects received counterpart funds in the form of a grant, in some cases the money was used to set up revolving funds to be loaned to the intended beneficiaries. It would seem that this application of the aid is less successful than a grant that directly strengthens the ultimate beneficiary. There is a tendency for an administrative bureaucracy to develop around the establishment of funds. Inevitably these bureaucracies become self-perpetuating, sometimes at the expense of the people that the fund is intended to help. Thus, in the case of the Co-operative Warehousing, Co-operative Credit and Small Enterprise Development projects, greater efficiency of aid utilisation may have been achieved by outright grants to the ultimate beneficiaries, albeit with necessary safeguards.

3.13 Number of Donors

It is apparent that the number of donors involved in a project does not have any significant effect on its performance. Among the ten projects studied six could be classified as multi-donor. Some of these were exceptionally good, while others had difficulties.

3.14 Locality

It is apparent that the geographical dispersal of the project has some influence on its potential success. Those projects that were confined to a single locality on site were generally implemented well, while the projects that had difficulty were those that had National coverage.

4 Principal Recommendations

4.1 Introduction

Based on the impressions that have been gained during the study of the ten local currency funded projects, the following recommendations are offered;

4.2 Fund Release Mechanism

The slow release of funds from Treasury was a problem experienced during the majority of the projects. The policies and procedures in force for the transfer of funds from Treasury to the implementing agency urgently need analysis and overhauling.

4.3 Implementation Capacity

Where possible projects should be implemented by single autonomous agencies. Similarly, where possible the implementing agency should have a track record of successful project implementation. Those institutions that have a well developed capacity to plan, organise and execute should be favoured. Alternatively, if a less experienced organisation is to be given implementation responsibilities, then there should be a considerable component of technical assistance incorporated in the project.

5 Overview of procedures

5.1 Introduction

5.1.1 Background

The USAID Commodity Import Programme began in Zimbabwe in 1982, with the US\$50 000 000 grant (PAAD No 613-K-603 dated 15th March 1982). This was part of the United States pledge to the ZIMCORD conference for reconstruction, rehabilitation and assistance to the disadvantaged population.

Following this came the Zimbabwe Agricultural Sector Assistance Programme in September 1982. This was for assistance to the agricultural sector through the local currency generated from a portion of the US\$45 000 000 grant.

In June 1983 the second of the Commodity Aid Programs was initiated, (PAAD NO 613-K-605). This grant of US\$37 000 000 was also pledged at the ZIMCORD conference.

The latest of the programmes was the Basic Education and Skills Training Sector Assistance Programme. This programme was approved on July 27th 1983. Like ZASA it was designed to benefit the sector through the local currency generated from a Commodity Aid Component. The grant was for a total of US\$45 000 000 to be provided over three years.

The PL-480 programme in Zimbabwe was instigated in response to the several years of drought in the Country in the early 1980s. In this programme the Country received food aid, including maize grain, wheat and vegetable oil. These were sold on the Zimbabwean market and the currency thus generated was used for various relief and development projects. The local currency amounted to the equivalent of US\$30 962 000.

Source; USAID FY 1988 Annual Budget Submission

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5.1.2 Overview of Programmes

5.1.2.1 CIPs

Prior to 1982 Zimbabwe had been provided with direct Cash Grants from USAID to a value of US\$ 44 280 000. Thereafter the USAID Commodity Import Programmes in Zimbabwe began.

The Commodity Import Programme mechanism acts to benefit the Country twice. Firstly the Country gains needed commodities, secondly counterpart funds generated from the sale of the commodities go towards the financing of the Public Sector Investment Programme.

The local currency generated from the 613-K-603 programme was for use on activities in the areas of education, health, agriculture and small scale enterprise particularly in the communal lands.

(Source; Program Assistance Approval Document 613-K-603)

The 613-K-605 grant was intended to stimulate the commercial sector and to support the Government of Zimbabwe in reconstruction and rehabilitation especially in the communal lands. Eighty percent of the foreign exchange component was to be allocated to the private sector, primarily for the replacement of obsolete capital equipment. The local currency was to be used by the Government of Zimbabwe for mutually agreed upon activities in the areas of education, health, agriculture and small scale enterprise.

Source; Program Assistance Approval Document 613-K-605.

5.1.2.2 PL-480

Local currency generated by the PL-480 programme in Zimbabwe up until September 1986 amounted to Z\$26,1 million. This money had all been allocated to appropriate projects. A total of 14 such projects have been sponsored, at an average of Z\$1,86 million per project.

5.1.2.3 ZASA

The Zimbabwe Agricultural Sector Assistance Programme was started in 1982. The programme provided funding amounting to US\$45 000 000 specifically aimed at the Agricultural Sector and in particular at the small scale communal farmer.

The funds were to be released in three equal tranches of US\$15 000 000, in 1982, 1983 and 1984, with implementation ending in 1987. Commodities to be financed were US manufactured goods, especially agricultural machinery, tools and equipment to replace

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Zimbabwe's capital stock and for Zimbabwe commercial agriculture. The Commodity Aid component of the programme was specifically allocated to the Zimbabwean Agricultural Sector, at least 80% of which was to be used by the private sector. The local currency generated from this programme was targeted at the Zimbabwean smallholder to relieve one or more of the identified constraints; research, extension, credit, marketing and input supply, land and water use, and agricultural manpower training and policy planning.

At least US\$30 000 000 was expected to be utilized in the CIP while the remainder was expected to be used for technical assistance, training and other direct costs of United States services and goods.

Source; Program Assistance Approval Document 613-K-604
Zimbabwe Agricultural Sector Assistance Program
Document page 3.

Administration and co-ordination of the Zimbabwe Agricultural Sector Assistance Programme is the responsibility of the ZASA Working Group. This group is chaired by a representative of The Ministry of Finance, Economic Planning and Development and is made up of representatives of the;

Ministry of Lands, Agriculture and Rural
Resettlement,
The Ministry of Trade and Commerce
The University of Zimbabwe
The United States Agency for International
Development
The Natural Resources Board
The Department of National Parks and Wildlife
Ministry of Education
Department of Rural Development

The Ministry of Education is represented on the Group to consider aspects related to the Agricultural Faculty of the University.

It was first envisaged that the USAID Agricultural Development Officer would serve as an ex officio member of the Group (Zimbabwe Agricultural Sector Assistance Program Document page 50) in fact the Officer serves as a full member of the Group.

The Group meets monthly to consider new project proposals, to decide on the projects and to review progress. It is a large committee, made up of nine permanent members. Frequently there is additional attendance by invitation. This is done when there is special interest. For example, a member of the Grain Marketing Board attends when GMB projects are discussed.

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Funds were released as follows;

| | |
|------|----------------|
| 1982 | US\$15 000 000 |
| 1983 | US\$ 3 700 000 |
| 1984 | US\$15 000 000 |
| 1985 | US\$11 300 000 |
| | ----- |
| | US\$45 000 000 |
| | ===== |

A total of Z\$44 660 000 was generated from the Commodity Import facet of the programme. By March 1987 Z\$37 852 700 had been allocated to projects with Z\$6,8 million still to be allocated.

From the time of its inception to November 1986, 49 "ZASA" projects, averaging Z\$610 000, have been approved. Since then a further Z\$8 million has been allocated to four new projects.

5.1.2.4 BEST

The Basic Education and Skill Training Programme (BEST) was designed along the same basic format as the ZASA Programme. The programme was established specifically to benefit the education sector in Zimbabwe, and in particular the Ministry of Education and Culture, and the Ministry of Manpower Planning and Development. The same features as the ZASA programme were incorporated. Thus there was a commodity aid component to the programme which was to generate a fund in local currency that could then be utilised in development projects specific to the sector. The programme is administered on the same working group principal as ZASA and is chaired by the same person.

The programme was initiated in 1983 and is due to terminate in 1989. US\$45 000 000 was granted to assist the Government of Zimbabwe to expand its education and skills training programmes.

Of the foreign exchange, a minimum of US\$36 000 000 was to be used in a commodity aid programme for the purchase of US manufactured goods and raw materials, with eighty percent of this going to the Zimbabwean private sector, while the remainder was to be used for technical assistance, training and commodities. Unlike in the case with the ZASA programme this was not directed specifically at a sector, but could be used for all the normal commodities. US\$9 000 000 was allocated to foreign exchange cost of US technical assistance, training and commodities needed for the support of the programme objectives. Local currency generated by the BEST programme was and is to be used to support the Government of Zimbabwe's activities in reducing those constraints that inhibited the achievement of the Governments goals in the basic education and skills training sector; viz; limited financial resources, insufficient numbers of trained teachers, inappropriate instructional curriculum, inefficient and

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inequitable spacial allocation of educational and training facilities, and, insufficient planning capacity. *Source of Programme Assistance Approval Document CIP-K-605*

The 1983 working group is chaired by an official of the Ministry of Planning and Economic Development. Other members are:

- 1. Ministry of Education
- 2. Ministry of Labour - Manpower Planning and Training
- 3. Ministry of Health

The total of the BEST programme work, in fact dispersed in 700 projects, is as follows:

| | |
|-------|----------------|
| 1983 | US\$15 000 000 |
| 1984 | US\$15 000 000 |
| 1985 | US\$ 9 869 000 |
| 1986 | US\$5 000 000 |
| ----- | |
| | US\$44 869 000 |
| ===== | |

Of the US\$45 million committed, US\$15 869 000 was not put into immediately aid generation, but was retained for the provision of local cost assistance. Thus US\$29 000 000 was utilised in the current programme, and this generated Z\$37 000 000. By the end of 1986 all but Z\$2.7 million of this had been allocated to approved projects.

From inception to November 1986, 18 projects have been received through the BEST programme. The average allocation for these projects has been Z\$1.9 million.

5.1.3 Programme performance

| | CIP | CIP | CIP | ZASA | BEST | PL-490 |
|---------------------|-------|--------|--------|--------|--------|--------|
| at 28/11/1986 | 601/2 | 603 | 605 | 604 | 606 | |
| Number of projects: | 11 | 41 | 25 | 49 | 13 | 14 |
| Total allocated | 28 m | 51.5 m | 56.3 m | 29.7 m | 34.3 m | 26.1 m |
| Average allocation: | n/a | 1.26 m | 2.25 m | 0.61 m | 1.90 m | 1.86 m |

5.1.4 Allocations and disbursements

| At | Allocation | Disbursed | Allocation | Disbursed | Allocation | Disbursed | Allocation | Disbursed |
|----------|------------|-----------|------------|-----------|--------------|-----------|------------|-----------|
| 28/11/86 | ZASA | US\$'000 | BEST | US\$'000 | CIP(603/605) | US\$'000 | PL-490 | US\$'000 |
| 1982 | 15 000 | 15 000 | - | - | 50 000 | 50 000 | - | - |

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| | | | | | | | | |
|------------|--------|--------|--------|--------|--------|---------|---------|--------|
| 1983 | 15 000 | 3 700 | 15 000 | 15 000 | 37 000 | 37 000 | 131 000 | 31 100 |
| 1984 | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 | - | - |
| 1985 | - | 11 300 | 15 000 | 9 500 | - | - | - | - |
| 1986 | - | - | - | 5 000 | - | - | - | - |
| ===== | | | | | | | | |
| Total | 45 000 | 45 000 | 45 000 | 44 500 | 97 000 | 97 000 | 131 000 | 31 100 |
| ===== | | | | | | | | |
| Generated: | 24'000 | 48 300 | 24'000 | 27 000 | 24'000 | 112 000 | 124'000 | 26 100 |
| Committed: | 24'000 | 25 700 | 24'000 | 34 500 | 24'000 | 108 000 | 124'000 | 26 100 |
| Available: | 24'000 | 18 600 | 24'000 | 2 700 | 24'000 | 4 500 | 124'000 | - |
| ===== | | | | | | | | |

5.1.5 Common procedure overview

5.1.5.1 Introduction

In general there is a marked degree of uniformity in the procedures and practices adopted in the CIPs, ZASA, BEST and the PL 480 Programme. This is not surprising as the sector programmes both have Commodity Import Programme components BEST was modeled closely on ZASA. The same officials in the Ministry of Finance, Economic Planning and Development are involved in all programmes. The USAID agricultural and human resources officials are independently involved in the sector of their interest, and are active with the commodity aid programmes, when the counterpart funds are allocated to projects in that sector.

Procedures that are common to all programmes are detailed below.

5.1.5.2 Identification of Projects

In all cases projects are initiated in the various operating Ministries. Once a project has been identified by the operational Ministry it is presented, in proposal form, to the Ministry of Finance, Economic Planning and Development. The Ministry's Project Appraisal Section then studies the proposal, and if necessary refers back to the submitting Ministry for clarification, expansion or modification. The decision as to which projects should be implemented is made by the Aid and External Resources section of the Ministry of Finance, Economic Planning and Development. The Project Appraisal section will also discuss the proposed project with the other sections in the Ministry of Finance, Economic Planning and Development. The Ministry shapes proposals into an acceptable form. Depending on the size and importance of the proposed project, it may be referred up to the hierarchy of the Ministry. Proposals that exceed Z\$10 000 000 are referred to Cabinet.

Provision for approved projects is made in the vote of Credit in the Government's Public Sector Investment Programme and is presented to Parliament in the Government's Annual Estimates of Expenditure.

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In the case of USAID sponsored projects, once Zimbabwe Government approval is obtained, the projects are presented to the Sector Working Groups, or direct to USAID as the case may be, for final concurrence.

Once the projects are approved, the relevant monies are then transferred from the Vote of Credit to the implementing Ministry. Thereafter the Ministry can commence implementation.

5.1.5.3 Implementation

In all cases responsibility for project implementation lies with the appropriate operating ministry.

5.1.5.4 Reporting

In all programmes the implementing Ministries report to the Ministry of Finance, Economic Planning and Development. In most cases these reports are in the form of a monthly report on expenditure and a quarterly narrative report on the progress made on the project.

5.1.6 Differing procedures

5.1.6.1 Project Selection

In the selection of projects there are two main differences in procedure between the CIP and Sector programmes. The first relates to the time when this is done and the second relates to who is involved in the selection decisions.

In the case of the commodity import programmes and the PL-480 programme, the projects to be supported should be decided before the programme begins. Officially it is the Ministry of Finance, Economic Planning and Development that makes the decision. In fact this is frequently done in consultation with USAID officials and other interested parties.

A list of the projects that are to be supported is drawn up and submitted to USAID for approval. This being a "condition precedent" to the release of the foreign currency funds for the commodity import programme. While it is true that the submission of the list of projects, and its approval by USAID, is required before the CIP programme can begin, there are provisions, for alterations to the list, either in the budgeted amount or time required, or indeed in the projects themselves. Changes to the list of local currency projects was provided for in CIP 613-K-605, where each project was to have been given a start date

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and period of grace. If the project was not under implementation by the expiry of this period it was to be dropped from the list and substituted by another project.

(Sources; Zimbabwe CIP 613-K-605

Zimbabwe CIP 613-K-603

Interviews, MFEPD, USAID/Z)

Projects for funding by the Sector Programmes are brought by their Working Groups from the appropriate operating ministry, through the Ministry of Finance, Economic Planning and Development. It does happen, though, that the operating agency seeking project support will first discuss project ideas with members of the Working Group. In this way the Group can ensure that the correct information necessary for a decision is presented. At the same time, the seeking agency can determine whether or not the project proposed meets the Sector criteria.

Projects for implementation under the Sector Programmes are selected by their Working Groups. Selection is done on the basis of the priorities within the Zimbabwean development strategy. The Working Group examines proposals against the criteria specified in the programme agreement. Approval of a project requires concurrence from USAID. As USAID is represented on the Working Group, however, this is a formality. Budgets of approved projects are finalised by the Sector Working Groups.

There is no requirement that the projects to be implemented in the sector programmes need to be identified before the beginning of the programme. New projects can be proposed and selected after the local currency fund has been generated.

5.2 Comparisons and Contrasts

5.2.1 Basic aims

The commodity aid programmes are aimed primarily at supply of foreign exchange for capital and manufactured goods. The support for public sector programmes with the local currency generated is of secondary importance. The sector support programmes, on the other hand, are aimed first at the generation of local currency. This is used for budgetary support of Government of Zimbabwe projects in the appropriate sector. The local currency is raised through the commodity aid component.

The basic aim of the PL-480 programme, on the other hand, is the relief of hardship caused primarily through disaster. Local currency generated through the sale of food is directed at projects that are aimed at the alleviation of hardship.

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5.2.2 Administration

The main administration difference between the Sector Programmes and the Commodity Aid Programmes is to the degree of involvement of USAID and the Ministry of Finance, Economic Planning and Development and the operating Ministries in the selection, implementation and evaluation processes.

In the Sector Programmes there is an established committee system that ensures that all interested parties from the relevant sector are kept informed. This feature has been commended by the officials of the Ministry of Finance, Economic Planning and Development. In the CIP programme administration there is less communication. USAID officially learns of projects selected under the CIP system only when they receive the list for "condition precedent" approval. Communication on matters relating to CIP Programmes within the Ministry of Finance, Economic Planning and Development itself is not as good as that relating to the Sector Programmes. There have been instances where, for example, the Aid Accounting Section of MFEPD have not been aware of a project until after implementation has commenced.

5.2.3 Flexibility

In the case of the commodity import programmes and PL-480, approval as to which projects are to be supported are made between officials of the Ministry of Finance, Economic Planning and Development and USAID. This is a time efficient procedure. On the other hand, the committee approach of the sector Working Group can lead to considerable delays. Problems of this nature have been experienced in both the ZASA and BEST groups. These have been exacerbated, especially in the case of the BEST Working Group, when the individual officials who represent the Ministries change from meeting to meeting. (Source; Price Waterhouse; Report on Aspects of Project Management related to the BEST Program, 1986).

5.2.4 ZASA and BEST compared

There is no doubt that the Working Group approach in the Zimbabwe Agricultural Sector Assistance programme has been a success. At the same time there are reports that the BEST working group has, to date, been less successful. Specific reasons for this have not been identified but several have been suggested, these include;

The representative Ministries on ZASA have considerable experience in project administration.

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The issues of agricultural production are far less likely to be politically contentious than those of education and training.

The personalities involved, both in the Ministries and USAID may have had some influence.

The degree of direct involvement from USAID officials has been greater in the case of the BEST programme.

The procedures for the project identification, selection, implementation and reporting follow closely those adopted for the ZASA programme.

5.3 Opinions and Impressions

5.3.1 Rushed proposals

It is felt by Ministry Officials that in relation to the Commodity Import Programmes, the requirement that counterpart funds to be generated had to be committed to projects before the foreign currency was released led firstly, to a rush for project approvals possibly leading to ill-conceived projects, and secondly, to delays in the use of the aid. Evidence of this is not conclusive as the projects are usually drawn from a list already compiled in the Public Sector Investment Programme and the provision for changes to be made once the CIP programme has begun.

5.3.2 Distortions

The opinion was put forward that the Sector Programmes, through their specific sector targets, are distorting the pattern of development in Zimbabwe. Thus, it was felt that education and agriculture were developing at a faster rate than other sectors of the economy, and, it was felt this was not desirable. Another expressed disadvantage of the Sector Programmes was the belief that the beneficiary Ministries did not have an efficient approach to project proposal as they were assured of the funds and were not in competition with other sectors.

5.3.3 Success of Agricultural Projects

It is freely acknowledged by Ministry Officials that the Zimbabwe Agricultural Sector Programme has been, as is continuing to be, an exceptional success. This is endorsed in the three formal evaluations of the programme that have been done annually. In the case of ZASA the "working group approach" has functioned effectively and efficiently. A large number of projects have

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been implemented; many are already complete. These projects represent a wide range of disciplines within the Agricultural Sector.

However, the success of projects in the Agricultural Sector is not confined to the ZASA projects. Projects funded by the PL-480 and the CIP funds, and therefore administered differently, have also shown considerable success. Possible reasons for this are given above; it is suggested that the experience and capacity of the implementing agency plays an important part. However, the effect of the approach used by the USAID agricultural officials should not be overlooked. This has been commended in several quarters, from Ministry Officials to engineers supervising projects. It is evident that the USAID officials acquire a solid background knowledge of the technicalities and implications of the projects proposed. Projects with a high probability of success are thus selected. Because of this there is no need for continued monitoring. Apart from the regular standard returns the implementing agency is allowed to proceed unhindered.

USAID Local Currency Programmes
Other Donors

5.4 Other Commodity Aid Programmes

5.4.1 Introduction

During the Zimbabwe Conference on Reconstruction and Development held in Harare in 1981 many countries pledged to assist the Government in its reconstruction effort. A large proportion of the assistance was offered in the form of commodity aid programmes.

France was the first country to provide commodity aid, but the United States, through USAID was the first of the donors to introduce the counterpart fund facet to the Commodity Aid programme in Zimbabwe. The procedures established by USAID for the counterpart fund generation and administration have been followed closely by the other donors, with few minor differences, and this has been encouraged by the Ministry of Finance, Economic Planning and Development. This Ministry has actively worked to standardize the procedures along the USAID lines.

The main differences identified in the programmes are;

1. United States and Swedish assistance is in the form of outright grants. Other donors pledged either loans or aid in the form of a loan, grant combination.

2. USAID uses the counterpart funds mainly to support development projects aimed at extending Government services in the agriculture, education and health to the communal sector. The United Kingdom favoured resettlement and rural development projects. All other donors use the counterpart funds in support of the Zimbabwe national budget and are not particularly interested in the performance of such monies. As a general rule, those donors who have given grants are interested in the application of the counterpart funds, while those who have given loans leave this entirely to the Government.

3. The United Kingdom has as a condition that the Government must contribute an equal amount to the resettlement and rural development projects funded by the local currency from their commodity import programme. No other donor has this condition, and it appears that the British are in the process of relaxing the condition.

4. The United States Agency for International Development's mission in Harare has authority to make decisions on the deployment of aid. Most other donors offices in Zimbabwe are obliged to refer decisions to higher authority. USAID is thus most efficient and effective in approving projects.

**USAID Local Currency Programmes
Other Donors**

5.4.2 Comparison of commodity aid programmes

| | United States | France | United Kingdom | Sweden | Netherlands | Canada | Germany (F. R.) |
|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Type | Grants | Grants | Loans & grants | Grants | Loans & grants | Loans & grants | Loans |
| By | 100% USA | 100% French | 100% UK | 70% Swedish | 80% Dutch | 65.7% Canadian | 100% German |
| Disbursed | US\$28.7 (1985) | US\$78.5 (1985) | US\$44.3 (1985) | US\$32.4 (1985) | US\$26.1 (1985) | US\$17.5 (1985) | US\$17.5 (1985) |
| Approval | Washing | Paris | Lilongwe | Stockholm | Amsterdam | Ottawa | Bonn |
| Application | Development | Budget support | Resettlement | Budget support | Budget support | Budget support | Budget support |

5.4.3 OIF disbursement 1981 - 1985

| | 1981 | 1982 | 1983 | 1984 | 1985 | TOTAL |
|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| USA | 0 | 19000 | 19000 | 32200 | 18508 | 88708 |
| FRANCE | 11045 | 26171 | 17173 | 18393 | 5191 | 78373 |
| UK | 5517 | 7340 | 4719 | 10120 | 13543 | 41339 |
| SWEDEN | 0 | 5129 | 18098 | 4335 | 3819 | 32379 |
| NETHERLANDS | 0 | 0 | 3375 | 7325 | 14911 | 26111 |
| CANADA | 0 | 3950 | 19 | 2872 | 11766 | 18697 |
| GERMANY FR | 1515 | 1512 | 4224 | 7346 | 3571 | 17628 |
| OTHER | 1700 | 4540 | 4561 | 12518 | 14300 | 42438 |
| 9 donors | | | | | | |
| TOTAL | 27987 | 12391 | 71492 | 71307 | 68644 | 348917 |

Source: Status Report on External Development Assistance to Zimbabwe 1980-1985, Harare June 1986 pp 34-41.

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USAID Local Currency Programmes.
Summary and Conclusions

5.5 Summary and Conclusions

In this brief overview of the USAID Local Currency Programmes the following points have are highlighted:

1. Monitoring and control over the counterpart fund projects under the Sector Programmes has been greater than that for the CIP Programmes. This has led to improved communication and awareness between all interested parties, but has curtailed flexibility.
2. As the Sector Programmes have a Commodity Import Programme component, there are very great similarities between the Sector Programmes and the Commodity Import Programmes. In addition, as BEST was modeled on ZASA, these also have minor procedural differences.
3. USAID has led the other donors in counterpart fund projects, not only in the size of the funds generated, but also in the adoption of procedures. Most other donors have adopted the USAID methods, and it appears that the others will follow suit. One difference may remain however, that being the lack of autonomy of the Local Offices of other donors.

6 Statement of Work and Terms of Reference

6.1 Statement of Work

The contractor will undertake an evaluation of projects funded from local currency generated by the AID Commodity Import Programs in Zimbabwe. The USAID program in Zimbabwe has funded over 100 individual projects using local currency generations which cover a wide range of sectors, including agriculture, education, health, small businesses, and water and natural resources.

The Zimbabwe dollars are deposited in a special account managed by the Ministry of Finance, Economic Planning and Development (MFEPD) in conjunction with USAID. In two programs - Zimbabwe Agricultural Sector Assistance (ZASA) and Basic Education and Skills Training (BEST) - projects are recommended by Working Groups chaired by MFEPD and made up of representatives from various Government of Zimbabwe ministries and USAID. Local currency projects under the other programs - the Commodity Import

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Program (CIP) and the PL-480 program - are recommended by MFEPD and a list is provided to USAID for approval, prior to the disbursement of funds from the Commodity Import Program.

Over the past year, MFEPD and USAID have undertaken a review of financial management procedures in the principal ministries responsible for implementing these local currency programs. A review was also made of the procedures for administering the BEST program, and USAID and MFEPD have held a number of discussions regarding financial progress reporting for local currency projects. However, no comprehensive examination of the activities supported by the local currency program has been carried out to evaluate the similarities and differences of procedures under the USAID programs (ZASA, BEST, CIP, PL-480), the impact the local currency projects have had, and management improvements that might be made to maximize the development benefits of funds remaining to be used under these programs.

Thus, the purpose of this contract is to carry out such a study. This evaluation will be comprised of the following parts:

- (1) An overview of the process of identification, selection, implementation and reporting on local currency projects under the CIP, ZASA and BEST and PL-480, comparing and contrasting procedures used in each program. In addition, a comparison will be made between procedures used for local currency generation and programming under these USAID programs and similar commodity aid programs of other donors, with a view to determining their respective implementation performance.
- (2) The contractor, in cooperation with USAID and MFEPD, will select a representative sample of ten local currency projects to be evaluated in-depth. The evaluation will describe the management and determine the present and potential developmental impact of each project. The range of evaluation criteria may be as wide as the range of sectors representing local currency projects. However, the contractor may wish to use some of the following standards:
 - the project's originally-stated purpose and aims;
 - changes in the project's objectives;
 - the goals and expectations of the project's administrators, participants, and beneficiaries;
 - the GOZ's policy objectives in the relevant sector;
 - the GOZ's overall development goals, including plans outlined in the First Five-Year National Development Plan;
 - USAID's CDSS (Country Development Strategy Statement).

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These criteria are not comprehensive, but serve as a starting-point for an evaluation. Many projects are still in their early stages, so their developmental impact may be more difficult to determine.

- (3) A final section will summarize the major conclusion of the evaluation and formulate recommendations for improving the management of the program and for making most efficient use of funds remaining under the three USAID programs.

The Statement of Work will be carried out in a manner consistent with the contractor's proposal of August 23, 1986, which is incorporated into this contract by reference.

6.2 Letter of Invitation

August 15, 1986

Agriserve (Pvt) Ltd
P.O. Box HG 357
Highlands
Harare

Attention: Mr. M. Boyd-Clark

Dear Mr. Boyd-Clark:

U.S.A.I.D., in coordination with the Ministry of Finance, Economic Planning and Development, is currently planning an evaluation of certain activities and projects in Zimbabwe which have been funded by the local currencies generated under the U.S.A.I.D. Commodity Import Programs and PL-480 agriculture imports.

Accordingly, we would like to invite you to submit a technical proposal to carry out this task. To assist you in preparing your proposal, enclosed is the statement of work to be covered by the contract.

Since we are not in a position to define the exact quantity of work to be undertaken at this time, it is our intention to use a labour-hour type of contract. Under this arrangement, the contractor would be paid on the basis of the number of hours charged for each individual working on the evaluation, using an agreed upon rate for the services of each individual. Therefore, when preparing your proposal, we request that you provide the hourly billing rates for the personnel who would be assigned to the task, as well as identifying the individuals and their qualifications.

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Since it is our intention to finalize the contract by the end of August and commence work soon thereafter, we also request that you provide information on the availability of the personnel you propose.

The proposals will be evaluated by the U.S.A.I.D. on the basis of the understanding of the requirements demonstrated by your proposal, your proposed approach to conducting the evaluation, the professional qualifications and experience required to meet the needs of the statement of work, and the availability of the personnel who are proposed.

Proposal must be received at the following address not later than 5:00 p.m. on August 23, 1986:

Deputy Director
USAID
No. 1 Pascoe Street
Belgravia
Harare

Proposals received after the due date, but prior to the completion of the selection of the contractor, may be considered at the option of the USAID.

If you have any questions concerning this request for proposals, please contact me at the telephone number 720757.

Sincerely yours,

Scott E. Smith
Deputy Director

Encl: A/S

7 Work Plans

7.1 Introduction

In the original statement of work it is stated that the consultant would, in consultation with USAID and the Ministry of Finance, Economic Planning and Development, select the ten projects for evaluation. In fact these were selected by the Ministry. The following list of projects was presented on September 29th;

Chegutu Bulk Grain Depot
Adult Literacy Campaign
University of Agriculture Faculty Expansion/Farm
Staff Development Planning
Kwekwe/Mupandawana Housing Development

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Co-operative Credit
Co-operative Marketing and Supply
Co-operative Warehousing Development
Drought, Relief Crop Packs
Small Industries Development Corporation

The Drought Relief Crop Packs programme, the University Expansion and the Kwekwe/Mupandawana Housing Development were selected as the first three to be completed.

Soon after the start of the evaluation the Staff Development Planning project was replaced with the Distance Education project. Later this was removed due to problems with the Ministry of Education. The Chibero College of Agriculture replaced Distance Education. Thus projects from the Basic Education and Skills Training programme were not represented in the study.

The evaluators soon discovered that an evaluation of the housing scheme projects had already been done. While a decision as to whether this project should be removed from the list to be evaluated was taken, the Small Enterprises Development Corporation was substituted for one of the first three for evaluation.

Work progressed on the projects, with the enviable changes to the schedule primarily to accommodate the implementing agencies. A two week time extension was requested and granted for the submission of the final draft reports.

The revised work plan of 1st November is included below.

7.2 Revised Work Plan 1 November 1986

7.2.1 Introduction

It is necessary for us to revise the work plan for a number of reasons. Firstly, we have been unable to commence work on the BEST Projects as there have been misunderstandings at the Ministry of Education. Secondly the Kwekwe/Mupandawana housing project has been re-included in the evaluation and the Chibero Agricultural College has been removed.

We have noted that the records and documentation on the ten selected projects are very scanty indeed. We have had great difficulty in locating original project documents. We anticipate problems in determining, for example, the original purpose of a project or changes in the project objectives. While it was our intention to present in this work plan, the selected evaluation criteria for at least the first project to be evaluated, this will not be possible. Because of the paucity of records there will be a need for a search, firstly for and then through files

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for each of the projects before the evaluation criteria and evaluation plans can be developed. To this end we have allocated 10 person hours per project during which time the evaluators will endeavour to collect as much relevant information as possible. From the information thus collected we will select the evaluation criteria appropriate and compile a plan for each project. We suggest that these plans are individually presented to MFEPD and USAID for approval before field work begins.

The time budgeted for each project is limited. We have estimated that the preliminary information search and the planning for each project will take approximately 30 person hours. The same amount of time will, we believe, be needed for report writing on each project. Some 110 hours remain for the field work and analysis. This amount of time will be limiting, and it may not be feasible to present much more than an overview. It will not be possible for us to submit a detailed report such as, for example, the one we did on the Sanyati Cotton Gin. While detailed and in-depth evaluation of each project will not be the output of this study, we expect that areas for further work will become apparent during the course of the study and these we will highlight. We believe that it is important that the minimum amount of time is spent on "dead activity" such as travel. We will therefore minimize field work away from the main centers.

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Time (Person Hours) budget for the Evaluation

| | person hours |
|---------------------|--------------|
| Inception | 185 |
| Individual projects | 1710 |
| Report Writing | 215 |
| Typing | 350 |
| | ----- |
| | 2460 |
| | ===== |

Time (Person hours) allocated to each project

| | person hours |
|---------------------|--------------|
| Review of files | 20 |
| Evaluation planning | 10 |
| Field work | 110 |
| Report writing | 30 |
| | ----- |
| | 170 |
| | ===== |

7.2.2 Methods

As each evaluation will have to be carried out at speed, and because there are a large number of implementing ministries involved, planning, control and liaison will be of utmost importance. It is suggested that throughout the study, weekly meetings between Agriserve's Team Leader and Officials of the Ministry of Finance, Economic Planning and Development and Representatives of the United States Agency for International Development be held. At these meetings Agriserve will present progress reports and will respond to requests and direction from the MFEPD and USAID.

After the initial review is complete and after evaluation criteria are selected and agreed, each will prepare a work plan whereby each task will be broken into steps that will last not longer than one day. If a task is not completed this will be reported immediately to the team leader and a reviewed plan will be implemented. In this way we will avoid time and budget overruns.

It will be important that the evaluators spend as little time as possible in searching for information and documents. Co-operation from the various ministries in this regard will be essential for the successful completion of the project. We

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hasten to say that the co-operation that we have already enjoyed from the Ministry of Finance, Economic Planning and Development and the other Ministries with whom we have so far had dealings, have been exemplary and augurs well.

We reiterate our proposal to carry out evaluations and not audits. We will not be looking for fault. We will focus on factors, both positive and negative, from which something can be learned. We will highlight lessons for the future operation of the projects evaluated, and for other similar programmes.

Thus we propose to present:

For the individual projects:

1. A description of the project, detailing its purpose objectives, beneficiaries etc.
2. A brief history.
3. A description of the procedures adopted for each of the projects.
4. A description of the management of each project.
5. The evaluation criteria selected and the reasons for their selection.
6. Analysis of the performance of the project against the chosen criteria.
7. A narration of factors or occurrences from which lessons may be drawn.

For the overall evaluation:

1. Major conclusions of the evaluation.
2. Recommendations for improved management.
3. Comparisons and contrasts between projects and procedures.