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U.S. AID TO ZIMBABWE: AN EVALUATION

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by

Gary Wasserman, Team Leader  
(Bureau for Program and Policy Coordination)

John Pielemeier  
(USAID/Gaborone)

Lucretia Taylor  
(Bureau for Africa)

Michael C. Hager  
(USAID/Cairo)

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FOREWORD

In October 1979, the Administrator of the Agency for International Development initiated an Agency wide ex-post evaluation system focusing on the impact of AID-funded projects. These impact evaluations are concentrated in particular substantive areas as determined by A.I.D.'s most senior executives. The evaluations are to be performed largely by Agency personnel and result in a series of studies which, by virtue of their comparability in scope, will ensure cumulative findings of use to the Agency and the larger development community. This study of the impact of U.S. AID to Zimbabwe was conducted as part of this effort.

GLOSSARY

|                 |  |
|-----------------|--|
| ADF             | African Development Fund               |
| <u>bazda</u>    | hoe (in <u>Shona</u> )                 |
| CIP             | Commodity Import Program               |
| CP              | conditions precedent                   |
| DA              | Development Assistance                 |
| DEVAG           | Department of Agricultural Development |
| EEC             | European Economic Community            |
| ESF             | Economic Support Fund                  |
| FAA             | Foreign Assistance Act                 |
| FX              | foreign exchange                       |
| GOZ             | Government of Zimbabwe                 |
| kilogram (kg)   | 2.2046 pounds                          |
| kilometer (km)  | 0.62 miles                             |
| L/C             | local currency                         |
| LDC             | less developed country                 |
| millimeter (mm) | 0.04 inch                              |
| MOE             | Ministry of Education                  |
| MOH             | Ministry of Health                     |
| PA              | Provincial Authority                   |
| PAAD            | Program Assistance Approval Document   |
| PID             | Project Identification Document        |
| PMOH            | Provincial Medical Office of Health    |
| PP              | project paper                          |
| PVO             | private voluntary organization         |

GLOSSARY (continued)

|              |   |
|--------------|---|
| REDSO        | Regional Economic Development Services Office |
| RPG          | Reconstruction Program Grant                  |
| <u>Shona</u> | language spoken in Zimbabwe                   |
| TDY          | Temporary Duty                                |
| TTL          | Tribal Trust Land                             |
| UDI          | Unilateral Declaration of Independence        |
| U.K.         | United Kingdom                                |
| UNHCR        | United Nations High Commission for Refugees   |
| USDO         | U.S. Disbursing Officer                       |
| USG          | United States Government                      |
| ZANLA        | Zimbabwe African National Liberation Army     |
| ZANU         | Zimbabwe African National Union               |

SUMMARY

At the request of the USAID Mission and the Africa Bureau, in January and February 1981 an independent evaluation was conducted of the initial U.S. assistance for the new Government of Zimbabwe (GOZ). That assistance totaled \$30 million in FY 1980. The evaluation team examined the major part of this assistance: a Reconstruction Program Grant of \$20 million and a \$2 million project grant for the rebuilding of rural health clinics. The cash grant consisted of dollars to be used for needed imports while local funds in the same amount (\$20 million) were set aside by the GOZ for reconstruction and relief programs. With the high political priority given Zimbabwe and the emergency nature of the problems facing that war-torn society, the funds were given remarkably quickly with few conditions attached. The programs were to be implemented by the Zimbabwe bureaucracy with little involvement by the one-member AID staff resident in Salisbury.

The aid program had three objectives, the first of which was political. Aid was designed to demonstrate U.S. commitment for the new state and to stabilize a moderate Government by increasing its capacity to deal with the immediate post-war problems. The second set of objectives were macroeconomic, increasing limited foreign exchange and decreasing the budget deficit. The third level of objectives lay in the programming of the local currencies to meet the pressing needs of the rural areas for relief and reconstruction. The aid was to be used in a way that would be "fast, flexible, simple and visible." It was designed to have an immediate impact, to allow the GOZ a free hand in using it, and to be visible to both the Government and target groups as a concrete example of U.S. support.

On the most basic levels, U.S. aid accomplished its goals. It assisted in bolstering a moderate Government during a difficult period. That Government was able, primarily through its own efforts and funds, to demonstrate its concern and capacity for assisting its rural peoples. Both the foreign exchange and budget deficits for the year were less than projected, in part because of the assistance received from overseas. In general, the bureaucracy administered the programs effectively and equitably. Roads, schools, cattle dips, Government housing, and clinics were rebuilt in the face of considerable difficulties. Relief, in the form of seeds and food, was distributed. Rural administration was restarted by a bureaucracy taking advantage of these reconstruction programs to gain access to areas from which it had been excluded by the war.

There were shortcomings in the programs. In the rural areas, recognition that U.S. assistance had contributed to the reconstruction efforts was practically nonexistent, and the

team remained uncertain of the extent of the political leadership's awareness of U.S. aid. There was little evidence of AID oversight of the reconstruction and relief activities, in part because of the assumption that the cash grant mode of assistance did not require it and in part because of the lack of resident Mission staff. Not unexpectedly, some of the programs were limited in their achievements. The winter vegetable seed packet was both too complicated and funded too late to be of much help to the farmers who received it. The rural health clinics, while rapidly reconstructed, suffered from a lack of drugs, equipment, and adequate inspection by the Ministry. The bureaucracy which effectively implemented the programs watched its future competence put into question by reorganizations, changing personnel policies, and the uncertain tenure of White administrators with their often dated attitudes toward rural Africans.

The team drew the following conclusions and lessons from the Zimbabwe aid program.

#### Conclusions

- Both the project and cash grant modes of assistance as structured were appropriate in assuring speed and flexibility for delivery of aid. Given the uncertainty of GOZ administration reforms and the change of objectives from reconstruction to development, closer AID involvement in design and oversight would be needed in the future.
- To the extent possible, implementation, monitoring, and evaluation should rest with the GOZ, with AID exercising sufficient oversight to assure the effectiveness of these processes, the achievement of development objectives, and AID's accountability for public funds.
- AID should shape its assistance along lines compatible with those GOZ procedures which have proven effective in the past. The abilities of each of its implementing departments should be carefully assessed at the design stage to determine the degree of reliance on host government procedures.

#### Lessons

- AID has a range of foreign assistance tools available. The success of the Zimbabwe program should not delude us into thinking that money is all we have to offer. Policy analysis and technical expertise

enable us to help shape a political and developmental partnership.

- AID can respond flexibly and quickly when political priorities are clear and sufficiently important.
- If a high priority is given to foreign assistance as a symbol of U.S. commitment, it needs to be thought through as carefully as the development objectives. The country team should ensure that a strategy for achieving political benefits from the aid is established and its progress regularly assessed.
- The Zimbabwe experience suggests the need for more flexible forms of assistance. The program succeeded in that it was seen as an exceptional case--clear political priority, competent administration, straightforward program objectives, and the need for speed. Other programs may in part meet these criteria without the high political visibility of Zimbabwe. They should be allowed to meet the needs of speed and flexibility through appropriate changes designed to simplify present AID procedures.

## I. INTRODUCTION

On Zimbabwe's Independence Day, April 18, 1980, a \$2 million U.S. project grant for rural health services was signed in Salisbury. The speed of action and the symbolic import of the event characterized U.S. assistance for the rest of the year. Quick decisions were made to transfer additional funds through a cash grant, to rely on the local bureaucracy for implementing its own restoration programs, and to keep the Agency for International Development (AID) presence small. Confidence in the bureaucracy and the desire to render immediate political support were the major factors shaping U.S. assistance for Zimbabwean relief and reconstruction efforts.

The seed of American foreign assistance to Zimbabwe had been planted by Secretary of State Kissinger in 1976. His proposal implied a multidonor assistance program for African land settlement and was shrouded in implications of forthcoming billions of dollars. The theme was carried on by the multidonor Zimbabwe Development Fund in the 1977 Anglo-American proposals. In this and later proposals for post-Independence development programs, any suggestion of guarantees of White lands were ignored (at congressional insistence) and a Southern African regional approach was stressed (at AID's urging). Figures were not precise, but up to \$520 million over five years was mentioned as the U.S. contribution. These assistance proposals were part of a process of negotiations, not programs for development tracked into AID's budgetary cycle. Nonetheless, they lent an aura of American largesse which any initial U.S. assistance would inevitably be matched against.

The U.S. assistance that was given in FY 1980 totaled \$30 million (\$29,812,000). Most of this (\$20 million) came through a Reconstruction Program Grant (613-K-601) signed in two tranches of \$13 million in July 1980 and \$7 million in September. Because of the high political priority given Zimbabwe and the emergency nature of its problems, the cash grant was given unusually quickly with few conditions attached. The dollars were to be used for needed imports, not tied to the purchase of American goods, while the local funds put up simultaneously by the GOZ were to go for reconstruction and relief programs. Great flexibility was given to the GOZ in programming the local funds, though in practice the USAID Mission exercised informal leverage over where the monies were spent. The evaluation team centered its attention on this program grant and on the \$2 million Rural Health Services Project (613-0201) as a way of contrasting the program and project modes of assistance (see Appendix A).

Although significant amounts of aid were quick in coming, adequate staff was not. For much of the first year (May to

October) one temporary-duty AID officer was assigned to Salisbury until replaced by an equally singular Mission Director. They were supplemented by various area specialists (e.g., in health, agriculture, and legal matters) sent out on temporary duty from the regional offices in Nairobi and Mbabane, and from Washington. This was in spite of an Africa Bureau recommendation in April that the staff be composed of five direct-hire professionals supplemented by up to 10 local professionals. The team finding of a lack of AID oversight had more to do with this shortage of people than with the mode of assistance. Stretched incredibly thin, the AID staff performed extremely well.

## II. OBJECTIVES AND CRITERIA

The U.S. aid program had three levels of objectives, in descending order of importance. The first was political. The aid was designed to be a symbol of U.S. support for the new state of Zimbabwe. U.S. participation in pre-Independence negotiations committed it to support an elected Government. The assistance program was to be the strongest political signal of support by a bureaucracy with limited funds. The aid also aimed to stabilize a moderate Government by increasing its capacity to deal with immediate post-war problems. The assistance would help the Government demonstrate its effectiveness to its own people. If in the process the assistance could support the effort of the White-dominated bureaucracy and economy, and present a symbol of multiracial democracy for Southern Africa to follow, then these would be important secondary accomplishments. The focus remained, however, on supporting, moderating, and stabilizing the new Government.

The other two sets of objectives were derived from this primary one. Dollars were supplied in a cash grant to meet the macroeconomic problems of limited foreign exchange and an increasing budget deficit. As such, this was a blunt resource transfer helping (with other donors) the Government to act more effectively and flexibly. The final level, the programming of the local currencies (set aside by the GOZ in a parallel, agreed-upon action) into reconstruction and relief, almost inevitably became the focus for U.S. assistance. It was a high priority of the new Government. It enabled the United States to demonstrate support for that Government in an immediate, visible manner. It met pressing human needs of the poor majority in conformity with AID's New Directions approach. It offered the opportunity to work with and through the Government in demonstrating and enhancing its effectiveness. And it enabled all the participants to gain information and confidence in each other before proceeding with the tougher questions of development in the bifurcated society of Zimbabwe.

The criteria for deciding how and where assistance would be given were clear and consistent. Both the substance of and process for programming aid were to be "fast, flexible, simple and visible." Quick disbursements were needed not only to solve immediate problems but to have an immediate impact on U.S. political objectives. Rapid disbursements were to mean "major results" within six months. Flexibility was interpreted as allowing the GOZ a fairly free hand in deciding how the assistance would be used. Agreement with GOZ priorities and confidence in its abilities assured this approach. Simple or uncomplicated objectives and methods were sought, perhaps as a reassurance that AID would not allow the assistance package to get bogged down in a bureaucratic quagmire.

Visibility had a number of aspects. It meant that the disbursement of funds would be apparent to the recipients as well as concentrated on reaching large numbers of the target group in limited areas. Visibility also meant giving the GOZ immediate credit to act on urgent needs. Visibility was also designed to demonstrate to the Government of Zimbabwe concrete U.S. support and, to a lesser extent, to demonstrate U.S. Government concern for the ultimate recipients of the aid.

Other criteria were of course used in the programming. The competence of particular Government agencies and their readiness to implement immediate programs were of concern. This was a major reason that the Independence Day project grant of \$2 million went to health clinics rather than reconstruction of schools. Attempts were made to secure programs with multiplier effects, so that their benefits would enhance private economic activities in the area. Reconstruction, for example, was to provide employment for local laborers and firms. Another interest was to ensure that U.S. aid was going to areas in which other donors were putting funds, thus enhancing the impact and awareness of the total foreign assistance involvement. One criterion that does not appear to have been applied was that assistance be focused on future areas of U.S. participation. The program was still too new to know what this would entail, and this criterion would only surface later in the Second Program Assistance Approval Document (PADD) of November 1980.

### III. POLITICAL IMPACT

The overriding political objective of U.S. assistance to Zimbabwe was to support and stabilize the Government of Robert Mugabe. The lengthy involvement of the United States in the negotiations leading to the ultimately peaceful transition from White rule, along with the moderate statements of the new ZANU Government, made U.S. support for the regime inevitable. At

stake was not only the future of a resource-endowed, strategically located, potentially prosperous, multiracial country, but also the prospects for resolving other Black-White conflicts in Namibia and, perhaps eventually, South Africa.

On the most apparent and important level the U.S. policy goal was realized, although this was due to factors beyond U.S. aid. The Mugabe Government remained in place, pursuing moderate, progressive policies at home, and moderate, nonaligned policies abroad. Going beyond this, the assistance attempted to influence two linked relationships: one, between the United States and the GOZ; the other, between the GOZ and its rural population. In affecting the first relationship, aid was designed to illustrate the U.S. commitment through a symbolic demonstration of support. In affecting the second, the disbursement of aid was to help stabilize the Government by enhancing its ability to serve the rural population. The team thus centered on two questions in gauging AID's political impact: What was the awareness of the U.S. aid commitment? What were the effects of the disbursement of aid in the rural areas?

#### A. Awareness of the Commitment

Aid to Zimbabwe started at a disadvantage. Because of the raised expectations coming out of the pre-Independence negotiations, the total of \$30 million given in the first year was bound to look disappointing to its recipients. In a sense, the process of giving aid--its speed, visibility, and flexibility in conforming to Government priorities--was designed to compensate for this perception. One important aspect of this was visibility. The objective was to assist the Government in a way which clearly identified the United States with the relief effort and the peaceful transition being attempted by the GOZ. The awareness of the U.S. assistance was greatest at the point of entry and much less in the countryside. The administrators in the central Government were clearly the most aware of the U.S. aid and also the most likely to be interacting with AID staff on disbursements. Those administrators directly connected with handling the assistance often contrasted it to the slowness and rigidity of other donors. While complaints of increased bookkeeping requirements and of inadequate funds for new staff were heard, these were aimed, perhaps from politeness, at a general target called foreign donors.

As one moved away from the central administrators, the identification of the United States with the efforts it was supporting diminished rapidly. In the rural areas assistance was initially seen as a reward for the struggle. When the aid was not attributed to the Government or party, it was seen as coming from the United Nations (UN) or overseas donors. A

typical response was that from a headmaster at a primary school in Mtoko who said his reconstruction assistance was from the UN. A party branch chairman in the same area described how he had explained to people that foreign countries were helping Zimbabwe win its "war on hunger." Although all the health clinics reconstructed under the AID project were to have a plaque identifying the AID funding, only one of four visited (Mapanzure Clinic in Victoria South) had the plaque, and it was in English.

Uncertainty surrounded the leadership's view of U.S. assistance. Members of elite nongovernmental groups, in academia and business, voiced vague feelings of disappointment that the United States had let down the new Government by not giving enough aid. Of two ministers spoken with, one, whose ministry had indirectly received most of the funds for reconstruction, did not know if the United States had given any funds or where they had been spent. Admittedly, this may have reflected the minister's own involvement as much as AID's visibility. The other minister appeared more aware of the sources and uses of the monies.

Several caveats should be added to these observations. A decision was made early on to give as much credit as possible to the Government for the relief and reconstruction efforts. When, through an apparent printing error, the initials of the United Nations High Commission for Refugees (UNHCR) were put on seed packets partially funded by the United States, the AID staff objected, not because they wanted the U.S. symbol on the packets, but so that the Government agency's name would appear as prominently as possible. The U.S. identification with its assistance was also designed to attract attention abroad, to gain support for Zimbabwe from other donors and private investors. Bearing these factors in mind, the lack of clear identification of the United States with its own assistance efforts may yet prove troubling in a region where future relations are likely to be difficult.

#### B. Political Effects of Disbursement

The assistance succeeded in bolstering the Government's position in the rural areas. People saw schools, clinics, and roads rebuilt; seeds distributed; and food handed out. These tasks were accomplished relatively quickly, effectively, and fairly. The political success of the program may ultimately lie less with the actual structures restored or relief dispensed, and more with the widespread perception of things changing: the process of a new Government in power acting effectively to meet peoples' needs. The support the leadership enjoyed in the areas we visited appeared mainly due to its

leadership in the war and partly to the response to these immediate problems of relief and reconstruction.

On closer inspection the political effects of the assistance became more complicated. One central line of tension in the rural areas lay between the increasingly Africanized bureaucracy and the local party leadership. The "technocrats" of the first group tended to be less educated, militant, and to have retained the weapons they used as guerrillas. They had replaced the traditional chiefs as leaders in the rural areas and their ability to mobilize mass support was key to fulfilling their demands. At stake in this still unclear competition between technocrats and party militants were resources, Government jobs, and popular loyalties. Foreign aid as an available resource played a role in shaping a relationship between these two groups.

Unintentionally, the resources generated by foreign assistance (AID's funds included) helped the technocrats and engendered a process of reconciliation with the party. The technocrats set the criteria for the aid and controlled its overall distribution. The party had to go to the bureaucrats for the resources and, to some extent, conform to their standards. The major gain for the bureaucrats was that it re-established them in rural areas from which the war had driven them out. The aid gave them the means to induce acceptance in these areas while their alignment with the party gave them legitimacy. The team heard many stories of extension agents or reconstruction people who were initially chased out, but then went to the local party, reached an understanding with the leaders, and were allowed back.

This process of re-establishing the bureaucracy and reconciling it to the party was evident in a number of the programs. When the school reconstruction began, many people expected the Government to rebuild the schools for them. The bureaucrats insisted, in most places, that the parents supply labor and bricks, or the funds for both, while the Government would contribute roofing, window frames, doors, and school equipment. (While a good example of self-help, the costs to the parents may have dissipated the political impact of removing school fees.) In the seed packet program the local party seemed to have the upper hand in choosing who would get the seeds and fertilizer. At the same time, the overall amounts for an area were determined by the bureaucracy, which set the criteria and insisted on the use of extension services for training. Administrators had little choice but to rely on the party for the onerous choice of deciding who qualified for the limited supplies in areas they controlled.

Clearly there were trade-offs for the party from these activities. They could claim credit. They used the resources

to mobilize people, for example, by organizing parents groups to rebuild schools. And they could, to a great extent, distribute food and seed packets to people of their choosing. But, interestingly, the two programs over which the bureaucrats had least control--the feeding program and crop packets--were also those most likely to be one-time efforts. For the skills and access to resources needed to continue the other programs, the party would have to go to the ministries and bureaucrats.

### C. A Question of Assumptions: A Functioning Bureaucracy

A crucial assumption behind the cash grant mode of assistance was the competence of the GOZ bureaucracy. The PAAD team wrote on June 13, 1980, that a "continual high degree of capability remains in all GOZ ministries involved to plan and implement these programs." This observation generally proved correct. The departments concerned acted quickly and effectively, with a clear accounting of the use of the funds. The efforts in reconstruction underlined the value of the existing bureaucracy and its ongoing programs to the new leadership. This undoubtedly enhanced Government stability as USAID/Salisbury had hoped. The bureaucracy was also likely to remain superior to any other in Black Africa. Nonetheless, certain reservations about these still largely White administrators might become more salient in the months following the team's visit.

The bureaucracy under the former White regime did not give a great deal of priority to development in the African areas. As a result, the best and brightest members of the Government tended to go where the programs and monies were, the agencies dealing with the White areas. For example, a member of DEVAG, the division formerly in the Ministry of Agriculture dealing with African areas, frankly admitted that talented people tended to leave DEVAG and go to Conex, the department handling the commercial farming sector. While 15 years of economic sanctions had only a limited effect on Rhodesia, the intellectual freeze may have taken a toll. Most of the administrators spoken with seemed to have little familiarity with development activities in other countries or, indeed, to have spent much time in other areas of the Third World. Contemporary development thinking in fields such as agricultural extension and research and education appears to have made few inroads on the approaches of Zimbabwean administrators. The degree of sophistication required for using various fertilizers in the winter vegetable packet and their subsequent nonuse by African farmers could be in part attributed to a lack of familiarity both with particular Zimbabwean farming practices and the general literature on peasant farming.

The widespread alienation of the rural population from these administrators has already been mentioned. The shoe may also have been on the other foot. The frontier spirit and individualism which impelled many of these men into jobs in the rural African areas may not fit easily into an era of local participation and cooperative development. One White Agricultural Training Officer, when asked why he started working in a rural African area some 15 years ago, replied that he was told he could be his own boss, and that appealed to him. From being called "boss" to addressing Africans as "comrade" may have been too great a leap for many. Their paternalism, or what is in some cases in fact racism, was not likely to prove as preservative of their functions and status as these attitudes were in Rhodesia.

Many of these administrators saw themselves as anachronisms. Their attitudes combined with Africanization and the reorganization plans designed to reduce the role of local White administrators must have effected their own career calculations. Most of the White bureaucrats we spoke to, perhaps from defensiveness, saw themselves as remaining in their positions or in Zimbabwe only for the next couple of years. Given an antagonism toward unwanted change, a resentment of the promotion of seemingly inexperienced Blacks, an alienation from the policies of the Government, and a perception of their own responsibilities as temporary, it may be that short-run calculations of individual and family gain will outweigh a previous dedication to broader social norms of efficiency and incorruptibility. As superbly as these administrators performed in an embattled, tight-knit society, the expectations of their continuing in this pattern for long may prove unrealistic. Without any long-term commitment to the evolving society, their short-term calculations would likely be personal and immediate.

Both the expansion in the tasks expected of the bureaucracy and the present reorganization of its local administration placed heavy burdens on the departments serving the African areas. Everywhere the team went administrators complained of shortages in field staff. In pre-war Manicaland Province there were 208 extension agents. This figure dropped to 139 during the war, and stood at 150 at the time of the team's visit. In that province, the Maranke Tribal Trust Lands (TTL) as of fall 1980 had no agricultural extension staff at all, because the staff had been pulled out during the war and their housing destroyed. At the same time, the demands on these departments were vastly increasing. The African Development Fund (ADF), which directed resources for infrastructure projects in the African areas, such as roads, cattle dips, water supplies, and irrigation, had recently seen its budget rise from \$16 million a year to \$64 million. Parts of the bureaucracy were overextended in aiding other ministries' reconstruction efforts. The Marketing and Cooperative Services Section

transported the winter and summer seed packets for DEVAG. District Administration handled the distribution of materials for school reconstruction with little assistance from the Ministry of Education.

Reorganization, while likely to be of positive value in the long run, disrupts established patterns in the short run. The object of this still unclear process was to devolve power to a popularly elected level in the rural areas. The ADF, for example, was to be taken over by the new District Councils. The District Commissioner, formerly the symbol of central Government authority in the African areas, was to take on an advisory role to the Councils, with the expectation of eventually being phased out. In many of the areas visited, the District Commissioner had effectively ceased to function. These changes left administrators perplexed about their own roles and future, as it would leave power in the African rural areas in the hands of a variety of unknown groups and individuals.

#### IV. THE MACROECONOMIC RATIONALE

The macroeconomic justification for program assistance rested on balance of payments and domestic budget support grounds. The June 1980 PAAD argued that the balance of payments deficit would grow from \$41 million in 1979 to \$109 million in 1980, and that foreign reserves, which amounted to under three months of coverage of projected imports, would be "a major restraint" on Zimbabwe's economy. Similarly, an overall budget deficit of \$702 million was estimated for 1979/1980 with an increase to \$1,040 million for 1980/1981. Although Government revenues were expected to rise, expenditures due to costs of reconstruction and resettlement, increased social services, war-delayed capital spending, and the maintenance of three armies were projected to push spending up some 18 percent in real terms. Borrowing, which could be done because the external debt was quite low, would create severe inflationary pressures, the PAAD argued. Hence, U.S. grant assistance for reconstruction and resettlement was justified.

Both the balance of payments and budget deficit arguments appeared justified. Although official Government budgetary data were not available when this report was written, a balance of payments deficit of \$56 million was expected, whereas a 1979/1980 budget deficit of only \$263.4 million was being projected. While the foreign exchange position was worse than expected, the budget deficit was approximately 30 percent lower than projected in the PAAD, largely due to a more rapid economic resurgence. Given the continued need to reconstruct facilities, expand services, and maintain three armies of

65,000 soldiers, the PAAD analysis was sound and continued to be basically correct.

There were a couple of qualifications. Although USAID/Salisbury expected the funds to be disbursed within three months, arguing that they were a critical component for launching the program, they took longer for the Government to actually spend. After six months, only \$8 million of the original \$13 million grant had been used by the Government, for reasons ranging from scarcity of building materials to British insistence that its aid funds be expended by a certain date. However, 90 percent of this initial grant was committed by year's end and total expenditure of the entire \$20 million package was expected to be completed by September 1981.

Another qualification was that Zimbabwe was substantially "under-borrowed." By 1982 the country's foreign debt was expected to fall to less than 5 percent of exports compared to the average debt-service ratio of similar countries of over 12 percent. This was probably due to the conservatism of the country's financial leadership trained in self-sufficiency by the imposition of sanctions, inexperience with international commercial lending procedures, and the availability of donor grant resources. While grant assistance was still valid in the short-term period of reconstruction and resettlement, Zimbabwe's strong economic base might soon make it a more appropriate candidate for loans (see Appendix B).

#### V. THE RELIEF AND RECONSTRUCTION EFFORTS

The relief and reconstruction efforts of the Zimbabwean Government consisted of a myriad of programs executed through a labyrinth of agencies. The ADF, administered through the Ministry of Local Government and the Provincial and District Administrations, had a program for 1980/1981 of \$46 million for repairs of roads, cattle dips, buildings, and water supplies, as well as the purchase of vehicles and equipment. The Department of Agricultural Development (DEVAG) oversaw a \$14 million program of seed and fertilizer packs for refugees, which the Department of Cooperatives and Marketing transported and local party officials distributed. Eight million U.S. dollars for school reconstruction was handled by the Ministry of Local Government and departments of local administration, with parents and private contractors doing the actual construction. The Ministry of Social Services, with oversight by UNHCR, had expended some \$20 million as of October 31, 1980, feeding over three-quarters of a million people.

As could have been expected in the rush of reconstruction, the success of these programs varied. They ranged from the ADF

which was effectively used to put roads and cattle dips back in operation, to the feeding program which in six months increased the numbers fed from 17,000 to 750,000 and which most observers agreed was out of control. It was due to end in April. The team focused on two relief programs: the winter vegetable and summer crop packs; and three reconstruction programs--infrastructure in African areas, schools, and clinics. Together they accounted for about \$19 million of U.S. aid and provided a cross-section of GOZ efforts. (Details on irrigation repairs can be found in Appendix D.)

#### A. The DEVAG Seed Pack Program

The war had caused a sharp decrease in food production in the African TTLs. Due to shortages of seed, tools, and oxen; disruption of marketing channels and extension services; and the confinement of farmers in Protected Villages, crops were neither planted nor harvested. The aim of the seed pack program was to help restart agriculture in the TTLs. The winter vegetable pack sought to give some 70,000 refugees each the means to grow about one kilogram of a variety of vegetables a day for six months. The summer crop pack program distributed 235,000 packs, allowing a family of seven to plant summer crops next season. USAID contributed all the \$1.5 million needed for the vegetable packs and \$3.2 million of the \$12.5 million spent on the crop pack.

The winter vegetable pack was not successful. Although planned for distribution in June 1980 while groundwater was still available from the rainy season, USAID funding only became available in early July. Further delays were caused by the difficulty of purchasing some items in the packet, like steel buckets from South Africa. In many districts the packs were not delivered until after the summer packs had arrived in November. The \$21 packs that did arrive seemed to have been too complicated to use. With 10 varieties of vegetables to be planted in rotation, some of which were not traditionally grown in the areas in which they were distributed; four types of fertilizer and an insecticide; an instruction pamphlet (which this team could not understand); and few extension agents as yet back in the districts, the failure to use the packs was not surprising. Many farmers planted the seeds all at once, with those that were planted out of season dying. Some saved the winter seed for use next year. Clearly, a smaller, less sophisticated, and timelier package would have been more appropriate.

More time was available in the larger summer crop pack program for preparing inputs and training materials, and the pack contained only two to four inputs, usually seed and

fertilizers. The \$51 pack (including transport) was widely available by late November, prior to the heavy rains. The packs, distributed by party officials, were generally used as anticipated though there were reports of packs being split up for use by more people than intended. Training courses seemed to start on time and were well attended, although special material for extension agents only arrived after Christmas in some provinces. (Training funds were highly technically oriented with \$100,000 spent for lamination of materials.) The crops were intensively planted and production levels were likely to reach record levels. Whether this was due to the crop packages and related extension work, farmer desires to build up stock after drought and absence from the land, or a 50-percent increase in maize prices was difficult to determine.

Both packs were distributed throughout the country. The greatest number of vegetable packs went to Mashonaland East, Manicaland, and Mashonaland Central, arguably the best watered provinces. Matabeleland South and Manicaland, with large numbers of refugees, got the most crop packs. Distribution varied with the estimating techniques used by local authorities, and some provinces (Matabeleland South) probably got too many, while others (Victoria) could have used more. For most of those who received the summer pack it may have been of marginal importance, accounting for perhaps 20 percent of production. A visit to Mtoko, north of Salisbury, showed farmers with four to five hectares of planted maize with one-half hectare attributed to the seed pack. Most of the farmers receiving the packs had spent the war in the nearby Protected Village. Many of the farmers receiving the packs were introduced to quality seed, fertilizer, and training for the first time, thus encouraging extension efforts. Given that the commercial costs of these inputs were double what they cost the GOZ, it would require expanded efforts in cooperatives and credit to ensure the sustainability of these initiatives.

To the extent the program worked, it was due to the extraordinary efforts of a small group of experienced DEVAG staff working on the largest program ever attempted by the organization. Considerably understaffed and with inadequate transport, DEVAG ran the program with almost no corruption and fairly equitable distribution by local party officials. AID monitoring of the process, with an even smaller staff, consisted of four or five field visits and contact with Salisbury headquarters of DEVAG. The crippling late funding of the vegetable program was not picked up, nor was there much interaction on key implementation decisions. Time was short, staff was small, the problems were great. Not surprisingly, the program was mixed in its accomplishments (see Appendix C).

## B. African Development Fund

Much of the infrastructure in the African areas was destroyed or damaged during the war. Roads, bridges, water supplies, cattle dips, and Government buildings were targets for destruction. A first tentative estimate of reconstruction requirements in March 1980 put the total cost at \$140 million over five years. The program for 1980/1981 called for spending \$46 million. The ADF, administered by the Ministry of Local Government and its Provincial and District Officials, had traditionally covered the construction of most of the infrastructure in the African areas. The officials now set about the task of reconstruction, giving priority to road construction and water supplies. The United States provided \$5.35 million--\$1.5 million going for roads and bridges, \$1.2 million for vehicles and equipment, \$1.4 million for Government buildings, and the rest for water supplies, cattle dips, and training of personnel. All U.S. funds for vehicles and equipment were untied.

The results during 1980 were impressive. Of an estimated 17,400 kilometers (km) of rural roads and 168 culverts or crossings needing repair, some 3,700 km of road were made passable and 104 crossings reconstructed. Some of these hurriedly repaired roads were subsequently washed out during the heavy rains, requiring further improvement if they were to be passable year-round. Road construction vehicles had suffered heavy losses, and USAID funds went to procure locally available equipment, delivery of which was expected to be completed in May 1981. Some 3,500 water points (including boreholes, dams, and weirs) required reconstruction. About 1,100 were repaired as of October 1980 despite the lack of mobile drilling machines which hampered both the reconstruction efforts and the drilling of new boreholes. A total of 1,032 cattle dips of some 2,700 requiring reconstruction were brought back into operation, not all up to long-term construction standards. Free service was instituted and because of the desire to protect the remaining herd (up to 50 percent of the nation's cattle was lost during the war), much heavier use of the dips was reported.

Funds appeared to have been used in those provinces where war damage was most severe. Fort Victoria, Midlands, Manicaland, and Matabeleland South got the most; the three Mashonaland provinces in the north got the least. AID monitoring of projects on-site did not seem to have occurred. An Inspectorate was recently created in the Ministry at the insistence of the West Germans who had contributed over half of the funds to the ADF. Auditing and procurement procedures were quite thorough. The question of sustainability may yet plague the effort. Shortages of technical staff, materials, and transport were growing; reorganization plans confused the

picture of who had responsibility for maintaining various structures; and headquarters staff labored under a budget for ADF which increased from \$16 to \$64 million. Though these problems might slow the pace, the capacity and momentum were present to effectively complete the tasks (see Appendix E).

### C. Rural Clinic Reconstruction

The reconstruction of rural health clinics was the only part of the AID effort financed by a project grant. The \$2 million Independence Day project aimed at reconstructing 159 damaged clinics and stocking them with drugs, furnishings, and equipment. Between the first disbursement of \$450,000 in May 1980 and the final one requested on November 18, 1980 but not yet received, 110 clinics were restored at a cost of \$16,000 per clinic or a total of \$41.8 million spent. By the time the project was winding up, the original list of 159 clinics closed had been revised upward to 180.

Reconstruction proceeded fairly well with no unexpected problems. Unlike the schools, most of the clinics were not built with self-help labor, perhaps because local residents felt the Government's announced free medical care meant the Government would do the building. The work was done by local builders with generally good results, though complaints were heard of leaking roofs and misconnected pipes. The local Provincial Medical Office of Health (PMOH) was supposed to open each finished clinic after inspecting it. Actual practice ranged widely. At one clinic, the PMOH visited it with the American Ambassador while it was being constructed. A clerk from the PMOH office opened the clinic but did not inspect it, and a health assistant visited it but did not go inside. At the request of the Regional Economic Development Services Office (REDSO) project manager, reports were being prepared on each clinic by someone hired by the Ministry. The three reports already prepared tend toward the moderately descriptive, and it was not clear how the reports would be used. The Nairobi-based USAID project manager made occasional site visits but was not able to visit the project at all between May and October 1980.

Manicaland Province provided an example of how the project worked. There were 16 clinics on the original list, of which two were completely down, six were seriously damaged, and eight minimally damaged. When areas were actually visited, the list of clinics requiring repair was increased to 24. Fourteen of the original 16 and five of the additional eight had resumed operations at the time of the team's visit, but problems existed with staffing, equipment, and supply shortages, and lack of adequate water systems. A member of the team visited

Makumba clinic which had been completely destroyed. It re-opened on January 19, 1981 in an eight-room prefabricated building costing approximately \$24,000.

The 100 patients served daily by the Makumba clinic found a nurse and two nurse's aides, and very little else. The refrigerator did not work because of a lack of kerosene, and therefore there were no vaccines available. There was no water, no beds, no benches, one table, and a limited supply of drugs. The health officer in Fort Victoria blamed a shortage of funds and complained that none of the restored clinics had equipment and that many had received only partial supplies of drugs. Staff shortages were also apparent, and medics from the guerrilla armies were sent in to open clinics. Most of these problems reflected the strain of an inadequate health system trying to serve patients whose numbers had vastly increased since the Government started free medical care for virtually all rural Africans.

#### D. School Reconstruction

The end of the war found nearly two-thirds of the African primary schools either damaged or destroyed. The initial estimate of the cost of reconstruction was \$52 million, while more recent estimates (December 12, 1980) indicated a total of 2,463 primary and secondary schools needing reconstruction requiring \$67 million. In spite of the cost, rebuilding the schools was clearly a top priority of the Government. Most of the African schools that were not damaged had been forced to close by the war, leaving most Zimbabwean children with erratic schooling at best from 1976 to 1979. Added to this was the increased enrollment resulting from the new Government's elimination of school fees. Some \$4 million of AID's program grant was allocated for school reconstruction.

The Ministry of Local Government through its Division of District Administration oversaw the school reconstruction and allocated funds. Estimates were provided by provincial authorities, who then organized the reconstruction program in their areas. Allocations were made to the province on a reimbursement basis according to monthly reports. In most cases, reconstruction was carried out in cooperation with local parent committees organized around each school. Usually the parents provided the labor and much of the building material while the Government supplied roofing, windows, and classroom equipment.

Priorities for reconstruction varied from locality to locality. In some communities the least damaged schools were restored first, in others the most damaged got priority. In some areas all of the damage at a school was restored at once,

while elsewhere resources were spread out in order to meet minimum requirements in as many schools as possible. Generally, the most accessible schools were worked on first; those further from roads were often the last to be repaired.

At schools visited in Victoria Province and Manicaland, organized parent committees oversaw the construction using their own materials as well as those paid for by provincial authorities. Parents contributed funds for the reconstruction as well as their own labor. Schools were generally not fully repaired but were sufficiently restored to open at the beginning of the school year in January 1981. Inspections of the buildings by a local Primary Development Officer or by the Ministry of Education were apparently rarely done. AID involvement was limited to indirect financing through the program grant.

By the end of 1980, over one-half (1,334) of the schools had been worked on and \$7.7 million allocated (including one-half of AID's \$4 million). Despite shortages of building materials, lack of transportation, rainy seasons, and continued dissension in some areas, the program demonstrated impressive achievements. Accounting procedures were thorough and management oversight generally adequate. The enthusiasm of local self-help groups was a major reason for the program's success and stands as a model for future community activities. The problems facing Zimbabwe education were a product of these successes. Soaring enrollment forced most primary schools into double sessions and the Government into a crash teacher-training program. The rebuilt school buildings were immediately overcrowded and inadequate. In light of these problems, perhaps the most important consequence of the school reconstruction lay not so much in the buildings replaced as in the local cooperative foundations created for developing a new educational system.

#### E. Modes of Assistance

The key to the Zimbabwe program's success lay in the manner in which it was delivered. The bulk of the funds was transferred through a Reconstruction Program Grant (RPG) on the basis of which the GOZ put up \$20 million worth of local funds for relief and reconstruction. Although the justification for the program grant was based on balance of payments and GOZ budget needs, the authorization clearly identified AID with the reconstruction activities funded by the local currency equivalent. The program mode was selected for the speed and flexibility it would ensure and the minimal field staff it would require in delivering the aid. These objectives were met.

The flexibility allowed by the program grant was evident in the resettlement and reconstruction programs. The GOZ followed its own financial and administrative procedures and its own priorities in the use of local funds. AID staff discussed the programming of the funds with GOZ officials, and in at least one case of perimeter fencing for villages, suggested that the local currencies not be used where the GOZ preferred. The GOZ had divided the funds it attributed to donors to such a degree that it could tell the evaluation team which schools were reconstructed with U.S. assistance. In general, GOZ officials spoke highly of the simplicity and speed with which the program grant had been delivered and the cooperation they had received from AID officials. Clearly the RPG mode succeeded in providing quick disbursement of the money and in allowing economy of AID staff and flexibility in following GOZ priorities.

Other than in its support for GOZ plans, there did not appear to be much policy influence derived from the program grant. This was because such influence was not sought, nor was there sufficient staff with knowledge about the country to give the Mission a clear idea of where to push policy. There was also a great deal of variability as to what parts of the programming of local funds AID staff would concentrate on. In most areas, such as school reconstruction and housing for agricultural extension workers, there were fairly detailed discussions with GOZ officials as to where and how the funds would be spent.

In such aspects of the aid cycle as the monitoring of implementation, the Mission relied on the GOZ for knowledge of the results. At times during the monitoring, the Mission seemed to feel it was "their [GOZ] money." At the other stages (selecting areas for programming) both GOZ and the Mission accepted the AID role as legitimate and at times determinant. This range of behavior seemed to derive from the shortage of AID staff and the lack of any clear guidance as to the proper degree of AID involvement with the local currency equivalent. When the evaluation team remarked to AID Mission staff that AID oversight of some aspects of reconstruction was not evident, the Mission correctly replied that none was required. It was, of course, equally correct that no AID involvement in programming local funds was required, yet considerable staff time was spent on this.

Greater debate surrounded the implementation of the \$2 million Rural Health Service Project Grant for clinic reconstruction. As detailed in Appendix A, this was not a typical AID project. Many of the project requirements were waived or abbreviated, and a simple project paper (PP) cable replaced the usually lengthy project identification document/project paper (PID/PP) dialogue between AID/Washington and the field. In spite of the efforts to simplify the process, considerably more

staff time was spent in implementing the \$2 million project than went into the \$20 million program grant. Three detailed project implementation letters on AID requirements had to be issued to start the project. Numerous meetings were held with Zimbabwe officials to explain AID procurement, financing, and disbursement procedures. Because of the need for periodic disbursements combined with an inadequate assessment of the ongoing needs of the project, a funding delay resulted. The project mode was used (against Mission recommendation) because AID/Washington had already submitted a congressional notification of a "project." That the project was implemented unusually quickly attests in part to the abbreviated requirements but more to the Herculean efforts expended by REDSO and AID/Salisbury staff.

Clearly the use of both modes of assistance in Zimbabwe was atypical. Completed with extraordinary speed with the barest of staff, the process illustrates that if AID can remove constraints in the project/program cycle it can accelerate implementation. The program grant mode of assistance offers a basis for preparing a flexible, quickly implemented, less management-intensive instrument for development activities elsewhere. A tentative attempt to fashion a new assistance mode is presented at the end of Appendix A. The team believes this would be a step in the right direction. The Zimbabwe experience underlines AID's ability to respond quickly and flexibly in an extraordinary situation. If the right lessons are drawn from this experience, the Agency ought to be able to respond similarly to ordinary development needs as well.

## VI. CONCLUSIONS AND LESSONS LEARNED

AID's assistance to Zimbabwe resulted in rather remarkable achievements in a difficult setting. A competent bureaucracy undertook a massive program of relief and reconstruction in the service of a newly independent African Government. Their programs of restoration generally worked quickly and effectively. AID's own response was equal to the occasion. With a minimum of red tape the Agency acted flexibly and fast. As a result, the United States reaped the political benefits from supporting the new Government and accelerated the rebuilding of a more prosperous and more equitable society.

In an effort of this size there were of course hitches. Reconstruction programs were delayed by staff and equipment shortages. Other programs restored facilities only to find that the increased demand on these services made them instantly inadequate and difficult to sustain. AID's own involvement in the process was apparent at the urban center but muted in the rural periphery. Monitoring was inconsistent, and given the

one-person mission and the lack of requirements in the program grant mode, this was not surprising.

Yet the effort worked. A process of relief, reconstruction, and reconciliation was initiated. A moderate, progressive Government was supported. U.S. objectives were largely realized. If reconstruction is by definition a limited process of restoration, any judgment of this brief period must be tentative. However, U.S. assistance can claim a significant role for what has been accomplished.

#### A. Conclusions

- AID has a range of foreign assistance tools available. The success of the Zimbabwe program should not delude us into thinking that money is all we have to offer. Policy analysis and technical expertise enable us to help shape a political and developmental partnership.
- Both the project and cash grant modes of assistance as structured were appropriate in assuring speed and flexibility for delivery of aid. Given the uncertainty of the GOZ administrative reforms and the change of objectives from reconstruction to development, closer AID involvement in design and oversight would be needed in the future.
- To the extent possible, implementation, monitoring, and evaluation should rest with the GOZ, with AID exercising sufficient oversight to assure the effectiveness of these processes, the achievement of development objectives, and AID's accountability for public funds.
- AID should shape its assistance along lines compatible with GOZ procedures which have proven effective in the past. The abilities of each of its implementing departments should be carefully assessed at the design stage to determine the degree of reliance on host government procedures.

#### B. Lessons Learned

- AID can respond flexibly and quickly when political and developmental priorities are clear and sufficiently important.

- If a high priority is given to foreign assistance as a symbol of U.S. commitment, then this needs to be thought through as carefully as the development objectives. The country team should ensure that a strategy for achieving political benefits from the aid is established and its progress regularly assessed.
  
- The Zimbabwe experience suggests the need for more flexible forms of assistance. The program succeeded in that it was seen as an exceptional case--a clear political priority, competent administration, straightforward program objectives, and the need for speed. Other programs may meet these criteria in part, without the high political visibility of Zimbabwe. They should be allowed to meet the needs of speed and flexibility through appropriate changes designed to simplify current AID procedures.

## APPENDIX A

### THE LEGAL SETTING OF THE AID PROGRAM: PAST ISSUES AND FUTURE PROSPECTS

#### I. BACKGROUND

Urgent post-war reconstruction needs and overriding political goals set the framework for U.S. Government assistance to Zimbabwe. The rehabilitation of rural health clinics, repair of the other war-damaged infrastructure, and provision of crop packs would not only promote the resettlement/reconstruction process but also help establish the new Government's own credibility. Politically, the prompt delivery of assistance would demonstrate strong U.S. support for an independent Government of Zimbabwe (GOZ) and its commitment to a peaceful transition to African rule.

Impelled by these political and humanitarian concerns, AID responded with unaccustomed speed and flexibility. In particular, the Agency took the following steps:

- Drastically abbreviated the documentation process by authorizing, in turn, a \$2 million project grant, a \$13 million program grant, and a \$7 million program amendment, thus accomplishing in weeks what usually takes from 6 to 18 months;
- Eliminated most of the "strings" (such as conditions precedent and tied procurement) normally associated with AID assistance;
- Telescoped the formal negotiation-signing steps into a matter of days, instead of weeks. The fact that the project grant was signed on Independence Day clearly enhanced its political impact;
- Accelerated dollar disbursements (made available to the GOZ essentially as free foreign exchange). Although the three-month dollar advance for the Rural Health Services project proved to be insufficient due to the lead time required for obtaining subsequent payments from the U.S. Disbursing Office in Paris, payment of the advance itself, as well as program grant dollars, occurred soon after obligation. These payments in turn generated local currency funds which were immediately available for the rural health clinics and other reconstruction activities; and

- Facilitated rapid implementation. The absence of conditions precedent and AID approval requirements, as well as general reliance on normal GOZ procedures for procurement and monitoring, removed virtually all donor constraints.

Thus, the Rural Health Service project grant and the Reconstruction/Resettlement program grant, as amended, were characterized by speed (both in AID documentation and obligation) and flexibility (in the grant agreements and in actual implementation).

Clearly, the financing modes as structured contributed to the cited goals. An evaluation of the FY 1980 reconstruction program grant should therefore include a legal review of the "cash transfer" mechanism as it was employed in Zimbabwe. Because the Rural Health project grant and the Reconstruction/Resettlement program grant, as amended, represent two extreme forms of AID programming--authorized, obligated, and implemented under identical circumstances of urgency--they invite comparative analysis. Accordingly, this paper will review legal issues for each grant, prospects for longer range use of "cash transfer" programming, and alternative financing modes.

## II. THE GRANTS

### A. Rural Health Services Project Grant (AID Project No. 613-0201)

The Hicks/Farnham team (February 1980) first recommended, among other activities, a grant to help restore basic health services in rural areas (80 SALISBURY 0487). Although it was unclear at that time how the grant was to be apportioned "between private and government organizations," one point was strongly made: "the agreement will spell out the terms of implementation and reporting, keeping requirements to a minimum and as simple as possible."

A month later the REDSO team endorsed rural health services, but recommended that U.S. assistance take the form of a "program cash grant" rather than a project. The REDSO cable (80 SALISBURY 0700), an "abbreviated project paper," favored concentrating project management in the Ministry of Health (MOH) rather than in private voluntary organizations. It also endorsed strongly the capacity of the MOH to carry out the project.

With respect to procurement procedures, the cable pointed out that GOZ purchasing "is based on the competitive model."

It concluded that the GOZ procurement system "appears to be efficiently run and its procedures are compatible with AID requirements." With respect to U.S. source and origin rules, REDSO recommended waivers to raise the imported shelf item limitation (for drugs, chemicals, and medical equipment) to \$125,000.

Finally, the cable included the required Foreign Assistance Act (FAA), Section 611 certifications, and a negative environmental determination.

The Assistant Administrator for Africa authorized the project on April 7 and the grant agreement was signed on April 18, Zimbabwe's Independence Day. In accordance with the authorization ("Given the nature of the project and the need for expeditious disbursement of funds"), the grant agreement contained no conditions precedent. It did, however, include a covenant by the grantee to provide appropriate publicity.

The source and origin waiver, as set forth in the authorization, departed somewhat from REDSO's recommendation. It permitted Code 935 (Special Free World) procurement of drugs, medical supplies, furnishings, and equipment up to \$175,000 (instead of \$125,000). But the waiver was extended to off-the-shelf procurement: "We anticipate the normal imported shelf item allowance will be sufficient to meet additional requirements under the project. Should it not be sufficient, which would be determined as the project is implemented, we will request a waiver at a subsequent date."

If one compares the Rural Health Services project grant agreement with the standard project grant agreement in AID Handbook 3, Part I, Appendix 9A-2, the several exceptions--all obtained in accordance with AID procedures--become apparent. Table A-1 presents some of the major exceptions.

Clearly, this was not a typical AID project, as the following aspects demonstrate:

- A single project paper cable replaced the lengthy PID/PP dialogue between AID/Washington and the field.
- The only element of the grant agreement requiring intergovernmental negotiation was the "project description," which itself was extremely flexible.
- Management and monitoring rested with the GOZ. Although there was no resident AID staff to provide regular project oversight, REDSO/Nairobi made occasional site visits.

Table A-1. Comparison of Standard and Rural Health Services Project Grant Agreements

| Category             | Standard Project Grant Agreement                            | Rural Health Services Project Grant Agreement                      |
|----------------------|---|--|
| Conditions Precedent | Legal Opinion<br>Specimen Signature                         | Waived   |
| Procurement Source   | U.S. Source and Origin                                      | Waived   |
| Disbursement         | Bank Letter of Commitment or<br>Direct Letter of Commitment | Cash Advance   |
|                      | <u>Standard Provisions Annex</u>                            |  |
| Shipping             | U.S. Shipping Requirements<br>and Cargo Preference          | Treated in Abbreviated Form, see<br>Annex B.A.                     |
| Insurance            | Nondiscrimination Against<br>U.S. Firms                     | Not Specifically Treated; But See<br>Annex A.C.2 and<br>Annex B.A. |

- The dollar grant was untied, and the GOZ had AID's assurance that off-the-shelf procurement limitations would be waived, if necessary.
- Unlimited adjustments among individual budget line items were permitted without amendment.

As a result of the same political and emergency pressures which speeded the documentation process, the project format (adopted simply to avoid resubmission of a congressional notification) imposed no more burden on the GOZ and Mission than the program grant and its amendment. Although a REDSO/Nairobi observer criticized the project format as having impeded speedy response by the Ministry of Health (A. Muski, "Progress on Rural Clinic Reconstruction," November 15, 1980), the funding delay appears to have been caused by the inadequacy of the initial advance and the time required for subsequent payments, rather than the project format.

B. Reconstruction and Resettlement Program Grant, as Amended  
(AID Agreement No. 613-K-601)

U.S. goals were to assist the GOZ in achieving immediate resettlement and rehabilitation goals in a way which would (1) meet immediate human needs while multiplying the impact of the aid on self-reliance, both individual and national; (2) help the GOZ demonstrate its effectiveness in assisting its own people; and (3) clearly identify the United States with the relief effort and peaceful transition being attempted by the GOZ.

To achieve these goals, three criteria for programming were established:

- Address those human needs which people perceive as most urgent
- Focus on activities which have a multiplier effect or lead to self-sufficiency
- Support activities which are ready to be implemented.

After discussing a number of reconstruction activities which met programming criteria, the message concluded with a strong recommendation for program (i.e., "cash transfer"), rather than project, assistance:

In the spirit of doing more with less, a direct grant to GOZ should be seriously considered. This approach also supports the folding of new political leadership with existing civil service technical programs. It should also be the speediest implementation approach and allow the United States Government to focus on joint programming with GOZ.

A Program Assistance Approval Document (PAAD) team recommended a \$13 million program grant. Arguing that Zimbabwe "needs massive assistance on both balance of payments and domestic budget support grounds," the team recommended a resource transfer program to "alleviate both budget deficit and balance of payments constraints to immediate refugee resettlement, rural reconstruction and economic recovery."

The PAAD team urged that the \$13 million program grant be disbursed in one tranche, with the GOZ depositing an equivalent amount of Zimbabwean dollars into a Special Account. The local currency would be allocated on the basis of U.S.\$5.5 million for the resettlement program (e.g., summer and winter crop packs and related training) and U.S.\$7.5 million for the physical reconstruction program (including dip tanks, water

supplies, roads and bridges, and schools). The GOZ Treasury would administer the Special Account in accordance with its own financial and administrative procedures "which the PAAD team considers satisfactory," and the GOZ would itself determine timing and amount of financing for the various reconstruction and resettlement activities.

Having reviewed GOZ planning and implementation capability, the PAAD team was "fully satisfied L/C [local currency] will be effectively used for high priority resettlement/reconstruction needs." Elsewhere it opined that "a continual high degree of capability remains in all GOZ ministries involved to plan and implement these programs." AID was to monitor the progress of reconstruction and resettlement activities through quarterly GOZ reports and to retain full audit and inspection rights. Specific arrangements for suitable publicity were to be made on an ad hoc basis as the program developed.

On June 26, 1980, the AID Administrator authorized the original program grant in the amount of \$13 million. Although the justification was based on "balance of payments and GOZ budget needs," the authorization document clearly identified AID with the reconstruction and resettlement activities to be funded by the local currency equivalent.

The \$13 million program grant agreement was signed by the two Governments on July 10, 1980. It followed the essential lines advocated by the PAAD team: a single disbursement of untied U.S. dollars (upon GOZ request); a Special Account for equivalent local currency (computed at "the highest rate of exchange which is not unlawful on the date of dollar disbursement"); a description of reconstruction and resettlement activities to be financed under the Special Account; adoption of the GOZ's disbursement procedure (within a one-year period for disbursement); and quarterly GOZ reporting requirements, plus a final report that was to include achievements and an estimate of the number of individuals or families assisted.

In addition, the GOZ agreed to several modest undertakings of its own:

- To hold the agreement and funds granted thereunder "free from any taxation or fees imposed under any laws in effect in Zimbabwe"
- To refrain from using grant funds, including the Special Account, to finance military or luxury items
- To maintain financial records "relating to the utilization of funds granted by AID and the funds deposited into the Special Account" for at least three years and to make them available to AID representatives for "examination and inspection"

- To provide appropriate publicity with respect to the grant and activities carried out with Special Account funds
- To provide AID with specimen signatures of its representatives.

The "Program Description" (Annex A to the agreement) identified in general terms the resettlement and reconstruction activities eligible for grant funding. It also accorded to the grantee the right to allocate Special Account funds "within the various activities in each general category." AID concurrence was required to use the Special Account for "programs and activities in areas other than those described...."

On September 11, 1980 the AID Administrator authorized a \$7 million amendment, increasing the FY 1980 program grant to \$20 million. Additional reconstruction activities (such as the purchase of locally produced farm and construction equipment and reconstruction of mission schools and clinics) were added to the list of eligible uses. The amendment was signed by both Governments on September 15, 1980. It was a simple one-page document which merely updated the original to account for the additional funds. It added no conditions or covenants.

The program grant is fully disbursed on the U.S. dollar side and largely disbursed on the local currency side. Although the evaluation has addressed performance and impact deficiencies in the field, it is fair to say that the cash transfer mechanism avoided constraints on GOZ implementation.

### III. LEGAL SUFFICIENCY

Notwithstanding the documentation shortcuts, obligation haste, and implementation freedom, there is no doubt that both the project grant and the program cash transfer grant were legally sufficient. The FAA, Section 531, authorizes Economic Support Fund (ESF) assistance "to countries and organizations, on such terms and conditions as...to promote economic or political stability."

Section 533 authorizes funds "for the countries of Southern Africa and for a Southern Africa regional refugee support, training, and economic planning program to address the problems caused by the economic dislocation resulting from the conflict in that region and for education and job training assistance." The section further provided that:

Such funds may be used to provide humanitarian assistance to African refugees and persons displaced by

war and internal strife in Southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide support to countries in that region.

Reflecting legal participation and clearance at every step of the authorization-obligation process, the two grants appear to have been administratively as well as legally sound. Waiver of U.S. source and origin requirements under the project grant was conferred in the authorization. Similarly, the absence of CPs derived from the authorization, which imposed no such conditions. In the program grant, as amended, much of the flexibility was automatic, deriving from the generally unrestricted nature of the cash transfer.

Finally, in reviewing legal sufficiency, one must take into account the exceptional nature of the justifications. Overriding political and emergency conditions largely accounted for the speed and flexibility of both grants. The fact that the two agreements could be authorized, obligated, and implemented in so short a time span is not only a tribute to dedicated AID officers, but a prime example of how AID regulations can be adjusted, when necessary, to meet emergency conditions. Since the "overriding political and emergency" case in Zimbabwe is likely to fade over time, it may be useful to consider various options for future AID programming.

#### IV. FUTURE ASSISTANCE

In Zimbabwe, the need for speed and flexibility in AID programming stems from the relatively large ESF assistance level; USAID and Embassy preference for a small USAID presence; planning, management, and monitoring capability in the GOZ; and a need to achieve maximum political impact. A consideration of alternative financing modes may be equally relevant in other AID-recipient countries, such as Egypt, where the sheer size of the program precludes normal AID monitoring, or India, where a sophisticated bureaucracy resents AID hand-holding. With increased efforts to do "more with less," the Agency in general needs to consider its programming options--both existing and new.

##### A. Existing Assistance Modes

AID assistance to host governments is either project or non-project. Several programmatic forms may be used to provide non-project assistance (other than food assistance): Sector Assistance, Commodity Import Program (CIP), and Cash Transfer.

In terms of the degree of required AID control and monitoring, the various assistance modes may be viewed along a continuum as follows:

| More AID Control<br>and Monitoring |                   |     | Less AID Control<br>and Monitoring |
|------------------------------------|-------------------|-----|------------------------------------|
| Project Assistance                 | Sector Assistance | CIP | Cash Transfer                      |

### 1. Project Assistance

The Zimbabwe Rural Health Services project grant shows that projects can be as speedy and flexible as cash transfers. But it can take a Herculean effort to obtain the necessary waivers, authorities, and AID/Washington review priority, even for ESF. As noted above, a quick unencumbered project is not the norm.

AID Handbook 3 governs project assistance. Since projects identify AID with "a finite result directly related to a discrete development problem," the documentation process which defines and justifies AID's proposed intervention is both lengthy and thorough. As the Handbook frankly admits, "even streamlined, the process is not for emergencies and short-term needs," (Handbook 3, Ch. 2D). Fifteen months or more are required for "sound planning and budgetary processes." (See table at Handbook 3, pp. 2-3 for major steps in the AID documentation process.)

Because projects associate AID with specific developmental activities, they tend to attract more of the legislative and administrative mandates (e.g., FAA, Sections 611 and 620; cost-benefit analysis, and women in development) than other forms of assistance.

Despite a general policy preference for using the project documentation system applicable to Development Assistance, Handbook 3 (Ch. 6B.1) recognizes that "there are numerous factors including political considerations, timing, etc., which are overriding in the case of Supporting Assistance funds which may not permit the appropriate Geographic Bureau to satisfy the basic documentation requirements." In such cases, "the PID or other justification in writing to the sponsoring Bureau and PPC [the Bureau for Program and Policy Coordination] should indicate what deviations are necessary."

## 2. Sector Assistance

AID handbook guidance on sector assistance is largely nonexistent. The category seems to fall somewhere in the netherland between project and non-project aid. Nevertheless, AID Handbook 1, Part V-1 unequivocally asserts that "project and sector assistance are currently the preferred modes of Agency activity" (emphasis added). The policy statement continues with definitions of "project" and "sector" aid:

Both can provide materials, training, advice, and research, but project aid supports a more discrete activity than sector assistance. Aid to a specific number of interrelated activities within a particular LDC [lesser developed country] sector should be treated as project assistance; and if these activities are separately identifiable and sufficiently large to make separate consideration of them worthwhile, each should be treated as a separate project. If, however, in consideration of certain LDC commitments, the aid is made primarily to increase total resources devoted to a sector, it should be treated as non-project assistance.

Sector assistance can take either project or non-project form. Handbook 4, Ch. 1C provides that "sector assistance is designed, programmed, and approved as project assistance in accordance with procedures described in Handbook 3." Thus where AID's primary focus is on particular activities in a sector, Handbook 3 documentation and rules apply. Where sector assistance includes significant commodity imports, however, non-project commodity financing procedures are prescribed.

Despite the lack of guidance (or perhaps because of it), sector assistance has taken various forms in AID. Under the Latin America model, the goal was policy reform in the sector. AID directly or indirectly supplemented the sectoral budget, but did not identify with specific activities. Another type of sectoral assistance focused on the expanded sector budget and tried to influence the mix of activities financed thereunder without involving AID in those activities. A third model for sector assistance called for AID participation in the activities themselves, but only in the context of larger sectoral goals.

Since speed and flexibility will largely depend upon whether project or non-project rules are applied, it is important that a Mission wishing to achieve fast results with minimum constraints should seek a determination that its proposal is non-project assistance. Alternatively it may wish to seek general exceptions. Handbook 3, Ch. 6A offers a procedure to

obtain exceptions to general project system requirements (an "entire class of projects may be submitted by PPC with appropriate clearances to the Deputy Administrator for approval"). And as noted above, "political considerations are sometimes overriding determinants in regard to the programmatic form of assistance" (Handbook 4, Ch. 2B).

### 3. Commodity Import Programs (CIP)

According to Handbook 1, Part V-1, CIP or "program" assistance was formerly used "when the LDC's primary need was for U.S. commodities to maintain or increase overall economic activities and when the LDC's economic policies were judged sound." It is now used "primarily for emergency (or near emergency) balance of payments or budget support, often justified on political/security grounds, or to focus aid on a particular sector requiring commodity inputs."

The CIP provides dollar exchange for the importation of "specific categories of commodities under grant or loan agreements" (Handbook 4, Ch. 1B.1). Thus, commodities needed for development may be acquired without increasing balance of payments deficits. Under the FAA, Section 609, host governments which receive grant CIP must establish a special account for deposit of the local currency equivalent of sale proceeds. The special account funds may then be jointly programmed by the two governments. Since the local currency is owned by the host government, AID controls--beyond program approval--are virtually nil. U.S. commercial interests are largely met through the tied procurement of dollar-funded commodities.

### 4. Cash Transfer

Cash Transfer is defined as "a form of non-project assistance used to purchase local currency for budget support or to provide balance of payments support on an emergency basis when the particular AID purpose cannot be accomplished through other instruments" (Handbook 4, Ch. 1B.3). Funds may be released to a cooperating government "in the absence of, or in advance of, requirements for documentation evidencing actual use of the funds" (Handbook 4, Ch. 8A). AID documentation for cash transfer generally follows the requirements for non-project assistance (Handbook 4, Chs. 2 and 3).

Although cash transfer is clearly the speediest and most flexible AID instrument, it is also, under current AID policy, the hardest to justify. It is regarded as a last resort--a financing mode which may only be used to meet emergency or U.S.

political needs which cannot be met by other forms of assistance.

Significantly, the sections in AID Handbook 4 on "Dollar Financing of Local Costs" (Ch. 6) and "Evaluation of Non-project Assistance" (Ch. 9) are "reserved."

Some conclusions may be drawn from the above survey of existing assistance modes:

- If speed and flexibility are important (recognizing that they may not always be) the project track should be avoided.
- A non-project format may be acceptable (even where political and emergency arguments are lacking) if the Mission can make a good case for it. Although a major fault of the AID handbooks is their failure to articulate meaningful criteria for using the non-project format, a valid case for such use could be made on the following grounds:
  - Host country development plans and budgets are worthy of support
  - Activities to be financed are technically sound
  - Host country procurement, monitoring, and evaluation systems in the areas to be assisted are trustworthy
  - Host country administration, in the areas to be assisted, is competent and reliable
  - Host country and/or U.S. Mission wish to avoid buildup of AID staff
  - AID assistance level is relatively large, either in absolute terms or vis-a-vis current USAID staff.

On the basis of current guidance, a Mission's "burden of proof" is probably less for ESF countries than for development assistance countries (Handbook 1, Ch. 6B.1). In an ESF program, one starts out with at least a measure of political push.

- Sector assistance would seem to offer the greatest room for programmatic innovation, if only because there is so little guidance. The very absence of handbook standards, however, tends to create bureaucratic inertia, if not paralysis.

- A grant CIP approach may be appropriate if (1) the host country can absorb U.S. imports and (2) the generation of local currency counterpart (deposited into a Special Account) will occur fast enough to permit prompt joint programming of funds for development activities. Since U.S. commercial interests are satisfied by the tied nature of the U.S. dollar-financed commodities, and since the local currency counterpart is host government-owned, there are virtually no donor strings beyond joint programming and reporting.
- For both project and sector assistance, U.S. source and origin requirements are sticky. The Mission must either seek case-by-case procurement waivers under Handbook 1, Sup. B., Ch. 5 (as was done in the Rural Health Clinic Services project) or obtain authorization to provide dollar financing of local costs (in effect what was done in the Reconstruction/Resettlement program). The latter course is much simpler, but it may need to be supplemented with a partial waiver of the shelf item limitation (which then requires certain host country and USAID monitoring) (see Handbook 1, Sup. B, Ch. 18).
- Although the degree of legally required U.S. oversight is automatically less for cash transfer and CIP, sector and even project assistance may be so designed and authorized as to vest substantially all activity management, monitoring, evaluation, and reporting in host government agencies. In other words, USAID intervention in AID-financed activities may be reduced to general oversight if the host country's responsibilities are clearly established in the authorization and obligation documents.
- The question of whether to include audit rights should depend on the extent to which AID identifies with particular development activities, as opposed to budget support to a sector.
- Cash advances, as evident from delays experienced in the Rural Health Services project, should be adequate to cover the time required to process subsequent payment requests through the appropriate USDO.
- For any of the programmatic formats, a Mission should exercise prudence in framing any CPs and covenants. The tendency is to press for more than is realistic to expect and then to regret it after signing the agreement.

All of this suggests that despite the inadequacies of AID's handbook guidance (especially with respect to non-project forms of assistance), most of the documentation difficulties and implementation delays experienced by USAID are self-inflicted. To put it more positively, Missions could obtain faster AID/Washington approvals and greater implementing flexibility through a more careful articulation of their programmatic concerns. What is often needed is simply a strategy, based on both givens and goals (e.g., small staff, host-country capability in a given sector, importance--political or otherwise--of rapid provision of resources). In other words, even under existing assistance modes, a creative and persuasive USAID Director can improve the odds for achieving speed and flexibility.

#### B. New Assistance Modes

As suggested above, AID policy as expressed in the handbooks is inadequate to cover existing assistance modes (especially sector assistance). Beyond this, one may argue that AID's modes themselves have become, for some countries' programs, obsolete. In many AID-recipient countries (e.g., Egypt and India as well as Zimbabwe) both project and existing non-project formats are to some extent inappropriate. Projects tend to bog down in time-consuming documentation and incur heavy staff costs; while non-project assistance, in the forms discussed above, must overcome a heavy burden of proof at headquarters.

AID's current assistance modes are products of the last two decades. While they are still workable around the globe, they are ill-fitting garments in some countries--especially those receiving the largest amounts of AID funds. If AID were to remove its stated policy preferences for project and sector assistance, new forms could be devised to balance U.S. interests with modern diplomatic, staffing, and funding realities. Although legislative reforms would be desirable in the process, they are not indispensable.

For example, a new assistance mode (call it "comprehensive assistance") could be made available to any country program above a certain level (say \$50 million). Here is how it would work:

- Documentation. Once a Mission established its eligible assistance level, it would employ "comprehensive assistance." A single "Request for Authorization" document would justify such assistance on the grounds of macroeconomic need, U.S. political interests, developmental merit of activities (in one or more

sectors) to be funded, and host country administrative capability. It would also contain a section on U.S. economic interests to be served. To the extent that U.S. procurement was not contemplated for the activities funded, the host country would be expected to make equivalent U.S. procurements during its first fiscal year after receiving the assistance. Additivity would be established by using the previous fiscal year trade figures as a base.

- Obligation. Except for possible funding amendments, there would only be one formal obligation ("comprehensive agreement") for a country in a fiscal year. The agreement would specify engineering, financial, and other plans in sufficient detail to satisfy FAA, Section 611, but would leave more detailed "activity descriptions" for separate "project agreements" (which would require AID/Washington approval only where Mission staffs lacked professional or technical expertise).
- Implementation. Normally AID would not involve itself in day-to-day activity management. Unless they were deemed deficient at the outset, the host country's own procedures would be used for procurement and monitoring. Because AID's source and origin rules would be applied to the country's annual trade balance with the United States, rather than to goods and services procured for AID-financed activities, a major implementation constraint would be removed. Freed from the burdens of "host country contracting," USAID Directors and their staffs could concentrate on (1) policy discussions (at either the macro or sector levels), (2) activity design assistance (in LDCs which want it), and (3) evaluation.

The first and last of these functions are perhaps the most important. AID would begin to look at its programs more realistically in terms of overall host government problems and performance (and in greater coordination with other donors). It would also spend more time reviewing and learning from the field activities it finances. This itself would not only enhance the Agency's professional skills (allowing it to make a greater intellectual contribution in its policy discussions with the LDCs), it would also improve AID's standing and credibility with the Congress.

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## APPENDIX B

### MACROECONOMIC JUSTIFICATION

#### I. INTRODUCTION

The macroeconomic justification for program assistance was briefly summarized in the three-page Program Assistance Approval Document (PAAD) approved by AID/Washington on June 27, 1980.

The economic analysis argued that the Government of Zimbabwe (GOZ) needed massive assistance on both balance of payments and domestic budget support grounds and concluded that "the proposed U.S.\$13 million assistance package (later augmented to \$20 million) is clearly needed and needed quickly. It is, however, equally clear that it is an inadequate amount relative to the short-term needs of Zimbabwe."

In essence, the economic justification for the PAAD rested on the following points:

- The Zimbabwe balance of payments had been in deficit since 1979, and the deficit was expected to grow from U.S.\$46 million in 1979 to U.S.\$109 million in 1980 and U.S.\$225 million in 1981. Foreign exchange reserves amounted to less than three months of coverage at projected 1980 rates of import, and the level was unacceptably low. The debt service ratio was estimated at roughly 10 percent of the value of exports. It was argued that the country's poor foreign exchange position "will undoubtedly be a major restraint on the pace and recovery of development of the Zimbabwe economy."
- A general downturn in the economy since 1974 had reduced Government revenues in 1979/1980 to only 86 percent of 1976/1977 revenues in real terms. Government expenditures, fueled by defense requirements, grew by 32 percent in real terms during the same period. The overall budget deficit in 1979/1980 was estimated at U.S.\$702 million (Z\$439 million) and a U.S.\$1,040 million (Z\$650 million) deficit was forecast for 1980/1981. Since 70 percent of Government revenues are derived from income and sales taxes, growth of revenues is closely linked to overall economic performance. A 4-percent real growth in GDP (plus 2 percent inflation) was forecast for 1980/1981 with concomitant increases in Government revenues. Government expenditures were expected to rise

30 percent (18 percent in real terms) in 1980/1981 due to costs associated with resettlement and reconstruction, increased social services for Blacks, and capital expenditures postponed during the war years. In addition, no peacetime dividend was expected since the cost of maintaining three armies equalled the previous regime's total costs of financing a single army during an active war.

The analysis argues that the budget deficit should not be financed from accelerated Government domestic borrowing.

Uncovered gross public debt amounted to U.S.\$2,392 million (Z\$1,495 million) in 1979 of which 80 percent was domestically financed. If the budget deficit were financed by borrowing, the analysis argued, by mid-1981 total Government debt would approach a level equal to total GDP. While domestic banks were relatively liquid and interest rates low (approximately 4 percent), it was argued that increased Government borrowing would compete with expected increases in post-war private borrowing to replace run-down capital and would create severe inflationary pressures. The PAAD economic analysis did however note that the GOZ external debt was quite low and that the debt-service ratio would fall sharply from its 10-percent level from 1982 onwards, leaving some room for medium-term international commercial and concessional donor loans without unduly draining export earnings for debt serving. The PAAD analysis argued that AID grant assistance should be provided to assist the Reconstruction and Resettlement program. The rationale for AID grant rather than loan assistance was not discussed explicitly in the PAAD economic analysis.

## II. DISCUSSION

The GOZ request for donor assistance for reconstruction and resettlement totaled Z\$161 million (U.S.\$257 million) and Z\$92 million (U.S.\$147 million) respectively. AID assistance included in the PAAD totaled U.S.\$11.94 million for reconstruction and U.S.\$8.06 for resettlement of refugees. Total donor commitments received to date are U.S.\$67.2 million (Z\$42 million) for reconstruction and U.S.\$48 million (Z\$30 million) for resettlement. Thus, the PAAD has provided approximately 17 percent of the donor assistance committed to date, though a much higher percentage of actual disbursements. An assessment of the accuracy of the PAAD economic analysis and justification is extremely difficult to carry out only six to seven months after the analysis was prepared. Neither official calendar year 1980 balance of payments data nor official financial year 1980/1981 Government budgetary data are yet available. Thus, the comments below are of necessity impressionistic and/or based on unofficial Government estimates.

## A. Balance of Payments

Recent unofficial GOZ balance of payments estimates project a somewhat higher deficit in 1980 (Z\$93.3 million vs. Z\$68 million in the PAAD) and a substantially lower deficit in 1981 (Z\$95.2 million vs. Z\$141 million in the PAAD). Given the enormity of the deficit, it is difficult to argue that AID foreign exchange resources were not required. The AID-provided foreign exchange was clearly needed, and indeed additional funds would have been welcomed and useful had they been available.

However, a closer look at the balance of payments situation raises questions about the continued need for AID balance of payments support, at least grant support, over the longer term for less urgent programs. The GOZ balance of payments problems may not be as severe as described in the PAAD analysis.

A number of sources have indicated that the GOZ is substantially "under-borrowed" in international terms. Foreign borrowing has been light and short-term in nature. By 1982, the country's foreign debt should have fallen to less than 5 percent of the value of projected exports. This compares to an average debt-service ratio for middle- and low-income countries of 13.8 percent and 11.9 percent, respectively.<sup>1</sup> The country's financial managers are extremely conservative due to a history of financial self-sufficiency (by necessity) since Independence, inexperience with international commercial lending procedures and, almost certainly, the anticipated availability of substantial donor grant resources. Although Zimbabwe's short history of political stability might conceivably give pause to potential international commercial sources of loan funds, Zimbabwe's economic base is much stronger than many LDC countries that have received economic commercial loans (e.g., Bolivia, Zaire) and commercial lenders are presently knocking on Zimbabwe's door.

While AID grant assistance was certainly appropriate to meet emerging humanitarian objectives during the period of resettlement and reconstruction, grant terms may not be appropriate for future AID assistance.

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<sup>1</sup>World Bank, World Development Report 1980 (Washington, D.C.: IBRD, 1980).

## B. Budgetary Support

The PAAD economic analysis projected a major Government budget deficit of Z\$439 million for 1979/1980, rising to Z\$650 million in 1980/1981. More recent estimates place the 1980/1981 deficit approximately 30 percent lower, at Z\$460 million. The difference is largely due to a more rapid economic resurgence than projected. Real GDP growth in 1979/1980 is now placed at 10 percent, substantially higher than the 4 percent projected in the PAAD. Government revenues have risen accordingly.

Despite this rapid growth in GDP (which should continue for at least the next three to four years), the Government deficit will remain very high in part because the GOZ is attempting to finance both guns and butter. Demobilization of freedom fighters and integration of the country's three armies has proceeded more slowly than anticipated, and 65,000 soldiers receive a minimum salary of U.S.\$160 per month (Z\$100). Meanwhile the legitimacy of the new majority Government rests on its ability to rapidly resettle freedom fighters and refugees, reconstruct facilities destroyed during the war, and expand social and economic services to meet the expectations of the heretofore neglected Black majority. Government financial managers face an unenviable task. Over the short-term, large-scale donor assistance is justified, although as discussed above a greater portion of the budget deficit can be financed by international commercial borrowing. Over the medium- to long-term, however, donors including AID should look more closely at the internal dynamics of the Government budget decision-making process. Like other AID recipients, the level of AID assistance should reflect the degree to which the GOZ recognizes major budgetary constraints and makes decisions which lead toward eventual budgetary self-sufficiency--a goal within the grasp of a country with the abundant economic resources and strong economic base of Zimbabwe.

## III. EXPENDITURES

One means to evaluate the need for the rapid and flexible AID assistance described in the PAAD is to measure how quickly the funds were actually expended. A Salisbury cable stated that the U.S. contribution was a "critical component in launching first quarter of planned one-year program and it is needed by GOZ now repeat now." It continued that the "L/C [local currency] is expected to be fully and quickly committed against purchase orders and substantially disbursed within three months of Agreement." The Grant Agreement was signed on July 8, 1980.

Table B-1 provides the most recent data available on GOZ expenditures of local currency. Expenditure data are available through December 31, 1980 for most activities. GOZ quarterly reports should be presented to USAID/Zimbabwe within 60 days of the end of each quarter. This evaluation was carried out prior to the deadline for the October-December quarterly report. It should be stressed that the expenditure column indicates actual rather than accrued expenditures. Probably 90 percent of the U.S.\$13 million obligated in July was committed by Purchase Order by December 31, 1980. Accrued expenditures for the September tranche of U.S.\$7 million are much less certain.

Table B-1 shows that expenditure of AID funds was rapid for most activities, although not as rapid as predicted in the PAAD justification. As discussed more explicitly in Section IV of this report, delays were often due to the absence or scarcity of building materials, transportation, or local contractors. Actual expenditures of funds allocated for equipment procurement (road maintenance equipment, transport for provincial schools) were delayed because of long lead times (six to seven months) for delivery from the supplier. Expenditure of U.S. funds on schools was delayed initially for purely bureaucratic reasons. The United Kingdom required that its funds for school reconstruction be expended by March 30, 1981. Therefore, the Ministry of Finance allocated all U.K. funds to the Ministry of Local Government prior to any allocation of U.S. money.

In general, while delays have occurred in certain instances, the AID contribution for reconstruction and resettlement has been used quickly, giving credence to the PAAD argument for urgency in the provision of U.S. assistance.

#### IV. CONCLUSION

Although hindsight shows that the PAAD economic analysis was marginally more pessimistic than need be about GOZ balance of payments and budgetary performance, the PAAD analysis ap-

Table B-1. Project Allocations and Expenditures

| Activity  | Allocated<br>(U.S.\$ '000,000) | GOZ Expenditures<br>as of 12/31/80*<br>(U.S.\$ '000,000) |
|---|--------------------------------|--|
| <u>U.S.\$13 million</u>                         |                                |  |
| (Agreement signed July 10, 1980)                |                                |  |
| 1. Reconstruction (\$7.5 million)               |                                |  |
| Irrigation                                      | \$1.00                         | \$ 0.552   |
| Roads   | 1.50                           | 0.276  |
| Schools   | 4.00                           | 2.000  |
| Water Supplies                                  | 0.50                           | 0.073  |
| Dips  | <u>0.50</u>                    | <u>0.204</u>   |
|   | \$7.50                         | \$3.105  |
| 2. Resettlement of Refugees<br>(\$5.5 million)  |                                |  |
| Winter Vegetable Pack                           | \$1.50                         | \$1.50   |
| Summer Crop Pack                                | 3.20                           | 2.94   |
| Training  | <u>0.80</u>                    | <u>0.56</u>  |
|   | \$5.50                         | \$5.00   |
| <u>U.S.\$7 million</u>                          |                                |  |
| (Agreement signed Sept. 15, 1980)               |                                |  |
| 1. Reconstruction (\$4.44 million)              |                                |  |
| Road Construction Equipment                     | \$1.20                         | \$0.438  |
| Building  | 1.40                           | 0.600  |
| Transport for Provincial<br>Schools             | 0.25                           | -  |
| Mission Schools                                 | 0.95                           | 0.86   |
| Mission Clinics and Hospitals                   | <u>0.64</u>                    | <u>0.16</u>  |
|   | \$4.44                         | \$2.058  |
| 2. Resettlement of Refugees<br>(\$2.56 million) |                                |  |
| Feeding Program                                 | \$2.00                         | \$2.00   |
| Construction of Training<br>Buildings           | <u>0.56</u>                    | <u>0.27</u>  |
|   | \$2.56                         | \$2.27   |
|   |                                | Total \$12.433   |

\*Figures provided by implementing Ministries.

## APPENDIX C

### RELIEF AND REHABILITATION IN AGRICULTURE: THE DEVAG CROP PACK PROGRAM

#### I. BACKGROUND

##### A. The Problem Addressed and Description of Activity

During the war, food production in the Tribal Trust Lands (TTL) decreased due to shortages of seed, tools, and oxen; disruption of marketing channels; and the absence of extension officers. Approximately 30 percent of the peasant livestock herd (a million cattle) died as animal health programs collapsed. Droughts occurred in much of the country during the two years prior to Independence. Even before Independence, the Department of Agricultural Development (DEVAG) began to plan activities to resuscitate peasant agriculture and assist returning refugees to become self-sufficient as soon as possible. A seven-point program was drawn up:

- Winter Vegetable Package
- Summer Crop Package
- Agricultural Implement Package
- Tillage Package
- Animal Husbandry Program (later dropped due to lack of interest)
- Irrigation Revitalization Program
- Training Program

The winter vegetable package had been implemented in one district on a pilot basis over the previous two years. A facsimile of the summer crop package had been implemented by the Muzorewa regime in limited areas of the country (30,000 packs) during the 1979/1980 drought. DEVAG officers had also been providing training and extension advice to farmers in the TTLs and African Purchase Areas for over 30 years, but the magnitude of the proposed U.S.\$25 million program was far greater than any previous DEVAG experience.

The packages are briefly described below.

- The Winter Vegetable Package: (U.S.\$1.5 million).  
The object was to give some 70,000 refugees, who had access to water in the dry season, a package to grow vegetables in both winter and summer which would allow them to harvest about one kilogram (kg) of vegetables a day for a period of six months after planting. The vegetables included cabbage, onions, carrots, okra, pumpkin, squash, tomatoes, and beans. All these varieties will grow in the low, warmer areas of Zimbabwe.
  
- Summer Crop Package: (U.S.\$12.5 million). This was by far the largest and most costly of the six packages. Each pack contained sufficient inputs which, when planted on 0.5 hectare (ha), should produce sufficient food to feed an average family of seven for one year and allow sufficient seed to plant next season (except for maize which is grown entirely from hybrid seed). There were a total of 235,000 packs (maize, sorghum, bullrush millet, groundnuts, and cotton), and at one per family, on average, some 1.5 million people would benefit.
  
- Agricultural Implements Package: (U.S.\$3 million). Refugees who were away during the war and people in Protected Villages lost their farming implements. This package was designed to provide peasants with tools to use to grow their crops. Each recipient of a summer crop pack received a hoe (badza), and about one-third of them received a handle for the hoe as well. It was not possible to give everyone a handle because the two local manufacturers were unable to supply enough in time for the planting season. Handles were distributed in those parts of Zimbabwe with the worst timber shortages. Some 70,000 sickles were also distributed with the winter vegetable package and could be used to cut thatching grass and to harvest sorghum and millet. Because of the shortage of draft animals, ox-drawn items were distributed to DEVAG staff in proportion to the number of summer crop packs in the areas. These implements were lent free to refugees who were expected to return them promptly so that as many people as possible could make use of them. They included plows, cultivators, harrows, ripper tines, and mattocks.
  
- Tillage Package: (U.S.\$4 million). In many parts of the country, especially in a belt stretching from north of Mtoko down to the Sabi Valley, there were serious livestock deaths. These deaths were generally due to tick-borne diseases which became extremely prevalent due to the cessation of dipping during the war. In some areas up to 60 percent of the working

oxen died. To prepare land in the better rainfall areas, a fleet of 90 tractors was to be used. Each tractor would be equipped with a trailer, plow, and ripper/subsoiler. Tractors would work in teams of five, and each team would have a hoist, fuel, and spare parts. After plowing and subsoiling, the tractor units would be available for haulage in the rural areas.

- Irrigation Revitalization Package: (U.S.\$625,000). A number of irrigation schemes were abandoned during the war. Most of these were in Matabeleland South Province along the border with Botswana. In order to get these schemes back into production, a number of tractor units, similar to those in the tillage package, were to be utilized. Twenty such tractor units with similar equipment were to be made available for cultivation and haulage. A portion of the available funds would be used to pay water rates until the refugees had harvested crops and could make some money for themselves.
- Training Package: (U.S.\$3 million). Extension officers had to be trained themselves before they could train refugees. Each of the 1,000 extension assistants involved would be supplied with teaching aids, including teacher's notes for each of the crops. Training was divided into four sections: (1) land preparation, (2) planting, (3) crop care and weed control, and (4) harvest and grain storage. Each section takes one day. Once in the field, the task of the extension officers was to train the refugees to feed themselves. Each refugee attending a course would receive a simple set of instructions on each of the four aspects. These would be in the vernacular and would use well-understood units of measurement such as the standard school ruler, finger lengths, etc. A total of 650 simple training centers would be established in areas with the greatest concentrations of refugees.

Two additional "packages" were added to the initial DEVAG program. An irrigation reconstruction program was implemented by DEVAG staff. This program (U.S.\$1.0 million) was totally funded by USAID and is discussed separately (see Appendix D).

A second program (U.S.\$560,000) to construct housing and distribution points for DEVAG extension agents near their work areas was also totally funded by USAID. Two-hundred eighteen prefabricated buildings were to be erected. The buildings would be dual-purpose providing storage space for inputs and housing for extension agents.

These programs were designed to benefit refugees returning to their homeland. A refugee was defined as follows:

- A person who had left the country due to the war and (1) returned officially via UNHCR, (2) arrived at a transit point, or (3) just crossed the border and walked home.
- A person who was in a Protected or Consolidated Village and who subsequently returned to his old home.
- A person who, because of the war, moved into a town or city and resided in a squatter camp. Such a person could have returned via the Department of Social Services or through his own efforts by bus, bicycle, or on foot.

B. AID and Other Donor Funding

Table C-1 provides data on AID and other donor funding for the agricultural relief and rehabilitation program. It should be noted that additional USAID funds for continuation of the irrigation reconstruction and training programs have been allocated from the second AID program grant (signed January 1981).

C. Planning and Implementation Procedures

1. Winter Pack

Vegetable packs were to be distributed to refugees with land (their own land or family land) in areas with sufficient water for dry-season production. The process of estimating the number of qualified refugees began in April 1980. Unfortunately, not UNHCR, the Department of Social Services, nor party officials at the provincial level could quickly estimate the number of refugees qualified for the program. In most provinces, DEVAG provincial staff had to make educated guesses based on partial information supplied from the various sources. These "bids" by provinces were then cut by the DEVAG central staff to equal the total number of packs available. Provincial staff then cut district estimates, usually in proportion to their aggregate cut.

Procurement of inputs for the packages was carried out in Salisbury using standard GOZ procedures. Only two items-- buckets and some groundnut seed--had to be procured outside Zimbabwe. Inputs either were delivered directly by suppliers

Table C-1. AID and Other Donor Funding, Agricultural Relief and Rehabilitation

| Program                           | Total Funding Required<br>(U.S.\$ '000,000) | USAID Contribution<br>(U.S.\$ '000,000) | Percent USAID | Other Donors                        |
|-----------------------------------|---|---|---------------|-------------------------------------|
| Winter Vegetable Pack             | \$1.5                                       | \$1.5                                   | 100           | -                                   |
| Summer Crop Pack                  | 12.5  | 3.2                                     | 25            | UNHCR,<br>Netherlands,<br>Australia |
| Implement Pack                    | 3.0   | -                                       | -             | United Kingdom                      |
| Tillage Pack                      | 4.0   | -                                       | -             | United Kingdom                      |
| Irrigation Revitalization Program | 0.625                                       | -                                       | -             | UNHCR                               |
| Irrigation Reconstruction Program | 1.0   | 1.0                                     | 100           | -                                   |
| Training Program                  | 3.0   | 0.8                                     | 27            | UNHCR                               |
| Buildings for Local DEVAG Staff   | 0.560                                       | 0.560                                   | 100           | -                                   |

to main distribution points (DEVAG offices, council halls, business centers, irrigation schemes) or to DEVAG provincial offices. Packages were assembled at these sites and then delivered to subdistribution points. Transport was provided by UNHCR, DEVAG, other Government agencies, or by local hire. Local party officials informed recipients when the packages arrived or were to arrive, and most people carried the packs by wagon or on foot to their plots. Variations from this pattern occurred. For example, in Victoria Province 100 packs for each district were allocated to the Health Department which distributed them to families with members who were showing signs of nutritional stress.

## 2. Summer Crop Packs

Estimates of need were made in July 1980 by DEVAG with inputs from party officials and the Department of Social Services. Five crop packs were prepared (60,000 maize, 60,000 sorghum, 60,000 bullrush millet, 39,000 groundnuts, and 15,000 cotton). Procurement, storage, and transport of inputs were the responsibility of the Department of Cooperatives and Marketing and were effectively the work of the nine large regional cooperatives. DEVAG offices assisted in determining how many packs would go to each distribution or drop-off point. Actual distribution was almost always handled by local party officials with DEVAG staff usually on hand but under orders not to get involved in the actual distribution process.

## 3. Training

Procurement of equipment such as a laminating machine and video and slide cameras was handled by the central DEVAG office. Training materials were produced at Salisbury and distributed to provincial offices. Provincial-level training officers carried out training programs for local staff. The local training centers are prefabricated and were procured by the central office.

## 4. Buildings for Local DEVAG Staff

Once again prefabricated "temporary" buildings were procured by the central office from three firms. Buildings were delivered in kit form to sites where staff from the firm and DEVAG erected the buildings.

## II. EVALUATION OF RESULTS

The AID evaluation team discussed the DEVAG program with DEVAG staff at central, provincial, and district levels; visited farms and discussed the packs with beneficiaries in three districts; reviewed internal evaluation inputs prepared by DEVAG; discussed the program with non-DEVAG Government personnel at the central, provincial, and district levels (e.g., the Deputy Minister of Lands and Resettlement, Provincial Authority Advisors, District Commissioners); solicited the views of knowledgeable non-Government (university) people; reviewed USAID records; and talked with AID officers familiar with the program. While a broader and more comprehensive evaluation would have added greater assurance to our assessment, the evaluation team has confidence in the findings discussed below.

### A. Effectiveness of Assistance

#### 1. Winter Vegetable Pack

This program was not successful. There were serious problems relating to the timeliness and appropriateness of the package. The vegetable packages were planned for distribution in June 1980 while water was still available from the previous rainy season. Donor funding (USAID) became available in early July. (No GOZ "bridging funds" were allocated to DEVAG in the interim.) Delays were then experienced in procurement of some items of the package. The various items comprising the packages arrived at distribution points separately during a period from early August to October. Steel buckets from South Africa were very tardy and as of January 1981 had still not been delivered to some districts. In some districts the summer pack arrived before the key inputs of the winter pack.

The appropriateness of the package can also be questioned. The packs contained 10 varieties of vegetable seed to be grown over a six-month period, four types of fertilizers, one type of insecticide, tools, and a bucket for carrying water. Each packet cost approximately U.S.\$21 including transport. Some vegetables included in the standard package are traditionally not grown in some areas of the country (e.g., okra in Matabeleland, carrots in the Midlands, green beans everywhere). Some observers believe that very few farmers used lime, and only about half used any of the other fertilizers in the pack.

The vegetable pack included winter and summer vegetables, and DEVAG envisaged their use following a recommended rotation. An instruction pamphlet distributed with the pack was quite

technical and had even the AID evaluation team bewildered. Many DEVAG extension agents did not have housing in their districts, and there was little opportunity for farmers to get timely extension advice.

Many farmers planted their seeds all at once. Those planted out of season died. The crops that survived were then eaten or marketed in a short period resulting in temporary market gluts of vegetables in some areas. In some areas up to 30 to 50 percent of farmers saved the winter seed for use next year.

A more appropriate package might have been a smaller, less expensive, and less sophisticated one with three to four varieties of seed, geared to regional customs, containing a single fertilizer and a much simpler instruction pamphlet. Larger numbers of packages could have been provided to more people with more effective use of the package. There are no official estimates of the increase in vegetable production due to pack distribution. Some provincial DEVAG officers cannot recall seeing any vegetables growing in areas where some packs were distributed. A DEVAG report dated January 1981 states that some pack recipients had already reaped one to two crops and that some vegetable beds yielded over 2 kg per day. Although it was impossible for the AID team to resolve this issue, it seems likely that the most effective use of the vegetable packs was made by traditional vegetable producers, many of whom participate in Government-supported irrigation schemes.

## 2. Summer Crop Package

More time was available to plan the summer crop package, procure inputs, and prepare training materials for beneficiaries. Except for cotton, the crop packages contained only two to four inputs, usually seed and fertilizers. Approximately 235,000 packs were distributed at an average cost of U.S.\$51 including transport. Sorghum and millet packs were concentrated in the drier provinces (Manicaland, Matabeleland South) while cotton was distributed primarily in the more fertile, well-watered provinces (Midlands, Mashonaland Central). This massive distribution of 30,000 to 35,000 tons of seed and fertilizers to every corner of the country appears to have been accomplished effectively through the coordinated efforts of DEVAG and the Department of Cooperatives and Marketing.

Although transport problems did occur, with few exceptions (e.g., parts of Victoria province) farmers had received the crop packs by mid- to late November prior to the onset of heavy rains.

Training courses for recipients started the day they received packs and have been well attended, DEVAG states. However, specially prepared training materials were distributed to extension agents only after Christmas in some provinces and hence, after planting had taken place. The packs were generally used as anticipated, although there are scattered reports of packs being sold and some packs unaccounted for. There were serious delays in the arrival of tractors provided by the United Kingdom as part of the tillage package. These delays may have limited the hectarage plowed for summer crops or delayed planting beyond the recommended dates.

Nevertheless, there is unanimity among observers that crops have been intensively planted in TTLs (as well as in African Purchase Areas and commercial farms), and that, barring unforeseen acts of nature, production levels will reach record levels. The use of quality seeds and fertilizers is clearly seen, DEVAG says, in the productivity of fields especially in the TTLs.

### 3. Training Program

The training program was divided into four phases. AID funds covered Phase 1 requirements. Donor assistance was several times the normal budget of the DEVAG Training Division. Most of the money was used to acquire equipment for the central and provincial offices to produce teaching and handout material for both staff and refugees. This included video equipment and tapes, 35mm and polaroid cameras and film, slide projectors, tape recorders, overhead projectors, typewriters, paper copiers, flip chart stands, flip boards, and a paper laminator (the most expensive single item, at U.S.\$6,000) and laminating film (U.S.\$93,000). In addition funds were allocated for building 25 extension agent-level training centers. (The expenditure of U.S.\$100,000 for lamination of training materials is a poor use of AID funds in the view of the evaluation team.)

After delays in obtaining import permits and in procurement of some items from South Africa, equipment was received and training materials were produced in time for use during distribution of the summer crop packs--with some exceptions. A total of 225 million handouts, 225,000 lesson sheets, and more than 3,000 laminated flip sheets were prepared and distributed. The training materials were prepared without field input and were not pretested; the evaluation team heard complaints about the quality and effectiveness of the material. Flip sheets were prepared in English only. Recommended practices did not take into account significant regional variations, and the training materials were therefore not used by DEVAG staff. Shona translations also ignored regional variations. Erection

of the 25 local training centers is behind schedule but should be completed shortly.

#### 4. Buildings for Local DEVAG Staff

This activity was not included in the original DEVAG request and was funded from the second tranche (September 1980) of the program grant. The delay in requesting money for housing construction has limited access of DEVAG staff to farmers in the more remote areas of the TTLs. By January 1981, 140 (out of 218) prefabricated buildings had been erected and orders placed for the remainder.

Extension assistants (EA) are reportedly not happy with these wooden structures which have little ventilation. Optimistic estimates give the buildings, which cost U.S.\$2,000 each, a life of five to 10 years. Some observers believe cheaper, more acceptable housing could have been constructed if EAs had been allowed to hire local builders to construct more traditional structures, although accounting procedures would have been more complex.

#### B. Beneficiaries and Local Participation

Table C-2 shows the distribution of winter and summer packs by province. The greatest number of winter vegetable packs was distributed in Mashonaland East, Manicaland, and Mashonaland Central provinces, which are the best-watered provinces. The southern provinces (Matabeleland South, Victoria, and Matabeleland North) which are drier, were the least served provinces. Apparently 370,000 people should have benefited directly from the winter pack at a cost of about \$4 per person. Assuming six people per household and 240,000 recipients, 1,440,000 people should have benefited from the summer package at a per capita cost of \$8.65.

The summer pack distribution was concentrated in Matabeleland South and Manicaland--areas where the war was "hot" and large numbers of people became refugees or were taken into Protected Villages. However, there are indications that up to 30 to 40 percent more packs were distributed to Matabeleland South than required while other provinces such as Manicaland and Victoria could have used more packs. This can be attributed to different estimating techniques used by provincial and district authorities and delays in the return of refugees to some regions.

Table C-2. Distribution of Winter and Summer Crop Packs by Province

| Province               | Summer Pack  |               |              |              |          | Total         | Winter Pack |
|------------------------|--------------|---------------|--------------|--------------|----------|---------------|-------------|
|                        | Maize        | Munga         | Sorghum      | Ground-nuts  | Cotton   |               |             |
| Manicaland             | 12,600       | 8,150         | 16,000       | 7,150        | -        | 43,910        | 11,500      |
| Mashonaland<br>Central | 14,200       | 1,550         | 5,850        | 4,900        | 4,100    | 30,600        | 10,000      |
| Mashonaland<br>East    | 5,600        | 7,000         | 5,000        | 6,650        | 100      | 24,350        | 15,000      |
| Mashonaland<br>West    | 11,800       | -             | 3,300        | 7,850        | 2,835    | 25,985        | 7,600       |
| Matabeleland<br>North  | 1,550        | 8,200         | 5,000        | 2,000        | -        | 16,750        | 1,000       |
| Matabeleland<br>South  | 3,250        | 23,900        | 18,100       | 2,450        | -        | 47,700        | 5,800       |
| Midlands               | 3,200        | 300           | 400          | 2,400        | 4,930    | 11,230        | 6,500       |
| Victoria               | 1,500        | 6,700         | 5,600        | 2,700        | 50       | 16,300        | 5,000       |
| Conex                  | 2,950        | -             | 100          | 2,230        | -        | 5,280         | 2,150       |
| Reserve                | <u>3,300</u> | <u>10,900</u> | <u>1,000</u> | <u>2,160</u> | <u>-</u> | <u>17,360</u> | <u>76</u>   |
| Total                  | 59,950       | 66,700        | 60,350       | 40,490       | 12,015   | 239,505       | 62,826      |

Did people in need actually get the packs? Distribution at the local level was usually handled by local party committees. In the short evaluation period it was not possible to certify the varying statements heard by the team. Clearly the situation was somewhat different at each location. The following points seem valid:

- Local distribution was rarely bedeviled by corruption.
- Local party officials generally did a good job determining who was eligible and most in need.
- People returning from towns were rarely given packs.
- Some families got more than one of each pack. Families who had stayed and lost family members during the war sometimes were given preference over young people who had fled and did not fight.

Did the packs really make a difference? Here again the evidence is scanty but the evaluation team feels that in many areas the summer crop packs were of marginal importance. Most people planted more than the 0.5 ha called for in the pack--some up to 4 or 5 ha. In these cases the supplementary seed was of limited value and the fertilizer was probably spread over the entire area, diminishing its utility.

On the other hand, many farmers who received the pack may have been introduced to quality seed, fertilizer, and training for the first time. The packs provided an opportunity for DEVAG personnel to make contact with people in many areas for the first time in many years. Production and productivity, especially in TTLs, should be much greater than in previous years. However, it is hard to apportion responsibility for these increases among several possible causes: a 50 percent increase in the market price for maize and smaller increases for other crops; farmers desiring to build up stocks after drought and absence from the land; or the crop packages and related extension work.

### C. Sustainability

Can the increased production in the TTLs be sustained? Crop packs will not be distributed in the future, the GOZ has told farmers. Most observers believe vegetable production will only be continued by the people who have grown vegetables for years. The summer crop packs appear to have been more successful, and farmers who have experienced the beneficial effects of quality seed and fertilizer for the first time may wish to purchase these same inputs in the future. (The maize seed

which was distributed is a hybrid and must be purchased each year.) These inputs will become increasingly necessary as land which was left fallow during the war becomes exhausted.

The cost of inputs from commercial sources in rural areas was estimated by DEVAG to be roughly double what it cost the GOZ to purchase the input in bulk. The only way costs to farmers can be reduced will be through an expanded role for cooperatives and an expanded agricultural credit program. Both programs are being strengthened by the Government. The Peasant Farm Credit Association hopes to double its membership to 40,000 next year.

The DEVAG training program has been almost totally re-equipped and, with a more positive relationship to farmers, should be more effective in the future.

#### D. Implementation Capacity

Implementation of the DEVAG crop pack programs, by far the largest programs ever attempted by the organization, put a severe strain on DEVAG and associated organizations such as the Cooperatives and Marketing Department. The program was implemented when DEVAG was understaffed at all levels, but especially in EAs and other field positions. For example, Manicaland Province had only 120 or 208 EA positions filled, and many provincial agricultural officer positions had been shifted to Salisbury. That these programs were largely successful is due primarily to the extraordinary efforts of a small group of dedicated, experienced headquarters and provincial staff. DEVAG headquarters staff for this massive program was increased by only one clerk and four typists. Technical personnel took on most of the additional procurement and accounting responsibilities. The DEVAG fleet was inadequate and poor transport has continually plagued the program. Delays were encountered due to limited capacity in the private sector. Building materials such as asbestos and cement were periodically unavailable. Steel buckets have still not arrived in some districts. Private transport was also limited and transport costs shot up accordingly.

Donors facilitated implementation by eliminating most of their usual requirements. Only the United Kingdom tied procurement (with serious ensuing delays). Some donors, like the United States, agreed to finance less "glamorous" but nevertheless essential elements of the program (e.g., training, houses for EAs).

#### E. AID Responsibility

A REDSO/EA Agriculture Specialist assisted the very small USAID staff in deciding what elements of the DEVAG program AID should finance and in monitoring implementation. The selection of components for AID funding seems excellent (although a closer look at the winter vegetable pack program should have revealed that the funding delays would preclude efficient implementation in the winter of 1980). The USAID Director and the REDSO Agriculture Specialist made a total of four to five field visits during project implementation up to January 1981 and maintained contact with DEVAG personnel at headquarters. They indicated awareness of some of the program deficiencies described above, but given the program grant mode of assistance used to fund the program, they had no official role and little informal opportunity to participate in key implementation decisions.

#### F. Political Impact

The DEVAG programs provided a golden opportunity for DEVAG to improve its political image vis-a-vis rural farmers and local party officials. They also provided DEVAG leadership and central staff with an opportunity to demonstrate that they could be an effective organization willing and able to carry out GOZ programs in the Tribal Trust Lands and African Purchase Areas.

The winter and summer package programs gave local party officials an opportunity to dispense Government services directly, probably for the first time.

#### G. Summary

DEVAG performance was mixed. Because of its late start, there was really no chance for the winter vegetable pack to be successful. Nevertheless, postponement of the program was probably politically unacceptable.

The massive summer crop package program appears to have been reasonably effective. Procurement and distribution of inputs to provinces and districts were handled very well. Distribution at the local level appears to have been carried out by party officials in an effective and equitable manner, despite isolated reports of irregularities. Harvest records will almost certainly show that production and productivity

have been enhanced by the program, although it will be difficult to determine whether this is due to the DEVAG program or to increased maize market prices, or some combination of the two. The program offered DEVAG an excellent opportunity to demonstrate the value of using certified seed and fertilizer for crop production. Whether use of these inputs and accompanying extension advice will be sustained will be a function of the growth of the cooperative movement and the Peasant Agricultural Credit Organization. If these organizations cannot ease the burden of purchasing inputs next year, participating farmers may revert to traditional farming practices.

## APPENDIX D

### IRRIGATION RECONSTRUCTION

#### I. BACKGROUND

##### A. The Problem Addressed and Description of the Activity

Many irrigation schemes were abandoned or partially destroyed during the war. The goal of the subproject was to fully restore these schemes to working order. The main requirements were to repair storage works, canals, and other structures in the water distribution network; to restore damaged buildings; to replace pumping units, fencing, and syphons; and to recommission pumping installations. Most of these schemes are small scale, benefiting between 20 and 100 families. All were initiated prior to the early 1960s when TILCOR began developing larger estate irrigation schemes. In many schemes, plottolders farm 0.10 hectare units.

##### B. Funding Requested

The initial funding requested was U.S.\$1.86 million. After more detailed requests from provincial offices were received, the requirements were raised to U.S.\$2.5 million. Table D-1 displays the estimates for irrigation reconstruction, by province. USAID provided U.S.\$1.0 million from the first program grant, and it is anticipated that another U.S.\$0.8 million will be provided from the second program grant signed in January 1981.

A complementary activity--Irrigation Revitalization--is funded by UNHCR (U.S.\$620,000). Through this activity, 20 tractors would be procured and used to rip and plow the land in the irrigation schemes reconstructed through USAID assistance.

##### C. Planning and Implementation Procedures

The activity was originally to be carried out by the Division of District Administration but was transferred to DEVAG which had a full-time irrigation specialist on its staff. The Department of Water Development was responsible for restoration of civil engineering works to field perimeters and for replacement and maintenance of pumps. DEVAG was responsible

Table D-1. Estimates for Reconstruction of  
Irrigation Schemes, November 1980

| Province/Scheme            | No. of Families | Initial Estimate (Z\$) | Revised Estimate (Z\$) |
|----------------------------|-----------------|------------------------|------------------------|
| <u>Midland Province</u>    |                 |                        |                        |
| Mondi Mataga               | 60              | 5,000                  | 5,000                  |
| Sachipiri                  | 75              | NIL                    | 6,250                  |
| Nyahoni                    | 80              | 2,150                  | 2,900                  |
| Mwerahari                  | 75              | 2,150                  | 4,350                  |
| Shagari                    | 110             | 12,000                 | 2,350                  |
| Mkoba                      | 70              | 2,500                  | 1,500                  |
| Madobza                    | 90              | 18,000                 | 3,350                  |
| Mtorahuku                  | 150             | 1,500                  | 1,150                  |
| Exchange                   | 560             | 100,000                | 900                    |
| Hozori                     | 40              | NIL                    | 2,000                  |
| Senkwazi                   | 40              | 80,000                 | 8,150                  |
| Ngondoma                   | 75              | 50,000                 | 30,950                 |
| Mabwe Matema               | 25              | 24,100                 | 16,350                 |
| Mhende                     | 250             | 10,700                 | 2,000                  |
| Bangure                    | 15              | NIL                    | 1,000                  |
| Charandura                 | 20              | NIL                    | 1,000                  |
| Madigani                   | --              | 1,000                  | 1,000                  |
| <u>Victoria Province</u>   |                 |                        |                        |
| Banga                      | 35              | 60,000                 | 60,000                 |
| Makonese                   | 390             | 35,000                 | 35,000                 |
| Musvuvugwa                 | 50              | 74,000                 | 120,000                |
| Mapanzure                  | 50              | 50,000                 | 20,500                 |
| Tambara                    | --              | 42,600                 | 15,000                 |
| <u>Manicaland Province</u> |                 |                        |                        |
| Nyanyadzi                  | 424             | 7,074                  | 7,074                  |
| Nyamaropa                  | 312             | 61,400                 | 88,600                 |
| Chakowa                    | 110             | 1,720                  | 1,720                  |

Table D-1. Estimates for Reconstruction of  
Irrigation Schemes, November 1980 (cont.)

| Province/Scheme               | No. of<br>Families | Initial<br>Estimate<br>(Z\$) | Revised<br>Estimate<br>(Z\$) |
|-------------------------------|--------------------|------------------------------|------------------------------|
| <u>Matabeleland<br/>North</u> |                    |                              |                              |
| Fanisozi                      | 22                 | 20,000                       | 15,135                       |
| Lukosi                        | 15                 | 11,000                       | 3,000                        |
| Cheziya                       | 21                 | 4,430                        | 4,000                        |
| Lambo                         | 8                  | NIL                          | 1,750                        |
| Mabusenga                     | 20                 | 36,500                       | 2,000                        |
| Zinapi                        | 16                 | 10,350                       | 10,530                       |
| Tshongokwe                    | 20                 | 6,500                        | 5,520                        |
| <u>Matabeleland<br/>South</u> |                    |                              |                              |
| Shashi                        | 114                | 15,984                       | 134,970                      |
| Bili                          | 30                 | 6,284                        | 55,970                       |
| Masholomoshe                  | 80                 | 10,000                       | 10,900                       |
| Sibasa                        | 100                | 40,000                       | 44,600                       |
| Sukwe                         | 40                 | 20,000                       | 31,965                       |
| Mbembeswana                   | 15                 | NIL                          | 1,950                        |
| Maitengwe                     | 40                 | NIL                          | 15,900                       |
| Mambale                       | 25                 | NIL                          | 16,300                       |
| Kwalu                         | 60                 | 11,984                       | 149,550                      |
| Konkoni                       | 50                 | 60,000                       | 98,390                       |
| Rustlers Gorge                | 50                 | 40,000                       | 93,600                       |
| Tongwe                        | 60                 | NIL                          | 11,900                       |
| Silalabuhwa                   | 250                | 30,000                       | 74,750                       |
| Jalunganga                    | 50                 | 10,684                       | 142,600                      |
| Tuli Breeding Station         | --                 | 33,000                       | 172,500                      |
| <b>Total</b>                  | <b>4,192</b>       | <b>1,007,610</b>             | <b>1,535,934</b>             |

for "in-field" works and reconstruction of Service buildings. Each organization handled its own procurement, often through Government central stores. DEVAG field work was carried out by a roving team assembled from DEVAG provincial and district staff, by DEVAG staff on-site, or, in the case of building construction, by local contractors.

## II. EVALUATION OF RESULTS

This evaluation is based on discussions with the DEVAG irrigation specialist. The evaluation team did not have time to visit any of the irrigation schemes being repaired or to talk with beneficiaries.

### A. Effectiveness and Timeliness of Assistance

Although the program grant was signed in early July 1980, the responsible DEVAG officer was not informed until mid-August that money was available to start the project. As of January 1981, 16 of the 64 irrigation schemes in the project were back in operation, and families were able to plant summer crops. Reconstruction was underway on another 28 schemes. Reconstruction will move slowly through the rainy season but should accelerate after the rains end in March or April. All schemes should be in operation before the summer cropping season begins again in November 1981.

Most of these schemes were established in low-rainfall areas to ensure protection against drought. Maize and some cotton is usually grown in the rainy season, and vegetables or maize in the dry season. Farmers market their own produce locally and use cooperatives to market produce sent to urban centers.

Some of the plottolders on these schemes received winter vegetable packs and, in some cases, irrigation schemes were used as distribution points for the packs.

Only 13 out of 20 tractors procured from the UNHCR-financed Irrigation Revitalization project had arrived from the United Kingdom as of January 1981. Ancillary equipment was ordered locally.

## B. Beneficiaries and Local Participation

A total of 4,200 families have plots on these 64 irrigation schemes or approximately 65 families per scheme. Assuming six persons per family, the total number of direct beneficiaries would be 25,200. The average cost per beneficiary is U.S.\$100. The schemes are located in five provinces: Midlands (17), Matabeleland South (15), Matabeleland North (7), Victoria (5), and Manicaland (3). None of the schemes is in the wetter, northern Mashonaland provinces.

Priorities for reconstruction were determined at the provincial level, but the overriding criteria, we were told, were indications from local farmers of continued interest in using the scheme. In some cases damaged schemes were not included on the reconstruction list because of little or no interest from former participants.

## C. Sustainability

After reconstruction, the irrigation schemes should operate with their previous efficiency (unknown) if sufficient recurrent budget and manpower are available for maintenance. There are no indications that maintenance budgets will be cut, but manpower at the local level will clearly be a problem. A number of White artisan staff members have resigned from the Department of Water Development (nine in December alone) and replacements having similar skills reportedly will be hard to find.

## D. Implementation Capacity

Implementation of the project at the central level was the responsibility of the senior DEVAG officer and one young Department of Agriculture officer. They performed all basic procurement and accounting functions. Reconstruction of the remaining schemes may be delayed because of the scarcity of key artisan staff noted above. Staff losses are also occurring at the senior technician level. Certain building materials and tools (e.g., matlocks) as well as spare parts for pumps have been unavailable or in short supply.

E. AID Responsibilities

As far as we are aware, an AID agricultural officer and an AID engineer briefly reviewed plans for the irrigation reconstruction program. There appears to have been no monitoring of the program by AID staff to date except for one or two discussions with the DEVAG engineer in charge of the program.

F. Political Impact

The evaluation team was unable to assess the political impact of the irrigation reconstruction program.

III. SUMMARY

The AID-funded program has proceeded more slowly than anticipated but nevertheless seems to be gradually accomplishing its objectives. Implementation has been hampered primarily by growing staff shortages of technicians and artisans. Staff shortages may also affect the maintenance and operation of the reconstruction schemes.

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## APPENDIX E

### AFRICAN DEVELOPMENT FUND

#### I. BACKGROUND

##### A. Problems Addressed and Description of Activity

Much of the infrastructure in the Tribal Trust Lands (TTL) and African Purchase Areas was destroyed or damaged as a direct result of the war. Roads, bridges, and culverts were military targets, blown up to disrupt troop movements. Water supplies, cattle dips, Government offices, and fences were targets for destruction as well.

Most of these facilities and much of the infrastructure had been the responsibility of the District Commissioners and their staffs. Funds to construct roads, dips, etc., as well as funds to cover part of the recurrent costs of maintaining and operating the infrastructure, were provided by the African Development Fund (ADF) and administered by the Ministry of Local Government. The average budget of the ADF was about U.S.\$16 million during the last years of the war, of which 85 percent was for recurrent costs. The GOZ decided to use the ADF to transfer funds for capital reconstruction (except for schools and clinics) to the rural areas. An initial estimate of reconstruction requirements was compiled in March 1980 based on back-of-the-envelope judgments by provincial and district officials. These were quite tentative since there had been little travel by these officials in the TTLs during the war. A second estimate was made in May 1980 and totaled U.S.\$147 million over five years. In May-June 1980, the Government of Zimbabwe (GOZ) reprogrammed about U.S.\$2.5 million in leftover 1979/1980 funds to start the ADF reconstruction program. Priorities set by the Treasury and the Ministry of Local Government were road construction and bridge repair (since no other construction could take place until these were in passable condition), and repair of water supplies.

AID agreed to finance several activities to be implemented through the ADF: road and bridge repair (\$1.5 million), water supplies (\$500,000), and repair of cattle dips (\$500,000) from the \$13 million July grant; and road construction equipment (\$1.2 million), Government buildings in rural areas (\$1.4 million), and transport for materials used in school construction (\$250,000) from the \$7 million September supplement. In most cases AID financed only a portion of total requirements and shared the costs of specific reconstruction (e.g., dips) with one or two other donors.

When procurement of costly items was required (e.g., road construction equipment, trucks to transport school-building materials) the Ministry of Local Government's Tender Board was utilized. Procurement of materials and payment of services at the local level (dips, water supplies, road works) were the responsibility of District Commissioners. Expenditures are reported monthly to the ADF, and quarterly reports are prepared for the Treasury and donors. The Ministry of Local Government has an audit staff which reviews provincial and district expenditures periodically. In addition, the GOZ Auditor General and Comptroller have external audit rights which they exercise in the districts about once a year. Finally, at the insistence of the West Germans, the Ministry of Local Government has recently created an Inspectorate of four to six inspectors (only one on board to date) who will live in the main centers and travel throughout their neighboring provinces inspecting ADF projects.

#### B. Funding Requested

Total requirements for the ADF reconstruction program were revised several times as follows:

|                  |                                |                 |
|------------------|--------------------------------|-----------------|
| April 1980       | U.S.\$140 million              | five-year plan  |
| May 1980         | U.S.\$147 million              |                 |
| November 6, 1980 | U.S.\$104 million <sup>1</sup> | three-year plan |
| January 2, 1981  | U.S.\$96 million <sup>2</sup>  |                 |

The requirements for 1980/1981 were U.S.\$46 million. The United States provided \$5.35 million or 11.6 percent of first-year needs through the program grant. Other major donors were West Germany (U.S.\$27 million), the European Economic Community (EEC) (\$5.1 million), the United Kingdom (\$560,000), and Japan (yen 500 million). All vehicles and equipment procured with West German and Japanese money were tied. All U.S. funds and some EEC funds were untied and were used to procure less sophisticated equipment made in Zimbabwe.

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<sup>1</sup>Major decreases in roads, water supplies, tools, and expendable stores. Increases for stock markets, buildings, and vehicles.

<sup>2</sup>Deleted air transport and drilling rigs. Vehicle costs decreased.

C. Planning and Implementation Procedures

(See Section I.A above, Problems Addressed and Description of Activity.)

D. Evaluation of Results

This assessment is based on a review of documents provided by the Ministry of Local Government and USAID/Zimbabwe, and discussions with several ministry officials responsible for administering the ADF, four District Commissioners, and several other provincial and district staff. During field trips to four provinces, a small number of the construction sites financed through the ADF were visited.

1. Road and Bridge Repairs

Funds were used to cover the hiring and operating costs of road maintenance equipment and the reconstruction of culverts and bridges. The Government estimated that some 17,400 km of rural roads and 168 culverts or crossings required repair after four to five years of war and neglect. The use of Tender Board procedures to hire heavy equipment delayed the initiation of the project. The ADF estimated that 3,700 km of road were made passable between July and October 1980, and 104 crossings and culverts were reconstructed. Bush has been cleared from the road edges, drains cleaned out, gravel stockpiled, and grading carried out on main roads in TTLs and African Purchase Areas.

Some roads which were repaired hurriedly were washed out during the heavy rainy season which began in November, and some further improvement will eventually be required if the roads are to remain passable year-round.

2. Water Supplies

Clean water supplies are essential not only for human consumption but also for livestock and the operation of dip tanks. Boreholes, dams, and weirs were damaged or neglected during the war. In most but not all cases repairs were possible, although in some cases new boreholes had to be drilled near those with irreparable damage. In many cases hand pumps had to be replaced. Reconstruction has been carried out by District Commissioners and the Ministry of Water Development. The GOZ estimates that almost 3,500 water points required some

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degree of reconstruction. ADF states that over 1,100 were repaired and put into service from July to October 1980. Borehole reconstruction and the drilling of new boreholes where necessary were hampered by the lack of mobile, high-speed drilling machines.

### 3. Cattle Dips

The GOZ estimates that over 2,700 dip tanks required reconstruction after the war. The ADF estimates that over 1,032 were brought back into operation between July and October 1980 although not up to long-term construction standards. The GOZ elimination of the pre-Independence dipping fee and the desire to protect the remaining herd (up to 50 percent of the nation's cattle had been lost during the war), have reportedly led to a much heavier use of the reconstructed dips than in the past.

### 4. Road Construction Equipment

The ADF pre-war transport fleet of 1,500 units suffered heavy losses during the war. Many vehicles were damaged, destroyed, or rebuilt with parts from mine-damaged vehicles and equipped with armor-plating. The heavily loaded vehicles often overtaxed engines and transmissions. Complete new road construction equipment units were requested for all provinces. West Germany and Japan provided funds for heavy road construction and maintenance equipment (motorized graders, loaders, bulldozers, tractors) and light-duty vehicles. U.S. funds were used to procure equipment available locally, such as trailers, water bowsers, towed graders, concrete mixers, compressors, and stone crushers. These funds were included in the September Program Assistance Approval Document (PAAD) supplement. Because of the large size of the order (over 250 units), the contract was given to three local firms. Delivery to the various District Commissioners was expected to be completed by April-May 1981, at the end of the rainy season when road reconstruction could begin again in earnest.

### 5. Transport for Building Materials for Provincial Schools

AID funds were made available in July 1980 for primary school reconstruction. A major bottleneck in reconstruction was the transport of building materials from provincial headquarters to outlying schools. The ADF fleet scarcely existed, and suppliers sometimes refused to deliver to remote locations. Hired transport was also scarce and expensive. To break the

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bottleneck, USAID/Zimbabwe agreed to provide \$250,000 in the September tranche to purchase seven-ton trucks to be used by the Provincial Authorities. ADF was allotted these funds and its Tender Board procedures were utilized to buy Nissan-Datsun trucks assembled in Zimbabwe. Delivery was expected in April/May 1981, approximately six months after the order was placed.

#### 6. Beneficiaries and Local Participation

No attempt has been made by the evaluation team to isolate AID funds from other donor funds provided to ADF except those for procurement of vehicles and equipment.

A breakdown of ADF requirements among the eight provinces indicates that ADF funds seemed to be allocated for areas where the war was most intense and the destruction most severe. ADF estimated requirements over three years totaled approximately U.S.\$96 million. The four leading recipient provinces and their allocations were as follows:

|                    |                |
|--------------------|----------------|
| Victoria           | \$18.0 million |
| Midlands           | \$16.0 million |
| Manicaland         | \$12.8 million |
| Matabeleland South | \$11.5 million |

The three least favored provinces were the three Mashonaland provinces, all in the north (between \$5 and \$8 million each).

AID functional priorities are provided in Table E-1.

Table E-1. ADF Functional Priorities for Infrastructure Repair

| Category               | Total<br>(U.S.\$ '000,000) | USAID Input<br>(U.S.\$ '000,000) |
|------------------------|----------------------------|----------------------------------|
| Roads and Bridges      | \$33.0                     | \$1.5                            |
| Vehicles and Equipment | 27.0                       | 1.2                              |
| Water Supplies         | 13.5                       | 0.5                              |
| Cattle Dips            | 6.5                        | 0.5                              |
| Training               | 6.3                        | -                                |
| Buildings              | 2.4                        | 1.4                              |

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USAID allocations followed these priorities, with the exception of buildings where USAID provided almost 60 percent of estimated ADF requirements.

#### E. Sustainability

There is no indication that the GOZ intends to discontinue funding for maintaining the structures and equipment funded by the United States and other donors. Nevertheless, there is some uncertainty about how well maintenance will be carried out. Technical and artisan staff shortages are growing, and responsibility for maintenance will almost certainly be transferred away from District Commissioners as part of a reorganization of local, district, and provincial government responsibilities that is currently under way. For example, even now it is uncertain whether the District Commissioner representing ADF, the Department of Animal Health, or local councils have responsibility for operating cattle dips. These issues must be resolved quickly or these structures might fall again into disuse and disrepair.

#### F. Implementation Capacity

Reconstruction financed through ADF proceeded quickly, albeit less rapidly than predicted. Delays were due to increasing staff shortages, especially of technicians and artisans at the district level; shortages of some building materials and transport vehicles; and the heavy burden placed on ADF headquarters staff (the reconstruction program increased funds available to the ADF by 300 percent--from U.S.\$16 to U.S.\$64 million).

#### G. AID Responsibilities

To our knowledge AID field staff did not carry out any independent review of ADF plans and funding requirements nor did they monitor project implementation beyond the level of discussions with ADF officials in Salisbury.

## H. Political Impact

Like the DEVAG agricultural rehabilitation program, the ADF reconstruction program quickly provided needed services to people throughout the country and enabled the District Commissioners and district staffs to improve strained relations with the local people. A political decision, the abolition of dipping fees, made the use of the reconstruction dips much more regular than in the past. Unlike the case with DEVAG however, the political dividends enjoyed by the District Commissioners will be shortlived since that position may be abolished or changed as part of a local government reorganization, and it is unlikely that the White District Commissioners will hold their jobs for long.

## II. SUMMARY

The ADF reconstruction program seems to have been implemented without major problems to date. Benefits appear to have been distributed to areas most in need, at least on the provincial level. Implementation has been slowed by increasing local staff shortages at the technician and artisan levels. While funds are available to operate and maintain the reconstruction projects compiled by ADF, the local government reorganization and staff shortages are cause for some concern in the continued effective operation and maintenance of these facilities.

## APPENDIX F

### SCHOOL RECONSTRUCTION PROGRAM

#### I. BACKGROUND

When it became apparent during the winter of 1979 that an end to the war was imminent, the various agencies of the Government of Zimbabwe (GOZ) which were concerned with provision of services in the rural areas began planning for restoration of services which had been disrupted. Priorities were established, personnel mobilized, and funding requirements determined.

Reconstruction of schools appeared on the original list of priorities along with roads and water supplies. Memoranda were sent from the Ministry of Local Government to all provincial authorities, requesting them to assess the magnitude of the damage in their areas and submit estimates of their requirements (money, materials, and labor) for restoring infrastructure to original (pre-war) conditions.

Under the previous system of Government, the Ministry of Internal Affairs, now the Ministry of Local Government, was responsible for the administration of schools in the rural areas. The Ministry of Education was responsible for professional oversight: certification of teachers, establishment of curricula, textbook development, administration of examinations, etc. This oversight was carried out by education officers stationed in the provincial headquarters who reported to the Provincial Authority. The Ministry of Local Government, through its Division of District Administration, was therefore responsible for the School Reconstruction Program. The Ministry of Education was involved, however, in the allocation of funds to various churches for the reconstruction of mission-affiliated schools.

#### II. DESCRIPTION OF THE PROBLEM

The new Government inherited an educational system fraught with inequities which served to perpetuate the dominant role of the White Rhodesian minority. For the European, Asian, and Coloured populations of Rhodesia, education was compulsory after 1940, and school places were available for all children from ages 6 to 16. Over the 10-year period 1968 to 1978, 5 percent of all those pupils who entered primary school had reached Form IV (11th Grade). Only 50 percent of the African primary schools went to Grade 7 and only about 75 percent of

the Black school-age population enrolled in primary school; out of that figure only about 34 percent finished. Of those who finished primary school, less than one-fifth went on to secondary school and nearly half of those dropped out before reaching Form IV. Thus, of the approximately 5,000 Europeans, Coloureds, and Asians and the nearly 200,000 Africans who reached school age in 1968, approximately the same percentage from each group achieved secondary education.

Inequities in the educational system are reflected in other measures. The teacher-pupil ratio for Blacks was twice as high as that for Whites, and in 1977/1978 the Government spent approximately \$45 for each Black pupil--approximately one-tenth that spent on White students.

The education system thus symbolized the social, political, and economic disenfranchisement of the Black population of Zimbabwe and as such became a symbol of White domination and a prime target for attack during the war.

### III. MAGNITUDE OF THE PROBLEM

Latest estimates indicate that nearly two-thirds of the primary schools serving Africans were damaged or destroyed during the war, many of them razed. Some of the schools left undamaged were forced to close as the war intensified, to protect the students and teachers. For the majority of Zimbabwean children, therefore, schooling over the period 1976 to 1979 was intermittent at best. It is not surprising then that reconstruction of schools appeared on the initial list of Government reconstruction priorities.

As hostilities intensified in the rural areas, the local Government system of Provincial Authorities and District Commissioners ceased to function. Little information was available as to the extent of the damage because it was not safe to venture far beyond the provincial headquarters during the period 1976 to 1979. Initial estimates of damage were therefore based on guesses and information from the few areas which remained accessible. By July 1980, however, most of the areas had been visited by the District Commissioners and/or their staff, headmasters had been queried, and a better assessment of the damage was possible.

A letter dated July 29, 1980 from the Secretary for District Administration to the Secretary of the Treasury, put the number of schools closed at 1,898 and the total amount required for reconstruction at "more than U.S.\$52 million."

Later estimates (December 31, 1980) indicated a total of 2,463 schools needing reconstruction at a cost of U.S.\$67 million. A total of U.S.\$15 million has been received thus far, \$4 million of which was contributed by the United States in the first program grant made to Zimbabwe.

The above figures represent allocations for African and Government primary school reconstruction; the Ministry of Education controlled allocations to the missions for their school (mainly secondary) reconstruction program. By the end of 1980, a total of U.S.\$86,000 had been allocated for 30 mission-run schools.

#### IV. RECONSTRUCTION

At the provincial level, there is no uniformity in the process used to carry out reconstruction activities. Based on estimates provided by the provinces, headquarters allocated funds to the responsible Provincial Authorities who organized and implemented the school reconstruction program in their area. Allocations are on a reimbursement basis according to monthly progress and expenditure reports from each province. Sometimes the reconstruction was carried out in cooperation with local parent committees and sometimes in spite of them. With the Government's pronouncement of free education, many parents (sometimes with the urging of the local ZANU-PF officials) refused to aid in reconstruction efforts. On the other hand, there were communities in which the parents formed committees and began reconstruction with the assistance of the local political parties before local authorities had received any funding.

##### A. Establishment of Priorities

In some communities priority was given to restoring the most badly damaged schools; other communities concentrated on the least damaged first. In some instances all of the damage was restored at once, other times resources were disbursed to meet minimum requirements for as many schools as possible. In Mashonaland Central Province, two classrooms and two teachers' houses were restored initially for all schools; as more money became available, additional work was done on each school. Schools which were closer to the provincial headquarters, and hence more accessible, were worked on first; schools further inland where roads were in disrepair were often the last to be reached.

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## B. Materials and Labor

Most schools were restored using local labor and local materials. A few schools were restored using prefabricated structures purchased in Salisbury. In Victoria some schools were rebuilt using a modular structure consisting of steel beams and a roof, requiring only the addition of the flooring and walls. Where the repairs were minor, parents, teachers, and students provided the labor using materials provided by the Provincial Authority.

## C. Inspections

In each province there is a Primary Development Officer whose general responsibilities extend to inspection of school buildings. Our finding is that this inspection has occurred rarely. The Chief Executive Officer of the Provincial Authority appears to be the only person who has made regular visits to the schools under reconstruction. The Provincial Authorities are required to use plans provided by the Ministry of Education (MOE), but there has been little followup by the MOE to see if the plans are being followed. The Provincial Medical Office of Health is responsible for ascertaining that adequate water supplies and toilet facilities exist in the schools before they can be opened. The extent to which this has been done is uncertain despite the fact that the schools are open.

## D. School Reconstruction: Two Examples

### 1. Mandini Primary School, Mushawasha Purchase Area, Victoria Province

Mandini School was closed in 1976; of its eight classrooms, seven were completely destroyed along with the six teachers' houses. The local African Councils in Victoria Province disintegrated during the war; all the schools therefore are now run by the Provincial Authorities. A local school committee composed of teachers and parents was formed to assess the damage done to the schools and to begin reconstruction.

The committee approached the Provincial Authority in April 1980 for assistance in its efforts, and officials from the Provincial Authority assisted the committee in estimating its requirements. Since money was unavailable from the Government for reconstruction, the Provincial Authority was only able to fund the cost of labor for making bricks for one block of the

school (two classrooms). When the money ran out the committee borrowed from the local ZANU-PF organization to pay for additional bricks. Construction was carried out by a local builder using local labor with additional materials provided by the Provincial Authorities. The school committee collected \$2.00 each from 200 parents to reimburse the party. Construction began in July 1980 and was completed in time for the school to open in January 1981. Total cost of construction materials and labor was U.S.\$38,400.

2. Denzwa Primary School: Makoni District, Manicaland Province

Denzwa school has nine classrooms for 543 students and goes to Grade 7. Double sessions are run to accommodate increased enrollment. This school sustained only minor damages during the war; window panes were broken, and doors and door frames were removed. The Provincial Authority provided the materials for the repairs which were carried out by the headmaster and students. Expansion had begun on the school before the war but was left uncompleted when the school closed in 1977. Parents are now completing the work using materials (i.e., roofing, window and door frames, glass, doors, and cement) provided by the Provincial Authority. Each family contributed 1,000 bricks for the additional classrooms. Total cost to date for the materials is U.S.\$1,440.

V. AID INVOLVEMENT

After the initial identification of broad areas for financing, there was no additional involvement by AID. Financial reports are submitted to the AID office and ceremonial visits have been paid to some schools. There is no provision in the Program Assistance Approval Document or the Agreement for more AID involvement in the program.

VI. RESULTS

Funds for reconstruction of schools became available in July 1980. Approximately one-half (1,334) of the schools had been worked on as of December 31, 1980 and one-half of the funds allocated. Table F-1 shows the allocation of funds by province.

The November 1980 monthly progress report prepared by District Administration indicates impressive achievements in

Table F-1. Allocation of Funds for School Reconstruction,  
by Province

| Province            | No. of Schools Under Reconstruction | Total Estimated Cost | Total Funding Allocated to December 31, 1980 |
|---------------------|-------------------------------------|----------------------|--|
| Manicaland          | 433                                 | Z\$4,405,268         | Z\$665,500                                   |
| Mashonaland Central | 250                                 | 4,285,694            | 350,190                                      |
| Mashonaland East    | 299                                 | 4,566,400            | 516,800                                      |
| Mashonaland West    | 250                                 | 5,057,900            | 733,100                                      |
| Matabeleland North  | 240                                 | 9,387,529            | 815,000                                      |
| Matabeleland South  | 250                                 | 4,205,000            | 403,000                                      |
| Midlands            | 491                                 | 5,231,980            | 753,000                                      |
| Victoria            | <u>250</u>                          | <u>5,250,000</u>     | <u>562,800</u>                               |
| Total               | 2,463                               | Z\$42,389,171        | Z\$4,799,390                                 |
|                     |                                     | (U.S.\$67,822,673)   | (U.S.\$7,679,024)                            |

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the implementation of the program despite problems associated with the rainy season, shortage of building supplies, lack of adequate transport, and continuing dissidence in certain areas which has interfered with the program.

The second tranche of the U.S. program grant provided approximately U.S.\$55,000 to purchase vehicles to alleviate some of the transport difficulties. The massive reconstruction program has strained the administrative capacity of the Provincial Authorities, particularly with regard to accounting. A tremendous effort has been mounted to comply with various donor reporting requirements as well as internal accounting procedures which are all different and have necessitated keeping separate breakouts of allocations by donor, province, district, and school. Breakouts even exist which detail by all these categories the amounts spent on furniture, labor, and materials, and a 19-item breakout of the number of completely or partially restored classrooms, teachers' houses, toilets, offices, and so on, also by province, by district, etc.

U.S. reporting requirements have been the simplest, it appears, of all of the donors, consisting primarily of GOZ implementation and disbursement reports. The achievement thus far in implementing the school reconstruction program has been impressive. The GOZ has made remarkable progress in terms of the following:

- The number of schools under reconstruction, despite problems associated with the rainy season, shortage of building supplies, lack of adequate transport, and continuing dissidence in certain areas which has constrained implementation
- The local enthusiasm which has been generated
- The administrative management of this massive undertaking

## VII. CONCLUSIONS

While the school reconstruction program has been a tremendous success for the new Government and the people of Zimbabwe, it, along with the elimination of school fees, has created equally tremendous problems of raised expectations and increased demand for facilities. Enrollments have soared to the point where most of the primary schools are running double sessions. The GOZ has instituted a crash teacher training program and increased its allocations to education in order to finance expansion.

The school reconstruction program has preceded the formulation of an education policy which would best serve the developmental needs of Zimbabwe. As the emergency passes, reformulation of educational goals is needed to ensure that the training and skills required to participate most productively in the developing Zimbabwe are available.

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## APPENDIX G

### CLINIC RECONSTRUCTION PROGRAM

#### I. BACKGROUND

On Independence Day, April 18, 1981 the United States signed a grant agreement with the Government of Zimbabwe (GOZ) for U.S.\$2 million to assist in the rehabilitation of rural clinics. Appendix A provides the programmatic considerations which preceded the grant and the legal actions which facilitated it.

#### II. MAGNITUDE OF THE PROBLEM

Like the schools, the clinics symbolized White control in the rural areas and as such became targets for guerilla attack. Unlike the schools, however, some of the clinics provided treatment and supplies for the guerillas which provoked the Rhodesian soldiers to close them.

Of the 277 African Council Clinics, the Ministry of Health's (MOH) initial estimate was that 159 had been closed, damaged, or destroyed. Based on an assessment of damages to approximately 60 clinics, the MOH estimated a requirement of about U.S.\$16,000 per clinic, including drugs, supplies, and equipment, to restore rural health services. These estimates were based on the scantiest of information from the District Commissioners, and the estimated number of damaged clinics has since risen to 180.

In Manicaland, for example, there were 16 clinics on the original list, of which two were completely destroyed, six were seriously damaged, and eight minimally damaged. The estimated cost for rehabilitation of the 16 clinics was U.S.\$388,800, or approximately U.S.\$24,000 per clinic. When originally inaccessible areas were finally reached, the list was increased to include 24 clinics. Fourteen of the original 16 and five of the additional eight clinics are operating, but problems exist with lack of adequate water supply systems and shortages of staff, equipment, and supplies.

#### III. RECONSTRUCTION

In May 1980, the Treasury received an initial advance of U.S.\$450,000 against a total commitment of U.S.\$2 million.

This money was allocated to the provinces based on estimates received from the Provincial Medical Office of Health (PMOH). Additional funds were supplied quarterly based on requests and financial reports from the Ministry of Health. The initial advance was insufficient to meet first quarter expenditures and resulted in delays in payments to suppliers and contractors. The final disbursement was requested on November 18, 1980, but had not been received two months later. The mission clinics are handled in much the same way as mission schools, although little documentation is available.

#### A. Labor and Materials

The majority of the clinics were restored using local builders and materials funded by the Provincial Authorities. In many communities the local ZANU-PF organization had to be consulted before work could begin and before builders were selected. There was little self-help labor involved in the clinic program. This is due in part to the GOZ's pronouncement of free medical care which has dampened enthusiasm to work for the service. In two of the clinics visited (Mapanzure and Makumba clinics) there were leaks in the roof and problems with the water supply. Piping was needed to connect the clinic to the existing water supply in Makumba, and in Mapanzure the builder had apparently misconnected the pipes serving the clinics and the toilets. Work was underway at Mapanzure to repair the system.

#### B. Equipment and Supplies

Makumba clinic in Manicaland, which was completely destroyed during the war, reopened on January 19, 1981 in a new eight-room prefabricated structure purchased in Salisbury at a cost of approximately Z\$15,000 (U.S.\$24,000). The clinic receives about 100 patients a day, some of whom walk as long as four hours to get there. The clinic is staffed by one nurse and two nurse's aides, and equipped with a refrigerator that does not work for lack of kerosene (hence, no vaccines), one table, no water, no beds, and a limited supply of drugs. Furnishings had not been bought for the clinics because there was a shortage of funds according to one local official. There were indications, however, that there was also a shortage of equipment and supplies in the country. The PMOH in Fort Victoria informed us that none of the reconstructed clinics in that province had equipment: "There's none in the country and there are no materials in the country." She showed me 17 pages of approximately 12 items each, which constituted the standard list of equipment and drugs, everything from beds to cough

syrup. In many cases the reconstructed clinics had received only partial supplies.

The Mapanzure Clinic in the Shabani District of the Midlands Province was closed in 1977. Damage included loss of the roof, window frames, and door frames, and decay of the inside walls. Reconstruction began in May and was completed in August 1980 by a local builder. This clinic is better equipped than Makumba, largely because equipment was recovered from the old clinic, but much more is needed. Both clinics had placed orders for drugs according to the normal schedule, but increased demand had exhausted supplies earlier than normal and exacerbated the already crucial shortage of drugs in the country.

#### IV. ACCOUNTING AND INSPECTIONS

The MOH is using the financial reporting system required by AID. The Project Financial Implementation Report is prepared based on monthly reports from the provinces. The monthly report also serves as a basis for allocation of funds to the provinces. There were many complaints at the Ministry of Health about AID's "severe accounting procedures." Of particular bother was the requirement that vendors sign forms indicating the source or origin of their goods. This requirement was largely ignored, and an appeal was made to AID to withdraw it. The problems with the accounting did not have an impact on the implementation except when the insufficiency of the initial advance delayed payments to vendors. Some PMOHs complained that the amount of staff time required to fill out forms strained their administrative capacity. This seemed in part to reflect a general tendency of the Government to require detailed reporting as discussed in the school rehabilitation program. The PMOH is the authority responsible for opening the clinics based on its own inspections. The PMOH in Manicaland informed us that every clinic under reconstruction in that province had been inspected. Indications are, however, that this has not happened generally. The nurse in Makumba clinic informed us that the PMOH had visited there with the American Ambassador while the clinic was under reconstruction. A clerk from the PMOH opened the clinic but did not inspect it, and a health assistant from the PMOH had visited the clinic but did not go inside.

At the urging of the REDSO project manager, a university student has been hired to visit each clinic in the country and provide a report on reconstruction progress. Thus far he has completed reports on three provinces; because he does not have a medical background his reports are descriptive rather than evaluative. It is also unclear at this stage how the reports

are used once distribution has been made to the Deputy Secretary of the MOH, the REDSO project manager, and the concerned PMOH. The MOH accountant handling the clinic process believed that the PMOHs would use the reports to supplement their own monthly progress reporting. More attention is clearly needed in this important area.

#### V. AID INVOLVEMENT

There has been little AID involvement in the actual implementation of the project. An abbreviated project paper was prepared by a REDSO design team based on MOH plans for reconstruction. The REDSO project manager monitors the project based on financial reports and site visits. At her urging, a person has been hired to conduct a complete survey of the clinics and provide a report according to a format she developed. As mentioned above, these reports are not evaluative but provide a good overview of project progress. REDSO was also instrumental in resolving the problem of the insufficiency of the initial advance.

Based on the reception afforded this evaluation team, periodic visits by AID officials to project sites can serve as encouragement to the district- and provincial-level people involved in the program. They can also provide an opportunity for AID personnel to develop a greater appreciation of the magnitude of the reconstruction effort and associated difficulties.

#### VI. RESULTS

To date, a total of 110 clinics have been restored and are operating despite the problems discussed above. The MOH has been able to achieve significant success in a short period of time and under very difficult circumstances. Allocations for clinic rehabilitation by province are provided in Table G-1.

These figures represent a total expenditure of U.S.\$1.08 million for 110 clinics. The balance of the \$2 million is projected to be expended by February 28, 1981. Of continuing concern is the insufficiency of equipment and supplies for the clinics, which is exacerbated by the increased demand for services. While some clinics have been expanded (Makumba, for example, expanded from two rooms to eight) others have only been restored to their previous size.

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Table G-1. Allocation for Health Clinic Rehabilitation  
by Province

| Province            | Total Expenditure<br>to December 12, 1980 |
|---------------------|---|
| Manicaland          | Z\$78,046                                 |
| Mashonaland Central | 58,853                                    |
| Mashonaland East    | 80,492                                    |
| Mashonaland West    | 52,615                                    |
| Matabeleland North  | 11,010                                    |
| Matabeleland South  | 50,165                                    |
| Midlands            | 255,925                                   |
| Victoria            | 87,626                                    |
| Head Office         | <u>1,775</u>                              |
| Total               | Z\$676,507<br>(U.S.\$1,082,409)           |

Another problem has been the lack of sufficient staff for the clinics. In some cases, ZANLA medics have been dispatched to clinics to supplement the staff. ZANLA medics have also been sent to open clinics in areas where dissidents have made it unsafe for MOH personnel to travel unaccompanied.

## VII. CONCLUSIONS

With its health clinic reconstruction program, the GOZ has gotten off to an impressive start in fulfilling its promise to improve the lives of rural Zimbabweans. But the task ahead is enormous, given the raised expectations which have been bolstered by the reconstruction program, particularly in that no self-help was required of people who in the past had worked or paid for any service received. In light of budget realities, some compromise between free service and self-help will have to be made with the communities to facilitate the most extensive and comprehensive use of scarce Government resources.

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At the provincial level, where implementation was carried out, there was no awareness that this clinic reconstruction program differed from the school program except that it was known that all donor funding was provided by the United States, thus eliminating one aspect of the GOZ's reporting requirements. The problems resulting from the insufficiency of the initial advance led to financial and physical altercations; in Mapanzure the laborers apparently assaulted the contractor when he was unable to pay them on schedule. (This has been suggested as one cause of the poor plumbing work done on the clinic.) This problem was resolved early in project implementation. As mentioned, there were complaints about using the AID financial reporting format, but this did not seem to cause any serious difficulty. The Deputy Secretary of MOH, who is the GOZ project manager, "remembered some problems in the beginning with the money, but things were worked out and implementation is going quite well."

R. Oliver of Treasury indicated that the reconstruction program in general necessitated development of new accounting procedures which conformed to donor requirements. Additional staff has been acquired: an Undersecretary of Treasury for Foreign Aid and a clerical assistant to handle the additional workload associated with foreign aid. While it would certainly be inappropriate to overburden the GOZ with cumbersome financial and implementation reporting requirements as part of an AID assistance package, it is clear that their systems are flexible enough and their personnel resourceful enough to respond effectively and efficiently to unfamiliar reporting and accounting systems.

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