

PD-BAA-339

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ZIMBABWE
Manpower Development Project
(613-0215)

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JUL 16 1982

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: AFR/PD, Norman Cohen

SUBJECT: Project Authorization — Zimbabwe Manpower Development Project (613-0215)

Problem: Your approval is required for a grant of \$13,139,000 from the Section 531 Economic Support Fund appropriation to the Government of Zimbabwe (GOZ) for the Zimbabwe Manpower Development Project (613-0215). It is planned that \$4,000,000 will be obligated in FY 1982.

Discussion: The proposed Zimbabwe Manpower Development (ZIMMAN) Project is designed to help alleviate Zimbabwe's critical shortage of skilled personnel, principally by strengthening its institutional capacity to meet its own requirements for technical and professional training. The project, in partial fulfillment of the U.S. pledge made at the Zimbabwe Conference on Reconstruction and Development (ZIMCORD), will concentrate on priority areas in agriculture, education, management, health and skilled manpower for the productive sector of the economy.

Though Zimbabwe has one of the largest cadres of skilled manpower in Africa, shortages of technical and professional personnel have become a major constraint on the country's economic development. These shortages have resulted from a combination of continued emigration of white technicians and professionals, rapid economic growth in the past two years and efforts by the GOZ to expand government services to the African majority, particularly the rural poor. In 1981, by GOZ estimates, 38 percent of technical and professional positions in government were vacant, with critical shortages in such key ministries as Agriculture, Lands and Manpower. The situation in the private sector mirrors that of the public sector though no comparable statistics have been published. The private sector is particularly affected by the shortage of staff in government-sponsored technical colleges (which had an estimated staff vacancy rate of 56 percent in 1981) because most skilled workers are trained through a complementary system combining in-service or on-the-job training with training in these government-supported schools.

To address this problem, ZIMMAN will fund the long-term training of 120 participants in the U.S., the short-term training of 165 participants in the U.S. and third countries, 150 person months of short-term consultancies for in-country training and technical assistance, and modest amounts of training equipment and supplies. Training will be focused on five areas: small farmer agriculture, technical manpower development, administration and management, teacher training, and health. Priority will be given to strengthening Zimbabwe's institutional capacity to meet its skilled manpower requirements by training and upgrading staff of indigenous training institutions, including the University of Zimbabwe for agricultural technicians and professionals, as well as technical colleges and vocational schools which are major sources of training for the private sector, and teacher training colleges. ZIMMAN will also provide training for key personnel in GOZ ministries such as Health, Public Works, Transportation, Local Government and Housing which do not fall under the planned sector programs in agriculture and education. In this way ZIMMAN will serve as a complement to the planned sector programs. ZIMMAN will also reinforce the sector programs by strengthening Zimbabwe's capacity to train professional and technical personnel in educational and agricultural areas.

The Ministry of Manpower Planning and Development will have the lead responsibility for implementing the project for the GOZ. It will coordinate the participation of other ministries and of training institutions in setting training priorities, developing annual training plans, identifying candidates for training and requirements for short-term consultants. A U.S. contractor will be selected to place participants in U.S. and third country training and to recruit consultants. The same contractor will also be responsible for the placement of trainees under the sector programs.

The life-of-project funding will be \$13,139,000 of which \$4,000,000 will be obligated this fiscal year. The following table illustrates the financial inputs:

AID Funding by Input (000's)

<u>Inputs</u>	<u>FY 82</u>	<u>LOP</u>
Training		
Long-Term	1,553	6,979
Short-Term	1,019	2,549
Consultants	1,000	2,198
Commodities	73	219
Contingency	355	1,195
TOTAL	\$4,000	\$13,139

The GOZ will contribute \$4,526,000 (25.6 percent of the total project cost) which will cover salaries for participants, project administration and support costs for the consultants.

Project Committee has concluded from analyses in the Project Paper that:

- (1) the project approach is technically and economically sound, socially acceptable and administratively feasible;
- (2) the technical design and cost estimates are reasonable and adequately planned, thereby satisfying the requirements of Section 611(a) of the Foreign Assistance Act, as amended;
- (3) the timing and funding of the project activities are appropriately scheduled and the implementation plan is realistic and establishes a reasonable time frame for carrying out the project; and
- (4) sufficient planning has been made for the monitoring and evaluation of project progress.

A categorical exclusion for the requirement of an Initial Environmental Examination was approved and is included as Annex E of the Project Paper.

The authorized source for commodities and services will be AID Geographic Code 000 (U.S. only). No waivers are anticipated.

The Project Agreement will contain the normal conditions and covenants for a manpower training project. It will also contain a condition precedent requiring the GOZ to submit a list of the first year's training priorities. This will be required because the GOZ's National Manpower Development Plan, which will serve as the basis for training

plans in subsequent years of the project, will not be available for the first year. Rather than delay the implementation of the project by one year, USAID/Zimbabwe has chosen to proceed on the basis of already identified priority areas because of the existing backlog of suitable candidates for training. A second condition precedent will state that before funds can be disbursed to initiate training in each subsequent year of the project the GOZ will, in collaboration with AID, develop an annual training plan for that year.

The Project Review held on May 3, 1982, raised the issue as to the adequacy of the Project Paper's economic analysis. It was concluded that sufficient data and expertise were available to USAID/Zimbabwe to do a more rigorous and quantitative analysis. The mission agreed and submitted a revised economic analysis with a benefit/cost ratio and a internal rate of return (Section III.C of the Project Paper) which satisfied the Project Committee. The ECPR held on June 11 recommended the approval of the project. (The cable advising USAID/Zimbabwe of the ECPR's recommendation is attached.) A Congressional Notification was submitted on June 21 and expired on July 6.

The responsible AID officer in USAID/Zimbabwe will be Richard Shortlidge, the Human Resource Development Officer, and the AID/W backstop will be Diane Blane, AFR/DR/SA.

There are presently no significant human rights issues in Zimbabwe.

Recommendation: That you sign the attached Project Authorization, thereby approving life-of-project financing of \$13,139,000.

Attachments:

- A. Project Authorization
- B. State 162082
- C. Project Paper

Clearances:

DAA/AFR: RLove	Date:	
DAA/AFR: GPatterson	Date:	7/14/82
AAA/AFR/DP: ICoker (Draft)	Date:	7/14/82
AFR/SA: JHicks (Draft)	Date:	7/13/82
AFR/SA: RWrin (Draft)	Date:	7/13/82
GC/AFR: LdeSoto (Draft)	Date:	7/13/82
AFR/DP: TCornell (Draft)	Date:	7/14/82
AFR/DR/EHR: MCusack (Draft)	Date:	7/17/82
AFR/DR/SA: MGilbert (Draft)	Date:	6/21/82
AFR/DR/SA: DBlane (Draft)	Date:	6/21/82

AFR/DR/SA:JPagano:jbn:6/29/82:X28818

PROJECT AUTHORIZATION

Name of Country: Zimbabwe

Name of Project: Manpower Development Project

Number of Project: 613-0215

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Manpower Development Project (the "Project") for the Government of Zimbabwe (the "Government") involving planned obligations in an amount not to exceed \$13,139,000 in Economic Support Funds over a three year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project.

2. The Project is for the provision of training and training-related support, and short-term consultants and equipment under a flexible format to assist the Government to meet its manpower development needs, particularly the needs of its professional and technical training institutions and colleges. The assistance will be directed at priority development needs in the host country which are supported in the overall AID program in Zimbabwe, including agriculture, technical manpower development, management, teaching training and health.

3. The Grant Agreement, which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

4.a. Source and Origin of Goods and Services.

Goods and services, except for ocean shipping financed by A.I.D. under the Project shall have their source and origin in the United States or in Zimbabwe, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Project shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

b. Conditions Precedent.

The Project Agreement shall contain conditions precedent to disbursement in substance as follows:

(1) Prior to initial disbursement, or to the issuance of any commitment documents under the Project Agreement, the Government shall furnish, in form and substance satisfactory to AID, (i) the names, titles and specimen signatures of the officials responsible for administration of the Project and for the release of funds for project activities; and (ii) a list of the first year's training priorities;

(2) Prior to any disbursement of funds, or to the issuance of commitment documents under the Project Agreement, for initiation of training for each year, except for training initiated during the first year of the Project in accordance with the priority list required under Section 4b.(1) above, the Government shall furnish, in form and substance satisfactory to AID, an annual project-related training plan which will be based on priorities as set out in the first annual GOZ Manpower Plan and Three Year Transition Plan.

c. Covenants.

The Project Agreement shall set forth an undertaking providing in substance as follows, except as AID may otherwise agree in writing:

(1) The Government agrees to financially support the participants during their absence on long or short-term training in accordance with existing GOZ regulations on training.

(2) The Government shall covenant to make available qualified candidates for long-term and short-term training in the U.S. and other developing countries and to ensure by bonding and other means that these persons are assigned to suitable positions utilizing their training, for a period at least equal to the period of training financed under this Project.

(3) The Government and AID agree to establish an evaluation program as part of the Project. The evaluation program will include two formal evaluations: one during the implementation of the Project and the other as a final evaluation. Both evaluations will:

(a) Evaluate progress toward attainment of the objectives of the Project;

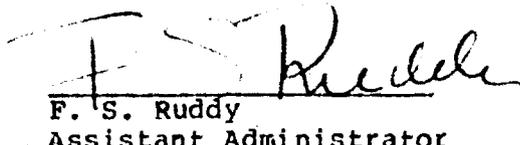
(b) Identify and evaluate problem areas and constraints which may inhibit such attainment;

(c) Assess how such information may be used to help overcome such problems and constraints; and

(d) Evaluate, to the degree feasible, the overall development impact of the Project.

Date:

1.20


F. S. Ruddy
Assistant Administrator
for Africa

Clearances: As shown on Action Memorandum

Drafted by: GC/AFR:LDeSoto:my:7/12/82:20379

613-0215
Care

April 30, 1982

MEMORANDUM

TO: See Distribution *Blane*
FROM: AFR/DR/SA, Dianne Blane, Chairperson
SUBJECT: Zimbabwe Manpower Development (613-0215)
- Issues Paper

The Project Committee for the Zimbabwe Manpower Development (ZIMMAN) project met on Wednesday, April 28. The Committee identified one issue which should be considered in the Project Review.

Issue: Project implementation will be initiated pending the results of the National Manpower Survey

Recognizing the importance of fully understanding and dealing with manpower constraints to development, the GOZ has undertaken a National Manpower Survey. The Survey will be used as the basis for a National Manpower Plan which is expected to be completed within the next two years. Given this timeframe, however, it is proposed that the ZIMMAN project proceed for the first year of implementation pending completion of the survey and availability of the plan. This first year commitment could involve up to one-third of the project's funds. In spite of the fact that the manpower survey is not officially available, the GOZ nevertheless already recognizes certain specific areas of high priority for training, and the GOZ and USAID/Z believe that the project can be effectively initiated on the basis of information already at hand. To ensure that first-year participant training placements are in mutually agreed priority areas, the Project Grant Agreement will have a Condition Precedent stating that, prior to initial disbursement of funds, the GOZ will present to USAID/Z a list of candidates for U.S. long-term training and their respective fields of study. Priority will be given to training in agriculture, technical education, administration and management, health and education. A tentative list of short-term consultants who will be required during the first year - primarily for training of trainers - will also be presented for USAID/Z approval.

The results of the survey should be available to the GOZ ministries involved in the project and to USAID/Z by the second year of project implementation. The survey data and a resultant Manpower Plan will then be used to develop annual, comprehensive project-related training plans for the remaining years of the project. The training plans will focus more specifically on the priority fields for long- and short-term participant training in the U.S. and third countries and complimentary U.S. short-term consultant support in training of trainers.

Questions Raised and Resolved

1. Training Strategy: It is incumbent upon the Mission to focus on a training strategy to assure coordination of training which will be supported under the education and agriculture sector programs as well as under this project. This strategy should be highlighted in the Zimbabwe CDSS and discussed in more detail in the sector PPs.
2. Payment of Participants' Airfares: Given the GOZ's assertion that payment of airfares involves an opportunity cost in loss of potential foreign exchange, it is considered appropriate to waive the requirement for host country payment of airfares, as long as the GOZ can satisfy the 25 percent principle with contributions in other budget areas, such as salaries of participants in training. The Mission Director intends to use his authority under Handbook 10 to approve this waiver.

Clearance:

AFR/DR/SA: EMGilbert (draft)
AFR/SA: RWrin (draft)
AFR/DP: DWilson (draft)

Distribution:

AAA/AFR/DR, John W. Koehring
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AFR/DR/SA, Morgan Gilbert
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AFR/DR/EHR, Howard Steverson
AFR/DR/EHR, Mary Anne Cusack
SET/IT, Betsy Carter
PPC/PDPR/PDI, Luella Hamilton (2 copies)

July 1, 1982

MEMORANDUM

TO: DAA/AFR, Mr. Alexander R. Love
FROM: AFR/DR, Norman Cohen
SUBJECT: Zimbabwe Manpower Development (613-0215)

During the ECPR meeting on June 11 to review the Zimbabwe Manpower Development project, questions were raised about the extent to which African governments or AID pay for the international travel of participant trainees and whether the AFR posts need guidance to determine who should pay these costs.

Figures available to S&T/IT indicate that AFR practices vary. Some host countries pay all the international costs; some half; some none.

AID's Handbook on Participant Training states that the host country should pay international travel costs but leaves discretion to waive this to the field:

"The cost of international travel...is paid by the host government...unless...Mission Directors have justified and authorized full or partial waivers...with copies to their geographic AA and to DS/IT...." Handbook 10, Chapter 15, page 15-1.

While Handbook 10 does not spell out the rationale for the host government paying these costs nor the factors justifying a waiver, arguments for the host government making the payment are as follows.

Unless the host government pays for air fare, it may not contribute 25 percent of the costs of the project.

Frequently the host government will own an airline which will have excess seating capacity so that providing transportation will not in fact be an additional real cost to the host government.

The Zimbabwe Manpower Development project paper, at page 11a, shows that Zimbabwe is contributing the equivalent of \$4,526,000 to meet local costs of the project, that these amount to 26 percent of total project costs, and that 97 percent of AID's contribution of \$12,779,000 covers foreign exchange costs, including \$904,000 for air fare.

Harare 1854 supplemented the project paper and urged that AID finance the international travel contemplated in this project because it truly was a foreign exchange cost, at least to the extent of 90

percent of ticket costs. The cable added that Zimbabwe agreed to pick up over 25 percent of total project costs in truly local costs. The cable concluded that the Mission Director would sign the waiver and indicated that the regional legal advisor concurred as the 25 percent contribution was otherwise met.

The arguments for having the host country pay for participants' international travel do not apply here. Zimbabwe's contribution is over 25 percent (even though that is not statutorily required since this project is funded from ESF to which FA Act Sec. 110(a) does not apply), and Air Zimbabwe does not have excess seating capacity; in fact Harare 1854 argues that most of the seats on Air Zimbabwe's international flights are sold for foreign exchange rather than for local currency.

Moving from this specific case to general principles, I recommend that in addition to approving this grant's covering international air travel that the following guidance be sent AFR field posts:

In determining whether to waive the general rule that the host country should pay for the international travel of participants, the Mission Director should consider whether

- the appropriate host country contribution can be met by purely local currency costs, such as, allowances to in-country dependents, local training program support costs,
- the level of the appropriate host country contribution should be less than 25 percent (20 of the 37 African countries shown in the OYB are RLDCs),
- the interest in and commitment to the project on the part of the host country is demonstrated by the quality of the proposed participants and the plans for incorporating them in the country's development on their return.

DRAFTED BY: AFR/DR:GRublee

Clearances:

AFR/DR/SA:DBlane DB

GC/AFR:TBork _____
S&T/IT:ECarter _____

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ZIMBABWE MANPOWER DEVELOPMENT (ZIMMAN)

PROJECT PAPER

(613-0215)

I. SUMMARY

A. Overview

The project will provide a grant of U.S. \$13.139 million to the Government of Zimbabwe (GOZ) for training, short-term training consultants, and training equipment and supplies. The primary objective of this assistance is to strengthen Zimbabwe's own institutional capacity to meet its domestic requirements for technical and professional manpower.

The project is designed to maintain flexibility in meeting this objective. Flexibility is important since considerable uncertainty surrounds the current and likely manpower situation in Zimbabwe over the project's life. The magnitude and composition of the manpower problem and the capacity to ameliorate it, depend on several key variables which are difficult to predict with any degree of certainty at this time. These include the rate of economic growth, the exact human resource requirements of the GOZ's development plans, the rate of emigration of skilled manpower, the return of Zimbabweans trained outside the country prior to independence, and the amount and content of foreign assistance available for manpower development. Given the necessity for flexibility noted above, this project has been designed to be implemented in the first year by relying on a list of priority training activities and in the second year through a project training plan based on the National Manpower Development Plan and the Three Year Transitional Development Plan. (See the Issues section below). The implementing GOZ agency will be the Ministry of Manpower Planning and Development. This Ministry will work collaboratively with other relevant Ministries, mainly those with responsibility for training institutions, to coordinate all training and training consultancies. They will also assume major responsibility for the development of the project's annual implementation plan. Furthermore, they will assure, along with the relevant technical ministries, that all individuals sent for training outside Zimbabwe will be retained upon return through appropriate techniques such as bonding by the Ministry of Public Service.

The annual project plan will be submitted to AID for its concurrence. The plan will be revised as necessary to be responsive to unforeseen training requirements of the GOZ. AID will concur in this plan and will routinely approve all training and short-term consultants which are consistent with the annual plan.

One United States firm will be contracted to handle trainee placement and support in the United States or in a third-country training institution and recruit short-term consultants to run in-country training programs identified by the GOZ.

Overall the project will finance;

120 long-term U.S. participants,
130 short-term U.S. participants,
65 short-term 3rd country participants,
150 p/m short-term consultants, and
modest amounts of training equipment.

Overall project costs are as follows:

	<u>US\$ 000</u>		
	<u>US*</u>	<u>GOZ*</u>	<u>TOTAL</u>
Training costs	9,527	4,077	13,604
Training consultants (short-term)	2,198	50	2,248
Training equipment and supplies	219	-	219
Administration	-	100	100
Contingency	1,195	299	1,494
Total	<u>13,139</u>	<u>4,526</u>	<u>17,665</u>

*Includes inflation

The GOZ contribution is intended to support the in-country costs of training (partial salaries, in-country training etc.) as well as local administration and office support.

B. Issues

There are two issues involved in the consideration of this project. The first is whether the project adequately deals with the short-term shortages of trained and experienced manpower in Zimbabwe. The second is whether the project's modus operandi during the first year ensures that high priority manpower needs will be addressed.

The PID proposed the provision of a substantial number of OPEX personnel to bridge the gap in operational level technical and professional personnel in the GOZ while individuals were being trained in the United States. Subsequent discussions with the GOZ have confirmed that the GOZ intends to bridge this gap by obtaining

such necessary "long-term" personnel from other donor sources which can provide such personnel on a lower cost basis. However, the GOZ has expressed its desire to recruit staff for its technical and professional training institutions from the U.S.A. Long-term technical assistance of this nature will be provided through the sector programs. Such a distinction permits a greater share of the proposed project to be focused on the training of Zimbabweans in the United States and in third countries. It also simplifies the responsibility of the contractor selected to implement this project.

The second issue is strictly procedural. Because of the urgency to get Zimbabweans into professional and technical training programs as soon as possible and given the backlog of candidates for training, the GOZ and USAID have decided to defer the development of the detailed project related training plan until the second year. This postponement is justified since many necessary inputs are missing such as the Three-Year Transitional Development Plan and the National Manpower Plan. Both plans are expected to be available for project planning during the second year.

To ensure that such a project-related training plan is developed and that first year placements are in mutually agreed upon priority areas of agriculture, technical education, administration, health and education, the PROAG will have two conditions precedent. The first will state that before funds for the first year can be disbursed, the GOZ will present to USAID a list of training priorities for the first year. The second condition precedent will state that, before funds can be disbursed in each subsequent year of the project, the GOZ will present an annual training plan for that year which will cover training in the U.S., third countries and assistance to training institutions in Zimbabwe.

II. PROJECT DESCRIPTION

A. Background

1. Manpower Constraints to Development

When Zimbabwe achieved her independence nearly two years ago, she had a relatively rich endowment of black and white trained and skilled manpower. Since Zimbabwe's manpower problem is primarily

a function of the distribution of skills and access to training among black Zimbabweans, this analysis focuses on the black human resource endowment. During the previous two decades, approximately 1,000 black Zimbabweans obtained undergraduate degrees from the University of Zimbabwe. Another 500 were awarded post-graduate degrees. A much larger number, over 12,000, were educated outside the country at secondary and post-secondary educational institutions. Over half of these were educated in Great Britain. The United States through an AID-sponsored program administered by the African-American Institute financed the education of about 600, primarily in undergraduate and graduate degree programs.

Even so, Zimbabwe suffers from a critical shortage of professional and technical manpower. Without a concerted effort to overcome it, the prospects of sustaining the projected 6 to 8 percent rate of economic growth envisaged in the Three Year Transitional Plan and the redistribution programs of the government under ZIMCORD are dim.

What explains this apparent contradiction? Since its rapid recovery in 1979 and 1980 when the economy grew at the phenomenal rate of 14 percent in 1980 alone, the rate of expansion in the Gross National Product (GNP) has slowed to 8 percent in 1981. The major factors responsible for the 1981 slow-down in the economy are:

- Limited foreign exchange
- Scarce technical and professional manpower, and
- Transportation bottlenecks.

The next two sections focus on the manpower constraint on economic growth. The first analyzes demand factors and the second supply.

2. Labor Demand Considerations

The economy of Zimbabwe is large and diversified. The GNP for 1980 was US\$4.8 billion characterized by broad-based and diversified private agricultural and industrial sectors which produce most of its domestic consumption requirements. For example, the manufacturing sector alone produces over 6,200 separately identified products. There is high degree of integration between manufacturing and the rest of the economy. It contributes over 40 percent of the inputs to agriculture, 40 percent to mining, and 75 percent to construction.

The importance of the private sector in Zimbabwe's economy is also reflected in statistics on the distribution of GNP between the public and private sectors. At the time of independence, government expenditures accounted for 30 percent of GNP. The remainder of GNP came from a diversified private sector.

The mid-1970's witnessed the beginnings of a substantial deterioration in Zimbabwe's economy. Between 1975 and 1978, the real GNP fell by 12 percent. The proportional fall in real per capita income was more than twice this. The recession had a significant impact on total employment which declined by 7 percent from a peak of 1,051,800 in 1975 to 976,000 at the bottom of the recession in 1979. By sector, agricultural employment decreased by 9 percent, mining by 6 percent, manufacturing by 10 percent, and construction by 37 percent.

With the economic upsurge beginning in 1979, the demand for labor accelerated rapidly. Because of the tremendous declines in total employment in the previous three years, the growing economy was able to meet its demand for labor largely by reabsorbing unemployed and under-utilized labor. By 1981, the employment levels had reached and exceeded the previous 1975 high of 1,051,800.

With the expansion still occurring in virtually all sectors but mining, the demand for labor continues to grow. However, the economy is beginning to exhaust its supply of underutilized labor and the gap between labor demand and labor supply is increasing.

Also affecting the demand for labor are the developmental plans and programs of the government. The emphasis on small farmer agriculture and efforts to expand employment opportunities in the communal land areas has created a situation in which the government's own requirements for skilled manpower have increased over those of the pre-independence period. Thus, both government and the private sectors are competing for a shrinking supply of skilled people. This competition expresses itself in high turnover rates within the labor market.

3. Labor Supply Considerations

As the Zimbabwe economy grew and diversified during the years before 1975, so did the demand for skilled manpower. While the

educational and training infrastructure also expanded, its rate of growth failed to keep pace with the economy's requirements. This failure is partly explained by conscious government policy not to relax radically racial barriers which restricted the entry of blacks into the technical, professional, administrative and other skilled occupations. To redress its skilled labor imbalances, Zimbabwe relied heavily on a steady stream of white migrants.

From 1975 until the present, there has been an outflow of skilled white labor from the country. The growing political uncertainty, the war, and the bleak economic situation prior to 1980, all contributed to the reversal in white migration patterns. Since 1976, the emigration of whites has averaged approximately 10,000 a year. In 1979 and 1980, nearly 40 percent of the emigrants were people with professional, technical, administrative, and supervisory skills.

Some of this loss in skilled manpower has been met by the return of black Zimbabweans. However, the number of such people is far short of the number of skilled whites leaving the country. Furthermore, there is not a one to one substitution in skills and experience.

By 1981, the GOZ estimated that 38 percent of its own technical and professional positions were vacant. Particularly hard hit have been the ministries of Agriculture, Lands, and Manpower. For example,

- 46 percent of the research positions in agriculture are unfilled,
- 63 percent of the agricultural engineering positions are vacant, and
- 56 percent of the posts in the technical colleges are without staff.

The situation in the private sector mirrors that of the public, although no published statistical data on it exists. The private sector is particularly affected by the shortages of staff in the technical colleges which have a direct bearing on its capacity to train skilled workers. Most skilled workers in Zimbabwe are trained through a complementary system of in-service or on-the-job training combined with training at technical colleges and institutions sponsored by the government. Over the short-run the private sector is likely to weather the shortage of technical

manpower through intensive efforts to train and upgrade existing staff. However, without staff at the technical colleges, in the long run, it will be greatly handicapped in meeting its overall manpower requirements as it exhausts its available inhouse supply of workers who can be quickly upgraded through in service programs which do not require training at the technical colleges.

This brief discussion of the private sector is based on interviews with leading private sector firms in Zimbabwe. They voiced considerable concern about the present manpower problem. They stated that USAID could best assist them by strengthening GOZ training institutions through staff development as envisaged in this program combined with a modest allocation of foreign exchange under the Commodity Import Program for the importation of training equipment.

In summary, Zimbabwe's manpower problem stems from a rapid increase in the demand for skilled labor which has not been met by a corresponding increase in its domestic capacity to train technical, professional, and administrative manpower. The failure on the labor supply side is directly related to a conscious government policy prior to 1980 which limited training opportunities for blacks in preference for the recruitment of skilled whites from overseas. The gap between supply and demand has widened as the economy has expanded and the supply of skilled whites has declined. The rate at which it has increased has been partially offset by the return of educated blacks and the expansion of in-service and on-the-job training programs. However, the problem can only be solved by strengthening the institutional capacity to train Zimbabweans in country. This project is designed to work toward the achievement of this goal.

B. AID Strategy and Program Considerations

During the past year, most of AID's contribution to the GOZ's reconstruction and development program has come from two Program Grants amounting to \$44.3 million. The matching local currency contribution from the GOZ has been utilized to repair and replace schools, clinics, dip tanks, rural roads, and other infrastructure damaged or destroyed during the war. These funds have also gone for the expansion of agricultural colleges, primary and secondary teacher education, and vocational/technical education. Since all of these activities are funded out of local currency, the AID program has had no mechanism to assist the GOZ address critical manpower constraints through training or technical assistance.

The Zimbabwe Manpower Development Project is intended to be USAID's main source for overseas training. The project has been designed to minimize management requirements for both USAID and GOZ. The project is designed to complement the two planned major sector

programs in agriculture and education/manpower.

USAID strategy calls for the ZIMMAN project to be operational prior to the sector programs. Design features which maximize complementarity with the sector programs are:

- ZIMMAN will handle all training related to strengthening indigenous training institutions in Zimbabwe.
- The sector programs will emphasize professional/technical staff development in the respective ministries such as agriculture, lands, education, and manpower and will support their corresponding research institutions.
- Priority professional and technical staff development in other key development ministries which fall outside the scope of the sector programs will be financed through ZIMMAN. These include ministries such as Public Works, Local Government and Housing, Transportation, and Health.
- The contractor selected to handle placement of trainees under ZIMMAN will also be in charge of placement of trainees from the sector programs on a cost reimbursable basis.
- Long term technical assistance will be provided through the sector programs rather than ZIMMAN. This will also include individuals recruited from the U.S.A. to teach for six months or longer at the various agricultural, technical, and educational training institutions in Zimbabwe.

C. Other Donor Plans

At the ZIMCORD conference in March 1981, the GOZ prepared technical assistance and training requests totalling \$165 million. Of the \$1.4 billion pledged by bilateral and multilateral donors, only \$140,000 was specifically earmarked for these activities. Most assistance offered at ZIMCORD was non-project specific. Of the amount set aside for technical assistance and training, over half came from the United Kingdom and the United Nations.

On June 15, 1981, the Ministry of Economic Planning and Development issued a post-ZIMCORD progress report which indicated some progress toward obtaining donor support for technical assistance and training. Excluding this AID project, the GOZ had received expressions of interest amounting to \$120 million. Three donors account for nearly 90% of this sum. They are in descending order of importance: the United Kingdom, the Federal Republic of Germany, and the United Nations Development Program. The remaining 10 percent is attributed to the Commonwealth Secretariat, Nigeria.

Australia and Egypt.

The largest single proposed program of technical assistance and training is that of the United Kingdom, estimated at \$82 million over the next three or four years. The British commitment involves about \$43 million to support Zimbabwean students already attending secondary and higher education in the United Kingdom and \$39 million in technical assistance. The bulk of their technical assistance will go to the Ministry of Defence, the Dairy Marketing Board, the Central Statistics Office, the National Railways of Zimbabwe, the Posts and Telecommunications Corporation, the Agricultural Finance Corporation, the Ministry of Information and Tourism, the Geological Survey Department, Ministry of Lands, and the Ministry of Agriculture.

The Federal Republic of Germany had provided prior to ZIMCORD approximately \$12 million for training in Germany or elsewhere in Africa. At ZIMCORD they pledged an additional \$4.6 million to this program. Since ZIMCORD approximately 50 Zimbabweans have left for Germany to study engineering, computer science, food technology, and tourism. These students entered five year bachelor degree courses. On May 16, 1981, the GOZ and the Germans signed a Financial Cooperation Agreement which included technical assistance for the land resettlement program mostly in the form of short-term advisors. The Germans are presently considering technical assistance to the Polytechnics. The specifics of these discussions between the GOZ and the Germans are not available.

The United Nations Development Program had already committed approximately \$8 million to training and technical assistance before the ZIMCORD conference. These funds were allocated to providing technical assistance and training for the manpower survey's data collection and analysis, physical and regional planning, education planning, health planning population and demographic survey work, and small industries development.

The United Nations Development Program for 1981 to 1984 calls for an additional \$12 million in technical assistance and training. Major areas of emphasis in their program are likely to be telecommunications, planning, agricultural engineering, airborne geophysical surveys, urban development, health planning, civil aviation, and meteorological services. Recent discussions with UNDP and the GOZ indicated that the U.N. may be having difficulty honoring its pledge due to budget reductions.

The proposed AID project emphasizes long-term post graduate training aimed specifically at training institutions in the key sectors of agriculture, technical manpower, and education. On the other hand, the United Kingdom and the Federal Republic of Germany,

mostly train at or below the undergraduate level. Therefore, the project design team and USAID have concluded that there is little danger of competition or duplication of efforts among donors. USAID will also continue to maintain close contact with other major donors to ensure complementarity in the manpower development area.

D. Logical Framework

1. Goal and Purpose

The goal of the project is to increase Zimbabwe's human resource infrastructure required to implement programs directed at equitable and rapid social and economic development. Verification of progress toward this goal will involve periodic appraisal of GOZ development plans, and later, review of national accounts and income distribution data to determine the extent of real increases in GNP and changes in its distribution. Economic indicators such as increased small farm productivity, greater industrial/commercial productivity, and enhanced employment opportunities and social indicators such as higher educational attainment, lower morbidity, and longer life expectancy, will also reflect the achievement of the project goal.

The purpose of the project is to assist the GOZ to sustain high professional standards and operational effectiveness through training trainers and staff development in select areas relevant to GOZ's development priorities in small farm agriculture, technical manpower development, management, teacher training, and health. The achievement of the project purpose will be indicated by the increased numbers and credentials of Zimbabweans in positions of responsibility in the areas of priority specified in the project purpose.

The areas of project emphasis are based on an assessment of the GOZ's development priorities as reflected in documents prepared for ZIMCORD (Zimbabwe Conference on Reconstruction and Development, held in March 1981), discussions with senior GOZ officials involved in manpower and economic planning, and published reports by the Central Statistics Office and Reserve Bank of Zimbabwe. The areas coincide with the AID programmatic strategy as set forth in its CDSS which places high priority on the development of Zimbabwe's training institutional capacity as a means to increase the quantity and quality of skilled labor. Although there is insufficient statistical data to develop a rigorous training plan until the second year, the immediate needs within each area are presented in Section E. 1 below and described in greater detail in Annex F.

2. Outputs

The outputs of the project will be:

- (1) Strengthened institutional capacity within the technical and

professional colleges and institutions and the University to impart high-quality, relevant training for technical and professional positions both in the GOZ and the private sector; and

- (2) A cadre of trained Zimbabweans capable of assuming professional and technical positions in key development areas.

To the extent that Zimbabwe can provide relevant technical training within its own borders, the availability of qualified technical personnel will be enhanced. Strengthening local training institutions represents the optimal utilization of donor resources, so that Zimbabwe can achieve self-sufficiency in its technical and professional manpower requirements as rapidly as possible.

The achievement of project outputs will be measured through numbers of participants trained, person-months of consultants provided, and number of faculty or staff for local training institutions who have been trained with project resources.

3. Project Inputs

The total cost of the project is \$17.665 million, of which the GOZ will contribute \$4.526 million and AID \$13.139 million. The GOZ contribution will include partial salaries to Zimbabweans on training in the United States or third countries; all in-country training costs; and support costs for project administration.

AID inputs include long-term degree training, short-term training in the United States and in third countries; training related expenses; short-term training consultants, and appropriate in-country training courses and a modest amount of training equipment and supplies. The cost of the implementation contract has been built into appropriate line items for participant training and consultants. These inputs are discussed in detail in the Financial Plan, and summarized in Table I.

The following section reviews the areas to which training and consultants will be directed. Procedures for requesting assistance, selection criteria for training and consultants and an illustrative list of consultants for the first year of the project are discussed in detail in the following section. The timing of the project inputs by years is set out in Table II.

TABLE I
LOP
PROJECT INPUTS
(in U.S.\$000)

	<u>AID</u>		<u>GOZ</u>	
	F/X	L/C	F/X	L/C
	\$	\$	\$	\$
<u>Training</u>				
Long-term	6,544	-	-	1,973
Short-term (U.S.)	1,427	-	-	390
Short-term (3rd country)	357	-	-	195
In-country	295	-	-	280
Airfare	904	-	-	-
<u>Training Equipment & Supplies</u>	219	-	-	-
<u>Short-term Consultants</u>	1,838	360	-	50
(of which 5 p.m. for evaluation)				
<u>Support Costs</u>				
Project Administration	-	-	-	100
TOTAL BASE COST	11,584	360	-	2,988
<u>Contingency</u>	1,195	-	-	299
<u>Local Inflation (15%)</u>	-	-	-	1,239
GRAND TOTAL	12,779	360	-	4,526
	(97%)	(3%)	(0%)	(100%)
TOTAL PROJECT COSTS	\$13,139*			\$4,526
	(74%)			(26%)

Inflation built into all figures

TABLE II

SCHEDULING OF OVERSEAS TRAINING AND SHORT-TERM CONSULTANTS

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>TOTAL</u>
<u>Training</u>						
1. Long-term	120 long-term participants average 2 years for MA, and 3 years for Ph.D.					
No. of person/years	30	30	3	-	-	63
	-	45	45	5	-	95
	-	-	45	45	4	94
Total in training	30	75	93	50	4	252
2. <u>Short-term (U.S.)</u>	130 short-term trainees, average 3 months					
No. of persons	20	30	30	30	20	130
Person/months	60	90	90	90	60	390
3. <u>Short-term (3rd country)</u>						
No. of persons	10	15	15	15	10	65
Person/months	30	45	45	45	30	195
4. <u>Consultants</u>						
Short-term	10	10	10	10	10	50
Person-months	30	30	30	30	30	150
(of which evaluation)			(2)		(3)	(5)

E. Description of Project Activities

1. Areas of Emphasis

Project activities will be categorized into 4 types: (1) long-term participant training in the United States; (2) short-term participant training in the United States; (3) short-term participant training in third countries; and (4) in-country training supported by appropriate short-term consultants, a modest amount of training equipment and local support costs. Simultaneously, project activities will address the areas of training emphasis selected by the GOZ which are:

- (1) Small farm agriculture,
- (2) Technical manpower development,
- (3) Administration/management,
- (4) Teacher training, and
- (5) Health.

Justification for the selection of these areas of emphasis is provided in Annex F.

2. Procedures for Requesting Assistance

The GOZ, through its implementing agency, the Ministry of Manpower Planning and Development will submit, for the first year, a list of candidates for training as well as in-country courses requiring project assistance. In subsequent years an annual project-related training plan based on national manpower considerations will be developed. This project plan will adhere to the selection criteria set forth in the following section.

The annual project plan will describe the manpower requirements within the areas of emphasis set forth in the project agreement (utilizing the latest available data), provide aggregated information on training being done by other sources, and identify and describe the position for which AID training assistance is requested. Candidates for training should be included in the training plan. Based also on these manpower requirements, a consultant plan will be included, following the format outlined for training.

Degree training will be conducted in the United States. Short-term courses will be offered in the United States and in appropriate third countries with emphasis on courses offered by international organizations.

In-country courses will be conducted either at local training institutions such as the University, agricultural colleges, the three technical colleges, teacher training colleges, and medical colleges, or in-service special courses set up for specific purposes such as upgrading extension services, operating dairy cooperatives, training rural development staff, etc. The in-service courses are likely to be held at the four Provincial Training Centers run by the Public Service Commission.

3. Selection Criteria for Trainees

The following criteria were developed by the GOZ and reviewed by USAID as guidelines for the provision of training and consultants. The GOZ will apply them in developing the annual project training and consultancy plans. The criteria are as follows:

1. The training or consultancy field falls within GOZ and AID priorities such as small farm agriculture, technical manpower development, management, teacher training, and health.
2. The training or consultancy will result in a regenerative training capability by being within a training institution so that the person trained can in turn train others.
3. The position for which the person will be trained is important to the performance of a development task.
4. The position for which the person will be trained is of high priority to the GOZ's plan for localization.
5. The position for which the person will be trained is for an existing or to be established post at a development-oriented institution.

Ideally, all of these criteria should hold for positions for which degree training is provided. However, there may arise cases in which one criterion cannot be met. In such cases, the overall importance of the function to be performed by the individual, following training will be weighed.

4. Training Equipment and Supplies

The project envisions a modest amount of funding to procure training equipment and supplies, mainly as a complement to the in-country training undertaken by consultants. A much more substantial amount of equipment will be financed under the sector programs and

the Commodity Import Program. The private sector will probably request some foreign exchange allocations under the CIP for training. A total of \$219,000 has been set aside in this project for such procurement (\$150,000 for actual equipment and supplies and \$69,000 for procurement fees and freight costs) during the first three years of the project. At present, detailed specifications for training equipment are dependent on needs identified by training-related short-term consultants in consultation with the GOZ. Because of sanctions, foreign exchange shortages and rapid expansion in education, there is currently a severe shortage of training aids and the latest in new training technology. Techniques are dated, equipment outmoded or worn out, and software limited. The provision of equipment under ZIMMAN, the CIP, and the sector programs will permit training institutions in Zimbabwe to develop more rapidly an internal capacity to meet the country's manpower training requirements.

III. PROJECT ANALYSIS

A. Technical Analysis

1. Project Appropriateness and Strategy

The appropriateness of the project in terms of meeting the priorities of the GOZ is set out in Section II.E 1 and Annex F. The project strategy of providing resources for training, backed up with modest resources of training-related consultants while nationals are being trained, has proven to be a sound strategy in other countries in Southern Africa. The emphasis on strengthening local training capability provides a most effective type of training. By concentrating on the training of those who will in turn train others at the various colleges and institutions, it moves Zimbabwe closer to self-sufficiency in meeting its long-term manpower requirements.

Historically, the manpower constraint has been one of the most critical to development throughout Africa. If Zimbabwe can solve this constraint early in the development process, it will be in a strong position to achieve its objectives for rapid economic growth with an equitable distribution of the fruits from this growth.

The strategy of the project is also to focus on priority development areas established by the GOZ, and selected for emphasis in the CDSS. Thus, the project promotes AID programmatic concerns.

2. Technical Organization of the Project

The GOZ will submit, after the first year, an annual manpower-related training plan and training related consultancy requirements.

This plan will assess overall manpower requirements, designate positions met by other donors and those to be met by USAID. This exercise will utilize the National Manpower Survey data when they are available.

Where possible, short-term training and in-country training will be relied on to upgrade skills. This type of training is effective while simultaneously conserving financial and human resources. It is anticipated that senior and experienced personnel, who cannot be spared for long-term degree training, will participate in some of these short-term programs. Degree training will be reserved primarily for lower and middle level personnel with significant career potential.

The selection criteria (set forth in Section II) have been designed to promote optimal utilization of the project's training and consultancy resources. These criteria stress local institution building. They also emphasize key development functions which can result in a better allocation of government resources through improved policies, program design, and program implementation.

B. Social Soundness Analysis

1. Beneficiaries

The project does not lend itself to the traditional social soundness analysis which accompanies most AID projects.

There will be two primary beneficiaries under the project. The first is the GOZ itself. In the short-term, the project will provide the GOZ with training-related consultants in fields of agriculture, technical skills development, management, teacher training, and health who will provide in-service training for staff and students at local training institutions. In the longer term, the GOZ will benefit from the extensive training to be conducted under the projects. The second primary beneficiaries are the approximately 120 Zimbabweans who will receive degree training in the United States and a larger number who will attend short practical courses in the United States, other developing countries, and international training institutions. Several hundred will receive in-service training inside Zimbabwe at the University or at other training facilities.

The most important beneficiaries are those served indirectly by the project. They include the African population in general, whose lives will be improved through better rural agricultural services, expanded vocational training opportunities, increased employment, and improved educational and health services. They will also benefit over the long run from improved government administration, planning, and implementation which results from efficient and effective allocation of national resources.

2. Women

Women will constitute both direct and indirect beneficiaries of the project. As direct beneficiaries, they will benefit from training opportunities both abroad and in-country. As indirect beneficiaries, women will benefit from improved agricultural production, greater employment opportunities, and more accessible education and health services.

Although no specific quota system will exist to assure that women candidates are nominated for training, there are various mechanisms available which will tend to maximize training opportunities for women. The GOZ has recently created the Ministry of Community Development and Women's Affairs, which has a mandate to assure that "growth with equity" is not construed as applying only to black/white relationships but also to the opportunities for women. That Ministry has developed a list of mid-level and senior women officers in the GOZ and has membership on the GOZ Scholarship Committee. From that vantage point, the Ministry can exert appropriate pressures toward the inclusion of equitable numbers of women candidates for training.

C. Economic Analysis

1. INTRODUCTION

If project planners and decision makers were not restricted by limitations in the availability of capital, labor, and other resources, there would be little need for an analytical tool which can be used to partition and channel resources into areas with the highest gains to society. The only criterion would be to invest in all projects whose benefits equaled, or exceeded, their costs. Since costs are zero by definition, all projects which have positive benefits are justified. In contrast to this situation, project planners and decision makers are faced with a vast array of project opportunities which fall within the goals and objectives of society. Long before all projects were funded, the government would reach some form of budgetary or resource constraint. Thus, in the normal course of project design, planners have to make decisions on which type of projects will best meet and achieve society's objectives. They must choose among projects in agriculture, industry, education, and health. Also within a given sector, there are choices to be made. In economic jargon, this can be stated as allocating limited resources to maximize a nation's social welfare function.

Cost-benefit analysis was developed as one of the main analytical tools for imposing the criterion of economic efficiency on public and private investment decision making. There are basically three techniques involved in cost-benefit analysis. The first is the internal rate of return which equates the present value of a given benefit flow to the present value of a given cost flow. The second is the ratio of the present value of the benefit flow to the present value of the cost flow. The third is the net present value or the difference between the present value of benefit and the present value of cost. In this analysis both the benefit-cost ratio and the net present value are used.

2. METHODOLOGY

The present value of the cost flow (PV_c) is computed by the formula:

$$\sum \frac{C_i}{(1+r)^{i-1}} = PV_c \quad i = 1, 2, 3, \dots, n$$

Where cost, C_i , is discounted at a rate, r , over a predetermined time horizon from year "i" to year "n". The present benefit (PV_b) is computed by the formula:

$$\sum \frac{B_j}{(1+r)^{j-1}} = PV_b \quad j = 1,2,3,\dots,m$$

where benefit, B_j , is discounted at the rate, r , over a pre-determined time horizon from year "j" to year "m". The benefit cost ratio is simply the,

$$PV_b / PV_c$$

On the other hand, the net present value is the difference between the present value of benefit and the present value of cost or

$$PV_b - PV_c$$

In this analysis of the relationship between benefits and costs for the Zimbabwe Manpower Development Project (E13-0215) the objective function which is to be maximized is the net increase in productivity to be derived from the expansions in the training capacity of colleges and institutions training skilled manpower in agriculture, technical skills, administration/management, teacher education, and health. The stream of benefits is the economic value of the increased productivity which the economy realizes from this enlarged training capacity. The stream of costs is the value of the project inputs such as participant training and consultants, as well as the limited commodities which are required to expand the capacity of these training institutions, plus the increased recurrent cost resulting from the expansion in the faculty of these various training institutions.

Budgetary resources available to achieve this objective are fixed at US \$17.6 million. This is the sum of AID's contribution of US \$13.1 million and the GOZ's contribution of US \$4.5 million. Project planners are assumed to face three design options or alternatives to achieve the project's objectives. The first option is to recruit long-term expatriates who would teach at the various colleges and institutions. Thus, rather than sending individuals outside the country for training, the expatriate staff have Zimbabwean understudies who work with them during the time they are in Zimbabwe. Gradually over the life of the project, the expatriate personnel are replaced by these trained Zimbabweans. The second option combines long-term expatriate faculty with long-term training of Zimbabwean faculty outside the country. As the Zimbabwean faculty returns, they replace the expatriate personnel. This option is analogous to the SAMDP project in the Southern African countries of Botswana, Lesotho, and Swaziland. It is also similar to the original design for this project as envisaged in the PID and the first draft of the Project Paper. The third option, which is

the one actually proposed by this project paper, involves sending Zimbabweans overseas for training. In this option, no long-term expatriates are recruited to fill existing vacancies in the various training institutions.

To simplify the analysis, all three options use the same combinations of both short-term technical assistance and short-term training to improve the quality of the training curriculum and pedagogy at the colleges and institutions. These combinations are the same as outlined for option III in table II. Therefore, the resource allocation to these inputs does not change across the three different options.

Regardless of the option, each contributes to the attainment of the objective function by training more faculty/staff and by altering the training production functions to enhance the efficiency of these institutions. Increased efficiency is measured by improvements in the student/faculty ratios which will result from better curriculum and pedagogy which permit more students to be trained per faculty member without any decrease in the quality of the training received by any one student. All three options are assumed to result in a 30 percent increase in the student/faculty ratios. The present and planned student/faculty ratios for the various types of training institutions are given in table I. For example, there is a 6:1 ratio between students and faculty at agricultural colleges. As a result of this project, it is planned that the ratio will be increased to 8:1.

The advantage of Option I is that it gets faculty vacancies filled quickly. Within a year of recruiting expatriate staff, the Zimbabwean economy can benefit from an increased output of trained manpower. Furthermore, the long-term expatriates, supplemented by the short-term technical experts can move rapidly to introduce innovations into the teaching curriculum which will result in enhanced economic efficiency, as measured by an increase in the student/faculty ratio. However, within any given budgetary constraint, Option I has the disadvantage of filling fewer positions over the long run. For example, for every one expatriate recruited for one year, 3.8 Zimbabweans could be placed in a year of long-term training in the United States. Therefore, over the longer run Option III results in a greater number of Zimbabweans being trained than Option I. On the other hand, Option III has the disadvantage of postponing the time when the economy can expect to benefit from increased output of trained manpower. Option II, which is a blend of Options I and III, might a priori seem to be the best, in an economic sense, since it reduces the time in which the economy must wait to benefit from the increased training output

and increases the number of individuals who can be trained over the long run.

Which of these options is optimal depends on a number of key variables. By far the most important is the rate of time preference or the discount rate. The higher the rate of time preference as reflected in a higher discount rate the more attractive the options with the shortest gap between the expenditure of project resources and the increases in trained manpower are realized. This is true despite the fact that over the long run fewer people will be trained. The lower the rate of time preference, the more attractive become options with a delay in the time when the economy can expect to benefit from larger increases in the overall output of trained manpower. Thus, the trade off which is reflected in the rate of time preference is between an immediate increase but smaller long-term increase and a postponed increase but larger overall increase in trained manpower.

The discount rate selected for this analysis is 14 percent, which is the current market interest rate in Zimbabwe for two-year negotiable Certificates of Deposit. The assumption is that the Zimbabwean government could invest the project's financial resources at this rate in today's capital market and earn a 14 percent annual yield.

Reliance on a high discount rate such as 14 percent may also be justified on the grounds that given the constraining effect of skilled manpower shortages on the capacity of the economy to sustain the envisaged 8 percent real growth rate during the Three Year Transitional Plan, a high discount rate reflects a high rate of time preference. That is, solutions to the manpower problem which offer immediate impact are favored over those with longer run payoffs even though the latter will result in a larger increase in total output than the former. This would suggest that recruitment of expatriates to teach in the various colleges and institutions may make economic sense.

The economic analysis covers the five years of the project plus 15 years after the project ends. The total time covered is, therefore, 20 years. Since the present value of a dollar received 10 years from today is worth only \$.07 at a 14 percent rate of discount, little is to be gained by carrying the analysis much beyond 10 years.

Since the project gives priority to agricultural and technical institutions, it was decided to allocate the project resources as follows: 35 percent for agriculture, 35 percent for technical education, 10 percent for administrative/management, 10 percent for

teacher education, and 10 percent for health. Therefore, the budgetary resources for agricultural and technical training are fixed at US \$6.16 million each and for administration, teacher education, and health at US \$1.76 million each. For Option III, this means that the 315 participants are divided as follows: 100 in agriculture, 110 in technical subjects, 32 in administration/management, 22 in education, and 31 in health. This information is summarized in table II.

ASSUMPTIONS

The following assumptions underlie this economic analysis:

- Earning or wage differentials reflect differences in productivity among different types of skilled labor.
- Factor price relationships are not distorted by monopolistic or monopsonistic elements within the economy.
- Post-training increases in earnings or wages are significantly and positively correlated with the type and amount of training received.
- Indirect benefits from training such as self-sufficiency in training capacity and qualitative improvements in training programs affect each option and area of study in the same manner and to the same degree. That is, while the benefits are biased downward because these qualitative benefits are not quantified, they are biased downward in relative terms the same for each major type of training and across each option. There is no a priori reason to assume that the bias varies as a function of the type of option chosen or the field of study.

There are numerous kinds of training institutions within Zimbabwe in each field of training covered by this project. These institutions vary in the level of training offered and the duration of training. For example, in the field of agriculture, there is the Faculty of Agriculture which offers a program leading to a Bachelor of Science in Agriculture or a Master of Science in Agriculture. In addition, there are the agricultural colleges such as Chibero and agricultural institutions such as Mlezu offering agricultural diplomas and certificates respectively.

An economic analysis involving three options, five fields of study, and three types of training institutions per field of study would entail 45 computations of the PV_E/PV_C and net present values. With such a large number of computations, it becomes

difficult to compare results across fields of study and options. For this reason, analogous institutions such as agricultural institutes and health/medical assistants training institutions or primary teacher training colleges are compared. These institutions are training individuals with similar educational and socio-economic backgrounds at comparable levels of training. Therefore, the analysis assumes that project resources will be concentrated on the development of faculty/staff to teach at agricultural colleges/institutes, technical colleges, provincial and district government training centers, teacher training colleges and medical assistants training colleges/institutes.

Even though the various training colleges/institutes offer training at the post-Junior Certificate (two years secondary or grade 9) and/or "U" level (four years of secondary or grade 11), there is variation in the duration of training. For example, the teacher training colleges run a three year program of study. On the other hand, most of the training at provincial centers such as Domboshawa is for one-year or less. Furthermore, the ratios of students to faculty vary substantially among institutions. In the agricultural colleges/institutes, there are 6 students for each instructional staff. In technical colleges, the ratio is 10 to 1 and in provincial centers it is 14 to 1. (See table I).

At each of these institutions, significant efficiencies can be achieved through an increase in the number of students per faculty member. Since this project focuses on improving the delivery of training in the fields of agriculture, technical skills, administration, formal education, and health, it is assumed that as a result of the project's inputs there will be an increase of 30 percent in the student/faculty ratios.

This means that after five years, the student/faculty ratio in agriculture will be increased from 6:1 to 8:1. Although the 30 percent is arbitrary, it does not affect the relative comparisons to be made in this analysis. The use of 30 percent does, however, impact on the absolute values of the ratios. But since the 30 percent is applied equally to the five fields of study and the three options, it does not distort the relative relationships. Therefore, if, as a result of the analysis, technical education is more profitable than agricultural training, this result would hold no matter if one used a lower or higher percentage increase. The ratios themselves will, of course, be lower or higher depending on the percentage used but the relative ranking will remain unaltered.

TABLE III: STUDENT/FACULTY RATIOS FOR TRAINING INSTITUTIONS

Type of Institution	Student/Faculty Ratios	
	Present	End of Project ^{1/}
Agriculture	6:1	8:1
Technical	10:1	13:1
Administrative	14:1	18:1
Teacher Training	9:1	12:1
Health	14:1	18:1

Notes: 1. Assumes 30 percent increase in ratio at the end of the project in five years. The increase is achieved through improvements in curriculum design and pedagogy resulting from in-country training programs and short-term consultants.

The primary benefit from this project is the increased labor productivity which results from having a better trained labor force. The increased productivity is measured by the increase in salaries and wages which the graduates from the various training colleges/institutes receive as a result of their training. There is considerable difference in the post-training salary increases which graduates from, for example, agricultural colleges compared with those from technical colleges can expect. The agricultural graduate can expect to earn on average Z\$ 1,968 per year more than he would have earned if he had not received training. In the case of the technically trained worker the increase in annual earnings is Z\$ 3,828. These differences are presented in table III.

Since not all the gain in earnings can be realistically attributed to the training financed through this project, it is decided to allocate only 30 percent of the annual net increase in earnings, as a measure of the gain in productivity resulting from the investments made in this project. While this tends to lower the benefit-cost ratios and the net present values, it does not alter the relative relationships among the various options and within the options.

To further simplify the computation, no unemployment among graduates is assumed. The absolute wage differentials are fixed over the entire 20 year period.

It should also be repeated, before presenting the results of the analysis, that the increases in the salaries of the instructional staff at the various colleges and institutes which resulted from their training either in-country or overseas are considered to be annual costs which continue after the project has ended. This recurrent cost element is factored into the computation of the estimate of the present value of cost. This cost is not included in the project's US \$17.6 million, but is considered the on-going recurrent cost which the government of Zimbabwe must pay annually to continue to retain the benefits of the trained faculty.

RESULTS OF ANALYSIS

Each option produces a different output flow from the various training colleges. For example, under option I, after 20 years, there are 4,788 more individuals who have been trained in these various colleges than would have been the case if the project had not been financed. The increase under option II is 12,884. Under option III it is 22,156. Option III will result in 4.6 times as

many graduates as Option I over a 20 year period. Whether this option is more economical than the other two options is not a function of the absolute size of the long run increases in trained manpower but rather how much the society values these increases in the present time period. The values attached to these future benefits depend on the rate of time reference or the discount rate which is utilized to weight these future gains as opposed to smaller but immediate gains in the short run.

The results of the economic analysis indicate that at a 4 percent discount rate, Option I which relies exclusively on recruitment of long-term expatriates to staff the colleges is not optimal. The benefit-cost ratio is 0.8800 and the net present value is a negative Z\$642,377.1/. However, within Option I, there are three areas of study which are economical. These are technical education, teacher education, and health training. The main reason that agriculture and administrative training are not economical is the low student/faculty ratio at the agricultural colleges and the low payoff to administrative training. (See table IV).

Both Option II and Option III are profitable since the ratios of the present value of benefits to the present value of costs are greater than one. Therefore, society would receive a positive return on its investment if it selected either of these two choices. However, at a ratio of 1.9338 compared to 3.0781, Option II is less attractive than Option III. The net present value of the investment under Option III is \$16,143,363 compared to Z\$6,930,048 under Option II.

In conclusion, the best choice is Option III. This is the option around which the Zimbabwe Manpower Development Project is assigned. It is, however, useful to reflect on the choice between Option II and Option III. Both these options are the ones most frequently used in manpower projects funded by AID. Whether Option III is better than Option II is sensitive to the discount rate which is employed. As the discount rate is raised from 4 percent to a higher percentage, Option II becomes increasingly more attractive. It was not possible to actually calculate at which point the decision shifts from Option III to Option II. Similarly, if the discount rate is lowered the profitability of Option III increases.

The computations were made in Zimbabwean dollars. Exchange rate used is US\$1.40 = Z\$1.00

TABLE IV : ALLOCATION OF FIXED BUDGET RESOURCES ACROSS FIELDS OF STUDY AND
 EXAMPLE OF ALLOCATION OF PARTICIPANTS AND IN-COUNTRY TRAINING/
 CONSULTANTS UNDER OPTION III.

Field	Allocation of Budget Resources (US \$)	Option III				
		Long-term	Participant Short-term	Training Total	In-country Training Courses	Training Consultants
Agriculture	\$6.16 million (35%)	42 (35%)	68 (35%)	110 (35%)	7 (35%)	18 (35%)
Technical	6.16 million (35%)	42 (35%)	68 (35%)	110 (35%)	7 (35%)	17 ^{1/2} / (35%)
Administrative	1.76 million (10%)	12 (10%)	20 (10%)	32 (10%)	2 (10%)	5 (10%)
Teacher Education	1.76 million (10%)	12 (10%)	20 (10%)	32 (10%)	2 (10%)	5 (10%)
Health	1.76 million (10%)	12 (10%)	19 ^{1/2} / (10%)	31 ^{1/2} / (10%)	2 (10%)	5 (10%)
TOTAL	\$17.60 million (100%)	120 (100%)	195 (100%)	315 (100%)	20 (100%)	50 (100%)

Footnotes: 1. Amount rounded downward in order to maintain column totals.

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TABLE V: NET INCREASES IN EARNINGS FOR GRADUATES
BY TYPE OF TRAINING COLLEGE AND INSTITUTE

Field	Annual Actual Net Increase Z\$	Annual Incremental Increase Attributed to Project ^{1/} Z\$
Agriculture ^{2/}	Z\$1,968	Z\$600
Technical ^{3/}	3,828	1,000
Administrative ^{4/}	600	200
Teacher Training ^{5/}	3,060	900
Health ^{2/}	1,968	600

- Footnotes:
1. Incremental increase attributed to project is assumed to be 30 percent rounded to the nearest Z\$100 to simplify computations.
 2. Assumes both agricultural and health graduates will be employed in positions as Grade IIB or IIC in the Government of Zimbabwe.
 3. Differential is calculated using mean wage/salary data available in Castellion Salary Survey: 15th Cycle August 1981. This survey is done annually for the major employers in Zimbabwe and categorizes employees by skill type and grade. Averages for electrical, mechanical, and automotive engineering classifications were used to compute this increase in net earnings.
 4. Based upon assumption that low to middle level supervisors/administrators who will be trained by people trained under this project can expect to receive at a minimum a one step within grade increase.

TABLE VI : COMPARISON OF BENEFIT-COST RATIOS AND NET PRESENT VALUES FOR THREE DESIGN OPTIONS FOR MANPOWER PROJECT

Field	Option I		Option II		Option III	
	Benefit-Cost Ratio (PV_b/PV_c)	Net Present Value ($PV_b - PV_c$) Z\$	Benefit-Cost Ratio (PV_b/PV_c)	Net Present Value ($PV_b - PV_c$) Z\$	Benefit-Cost Ratio (PV_b/PV_c)	Net Present Value ($PV_b - PV_c$) Z\$
Agriculture	0.3504	-Z\$1,163,316	0.9301	-Z\$167,342	1.7738	+Z\$2,034,414
Technical	1.2350	+442,889	3.0263	+5,281,776	3.8811	+8,725,093
Administration	0.3755	-349,865	0.8979	-82,485	1.6670	+469,267
Teacher Education	1.3882	+217,423	2.0890	+880,313	4.0115	+2,118,667
Health	1.3755	+210,432	2.2665	+1,023,786	4.9742	+2,795,922
TOTAL	0.8800	-642,377	1.9338	+6,936,048	3.0721	+16,143,363

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In addition to indicating that the project is designed to optimally use AID's and the GOZ's resources, the analysis reveals some useful points which will assist both the GOZ and AID in ensuring that the benefits from the project are maximized. For example, it is critically important that the project focus on improving the internal efficiency of training institutions in Zimbabwe by working to identify and develop curriculum and pedagogy to permit student/faculty ratios to increase. Furthermore, the substantial differences in salary gains between fields such as teacher training and agriculture are likely to have a distorting effect on the mix of trained manpower. If real measures of productivity were available it is likely that society could expect a greater gain, or at least the same, from training agriculturalists than formal education teachers. Therefore, it will be important during the life of the project and in the development of the larger human resource sector program to focus on the issue of the distortions caused by these wage differentials.

D. Financial Plan

1. AID Project Budget Summary

Total AID contributions over the 5-year life of the project are \$13,139,000, which is 8 percent higher than was estimated in

the PID submitted in June 1981. Major components of the AID budget are in Table III. It should be noted that the AID budget is for training, training-related expenses such as airfares, short-term consultants, and a modest amount of training equipment. In addition, reasonable allowances have been provided for contingency and inflation.

Because of the changing situation with respect to the shortages of professional and technical skills, it is difficult to predict exactly what kinds of short-term consultants will be needed, and for how long. Similarly, with respect to long-term participants, it is not possible to predict the exact number, and the composition and breakdown between long-term academic and technical training courses abroad. The number 120 has been selected as a reasonable estimate, but if a larger number of good candidates is available, the size of the long-term training program will be increased. Also, some candidates may require more than 2 years to complete their programs.

For these reasons, a 10 percent contingency has been added as well as an annual inflation factor of 10 percent (compounded). The absence of construction in the project, often a major factor producing cost-overruns, tends to lower the expected rate of inflation. Conversely, such items as international airfares and per diem allowances, as well as the cost of United States training may increase appreciably in the next few years.

AID obligations by fiscal year are shown in Table IV. These obligations are based on forward funding of training to the extent possible to preclude a heavy mortgage of future funds. Requirements for FY 1982 funds are established at \$4 million. Obligations in FY 1983 will be \$4.6 million, and the final obligation of \$4.539 million will be in FY 1984.

Nearly 97 percent of AID project costs will be the foreign exchange costs of providing training, short-term consultants, as well as the procurement of training equipment and supplies from the United States. Local currency costs provided by AID will be limited to the per diem requirements of short-term consultants (\$360,000). The entire contribution of the GOZ will be in local currency.

2. The GOZ Contribution

(a) Elements of the GOZ Budget

An important element will be GOZ salaries paid to overseas participants in the United States degree programs and in short-term courses in the United States or third countries. In the case

TABLE VII

AID BUDGET SUMMARY

(Expenditure in U.S. \$000)

	<u>PY I</u>		<u>PY II</u>		<u>PY III</u>		<u>PY IV</u>		<u>PY V</u>		<u>TOTAL</u>	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
I. <u>Training</u>		1,080		2,508		3,225		2,116		598		9,527
(a) Long-term (U.S.)	30	660	45	1,815	45	2,476		1,464		129	120	6,544
(b) Short-term (U.S.)	20	180	30	297	30	327	30	359	20	264	130	1,427
(c) Short-term (3rd country)	10	45	15	74	15	82	15	90	10	66	65	357
(d) In-country courses	4	50	6	82	5	76	3	50	2	37	20	295
(e) Airfare		145		240		264		153		102		904
II. <u>Consultants (S.T.)*</u>	30	360	30	396	30	436	30	479	30	527	150 p/m	2,198
(Evaluation 5 p.m. non-add)			(2)	(26)					(3)	(53)	(5)	(79)
III. <u>Training Equipment and Supplies</u>												
Procurement Fee: 7%		50		50		50		-		-		150
Freight: 10%		23		23		23		-		-		69
Contingency 10%		151		298		373		260		113		1,195
TOTAL		<u>1,664</u>		<u>3,275</u>		<u>4,107</u>		<u>2,855</u>		<u>1,238</u>		<u>13,139</u>

F.N. 10% Inflation compounded annually.

*Placement/Recruitment Fee of 20% included.

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TABLE VIII
AID OBLIGATIONS BY FISCAL YEAR
(in U.S. \$000)

	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>TOTAL</u>
	\$	\$	\$	\$
I. <u>Training</u>				
Long-term	1,466	2,433	2,645	6,544
Short-term	961	574	544	2,079
Airfare	145	400	359	904
II. <u>Consultants</u>	1,000	700	498	2,198
III. <u>Training Equipment</u> <u>and Supplies</u>	73	73	73	219
<u>Contingency</u>	355	420	420	1,195
TOTAL	<u>4,000</u>	<u>4,600</u>	<u>4,539</u>	<u>13,139</u>

of long-term training, normal government practice is to pay an individual at half salary. However, the actual amount paid is determined by the Public Service Commission in consultation with the employee's ministry and takes into account the family financial responsibilities. GOZ officers on short-term training normally receive full salaries. Summary of GOZ budget is presented in Table V.

Half salaries to long-term participants, who will generally be relatively junior officers seeking a Master's degree in the United States, will amount to about U.S. \$1,236,000 over the life of the project. Full salaries to short-term trainees who will tend to be more senior people will total approximately U.S. \$585,000.

The GOZ will bear the support costs of the in-country training program, estimated at a total of U.S. \$280,000. This will consist mostly of supplies, local transport and per diem of participants and other minor administrative costs.

As with the AID budget, a contingency factor of 10 percent (U.S. \$299,000) has been added to take account of unforeseen requirements. This would relate mainly to a possible increase in the number of overseas participants or an expansion of the in-country training program.

Much of the GOZ budget is based on local salaries, which are expected to rise in the next few years. Since the forecasted inflation rate is likely to be 15% per year, this rate is used.

(b) Recurrent Cost Implications

The GOZ has no capital costs in the project. Accordingly, the GOZ budget covers recurrent costs during the life of the project. Most of these, however, end with the project, such as salaries of participants in training and staff support.

The principal cost resulting from the project that will continue beyond the project's active life is the higher salaries which may be earned by project participants who return with advanced degrees. Many of those being trained will fill positions which are vacant for which the GOZ has already budgeted. This results in no net increase in budget allocations. Within the present wage structure, the acquisition of a master's degree involves only a modest salary increase of about Z\$2,400 and a Ph.D. only Z\$800. If we were to assume (1) all long-term training was completed this year, (2) each trainee's position represented a net additional job, (3) each received a M.Sc. degree, and (4) each was employed for the

TABLE IX.
GOZ BUDGET SUMMARY

(Expenditure in U.S. \$000)

	<u>PY I</u>		<u>PY II</u>		<u>PY III</u>		<u>PY IV</u>		<u>PY V</u>		<u>TOTAL</u>	
	#	\$	#	\$	#	\$	#	\$	#	\$	=	\$
I. <u>Training</u>		293		587		781		650		527		2,838
(a) Long-term (half pay @ Z\$7,000 x 1.40 = US\$9,800)	30	147	45	368	45	456		245		20	120	1,236
(b) Short-term (U.S.) Full pay Z\$12,000 x 1.40 = US\$19,000	20	60	30	90	30	90	30	90	20	60	130	390
(c) Short-term (3rd country) Full pay at Z\$12,000 x 1.40 = US\$19,000)	10	30	15	45	15	45	15	45	10	30	65	195
(d) In-country training support	4	56	6	84	5	70	3	42	2	28	20	280
(e) Increased salary paid to returned long- term participants	-	-	-	-		120		228		389		737
II. Consultant support - Office space/facilities		10		10		10		10		10		50
III. Administration time		20		20		20		20		20		100
Contingency: 10%		32		62		81		68		56		299
SUB-TOTAL		<u>355</u>		<u>679</u>		<u>892</u>		<u>748</u>		<u>613</u>		<u>3,287</u>
Inflation: 15%		-		102		288		390		459		1,239
TOTAL		<u><u>355</u></u>		<u><u>781</u></u>		<u><u>1,180</u></u>		<u><u>1,138</u></u>		<u><u>1,072</u></u>		<u><u>4,526</u></u>

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whole fiscal year, the total additional budget requirement for the first post-project fiscal year would be \$403,000. This amount is 0.01 percent of the current national budget of U.S. \$2.8 billion. Thus, it is concluded that the project will have an insignificant impact on the GOZ's recurrent budget.

E. Environmental Analysis

The PID included an IEE requesting a negative determination. The PID approval cable recommended that the mission seek a categorical exclusion. The required document is provided as Annex E.

IV. IMPLEMENTATION ARRANGEMENTS

A. Project Administration

1. GOZ Implementing Agent

As activities under the project will involve several GOZ ministries and institutions (including the Ministry of Agriculture, Ministry of Lands, Resettlement and Rural Development; Ministry of Education and Culture; Ministry of Manpower Planning and Development; Ministry of Public Services; Ministry of Health; and Ministry of Economic Planning and Development) a central point for project administration within the GOZ is essential. The GOZ has selected the Ministry of Manpower Planning and Development to perform this role and USAID concurs. The Ministry of Manpower Planning and Development will be assisted by the Inter-Ministerial Scholarship Committee whose membership comprises most of the technical ministries to be served by this project.

The Ministry of Manpower Planning and Development has direct linkages with other ministries and training institutions (public and private) and can coordinate personnel staffing and training, which constitute the substance of this project. Bonding and conditions of service for GOZ employees will be handled by the Ministry of Public Service.

While the Ministry of Manpower Planning and Development's normal responsibility does not include the University, which falls under the Ministry of Education and Culture, there appears to be no reason why a suitable liaison role can not be established for the purpose of this project. The major advantage in using the Ministry of Manpower Planning and Development as the project's major implementing agent is its central role and responsibility (1) in the allocation of scholarships for overseas training and (2) in the determination of national manpower priorities. The recommendations of the Minister of Manpower will require the concurrence of the Ministry of Economic Planning as the overall body

responsible for national planning and foreign assistance. This procedure is identical to the one currently being followed under the AMDP project. Since this process is working well, USAID and GOZ have decided to utilize it for this project.

The processes for selecting both trainees and consultants are outlined in diagrams A and B respectively.

2. USAID Role

(a) Contractor Selection

The majority of project activities will be implemented through a contract with a private United States organization which specializes in the placement of students in suitable professional and technical training programs in the United States, with international organizations and in other developing countries. The firm will also have the capacity to furnish short-term training consultants.

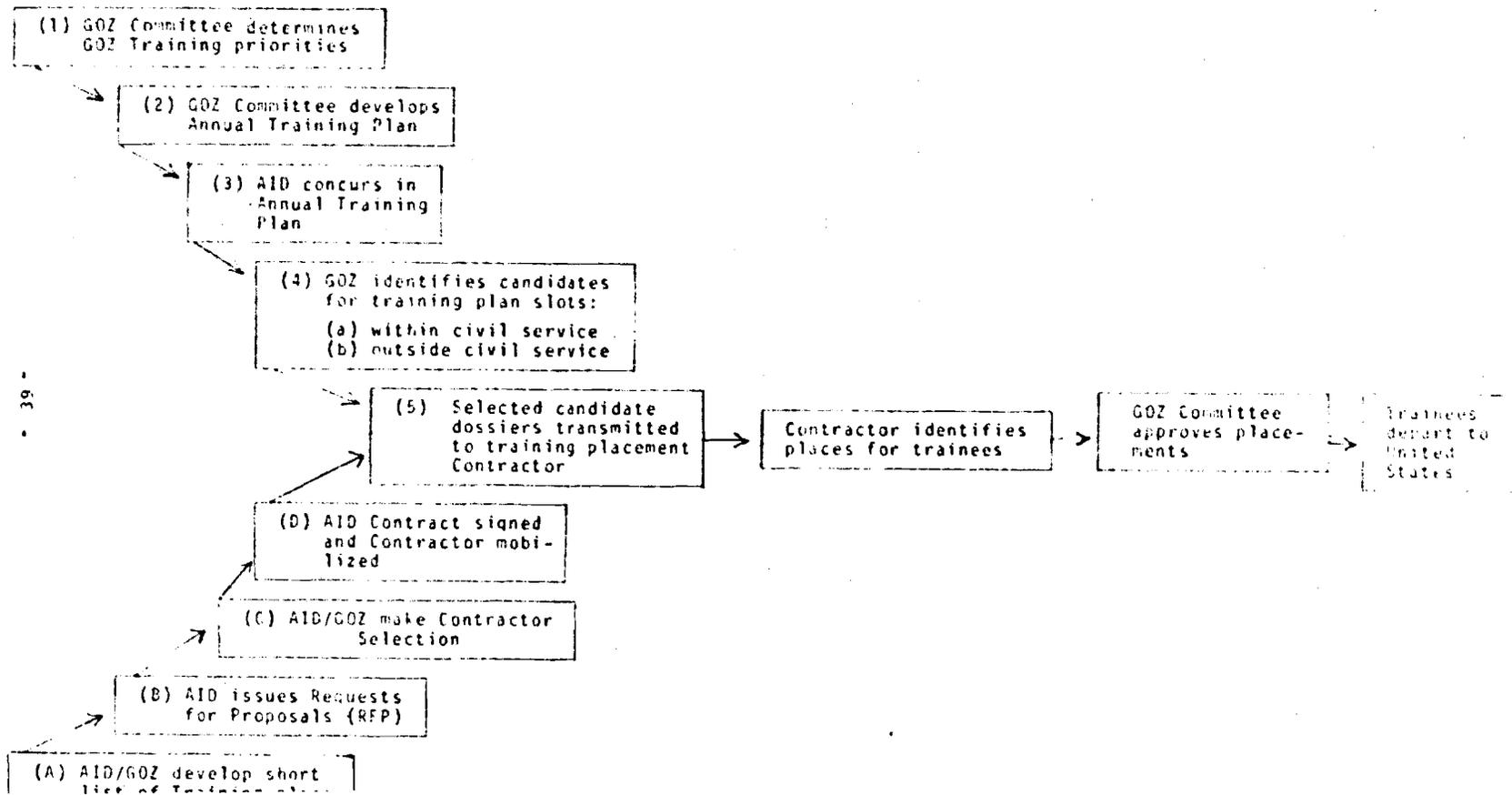
It is anticipated that most of the first year allotment of long-term participants (up to 30) will have to be processed using regular AID procedures (PIO/P's to ST/IT) for placement prior to the signing of the training placement contract. This step is necessary to permit some long-term training to commence in September 1982 and in January 1983. Training started after January 1983 will be the responsibility of the contractor.

Procurement of the training equipment and supplies will be done through use of PIO/C or Purchase Orders issued by USAID/Zimbabwe. The definition of the equipment specifications will result from documentation provided by the GOZ, either directly or as a result of work performed by short-term consultants.

Both GOZ and USAID will participate in the selection of the United States contractor (see diagrams A and B). Since a number of United States firms and institutions have the capacity to provide the services under this project, the most suitable will be chosen by competitive procurement under AID regulations.

Based on the Project Paper, USAID will prepare a Request for Proposal (RFP), which will be reviewed by the GOZ. Shortly after the project paper is submitted to AID/W for review and approval, the RFP will be issued in the United States Commerce and Business Daily. The bids of the competing firms would follow within 60 days and would be evaluated by a selection committee comprising USAID/Zimbabwe, REDSO/Nairobi, and the GOZ. Upon selection of the successful bidder, a contract will be drafted by the regional contract office in Nairobi and negotiated with the

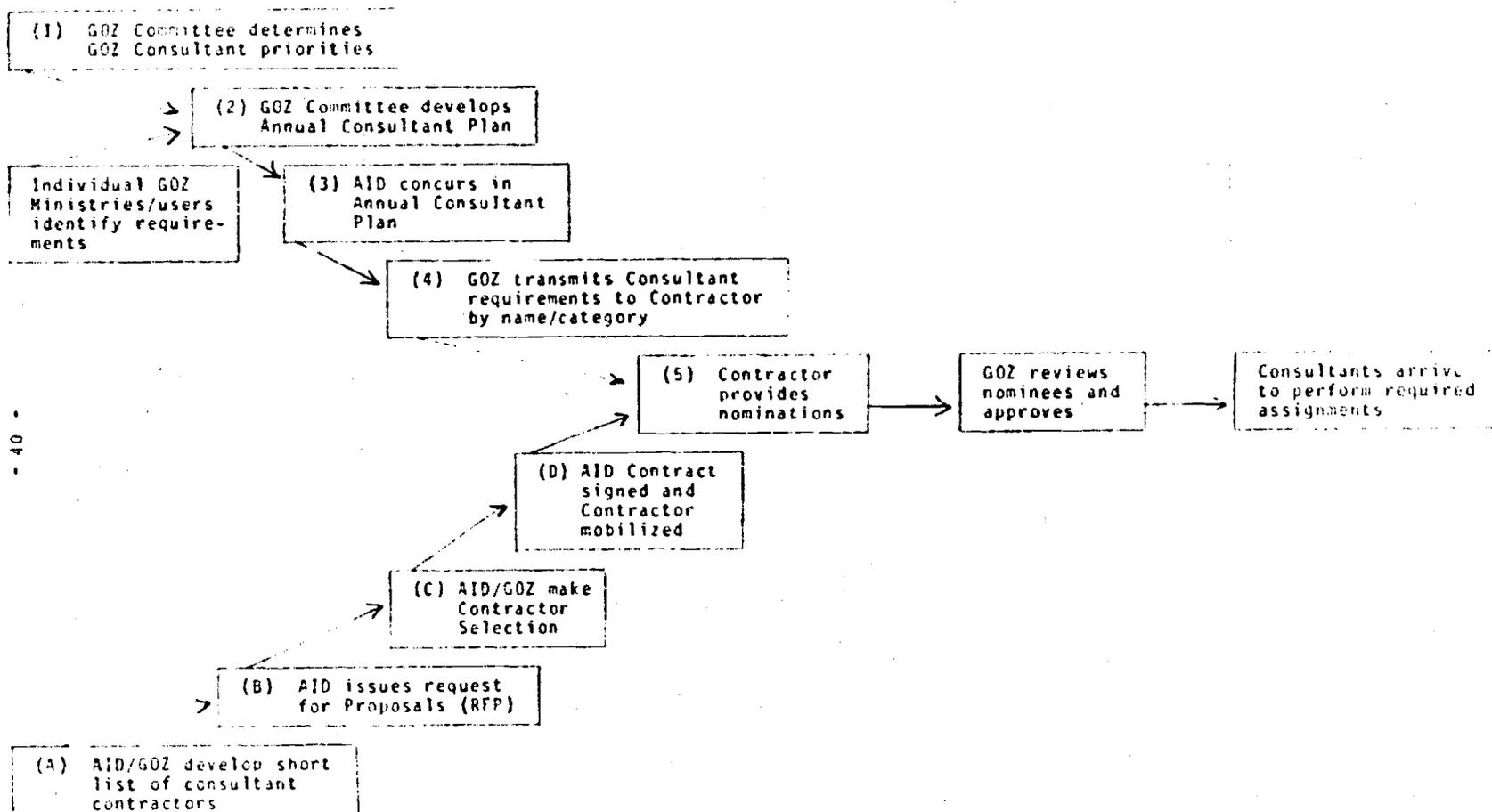
A : DIAGRAM OF SELECTION PROCESS FOR TRAINEES



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B : DIAGRAM OF CONSULTANT SELECTION PROCESS



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ontractor.

Contractor Responsibilities

The training placement contractor will assist the GOZ in the selection of training institutions for trainees and organize re-departure meetings and briefings for trainees. The contractor will make all necessary arrangements for admission to the selected institutions. The contractor's home office in the United States will provide support to trainees as necessary, including the provision of monthly living allowances, special settling-in allowances, and vacation travel. They will handle any other special problems which students may experience while studying outside of Zimbabwe. Allowances will be paid in accordance with permitted rates established by AID's Handbook 10, "Participant Training".

The contractor will handle recruitment and make the necessary contractual arrangements to secure the services of training consultants for the GOZ. The evaluation consultants will be obtained under a personal services contract or other such mechanism separate from the main training consultants contract. The GOZ will provide the contractor with a scope of work for each consultant plus guidelines on his/her conditions of service. The contractor will provide the GOZ with CV's of potential consultants for GOZ selection and approval.

Local Administration Support

The contractor may be requested by USAID to consider establishing a field office in Salisbury to attend to administrative matters relating to the processing of training applications, orientation of participants, and liaison with both USAID and the GOZ. Such a field office would collaborate closely with the Ministry of Manpower Planning and Development in the preparation of individual training programs and would keep the USAID/Zimbabwe office informed. The field office will need to be familiar with AID implementation documentation, since PIO/P's will form the basis for documenting training requests.

The contractor will submit biannual reports to AID with a copy to the GOZ, covering all aspects of their activities, e.g. administrative and financial status and placements, short-term consultant recruitments, participant training placements and status reports and discussions of any problems which may have arisen during the period covered by the report.

B. Calendar of Events

<u>Project Month</u>	<u>Major Action</u>	<u>Primary Responsibility</u>
1	PP submitted to AID/W following field and GOZ review	USAID/Z, GOZ
1-2	RFP drafted and issued in United States Commerce and Business Daily	AID/W
2	AID/W review and project authorization	AID/W
3	Project Grant Agreement signed in Salisbury	USAID/Z, GOZ
4	First year training and consultancy priorities developed	GOZ
4	Conditions Precedent met	USAID/Z
4	AID concurs in first year priorities	USAID/Z
4	Proposals received from competing firms and reviewed	USAID/Z, GOZ
5	Initial PIO/P's for long-term U.S. training issued	USAID/Z
5	Contractor selected	USAID/Z, REDSO/EA, GOZ
6	Contract negotiated and signed	USAID/Z, Contractor
7	Initial long-term trainees depart for U.S.A.	USAID/Z, Contractor, GOZ
7-8	Contractor and GOZ establish modus operandi	Contractor, GOZ
8	Contractor assumes responsibility for participants	Contractor, GOZ, USAID/Z, S&T/IT
8	Contractor and GOZ begin to implement first short-term training and consultancy	Contractor, GOZ
9	First group of participants leave for short courses overseas	GOZ, Contractor

<u>Project Month</u>	<u>Major Action</u>	<u>Primary Responsibility</u>
10	Initial short-term consultants arrive	Contractor
11	Initial in-service training plan completed	GOZ, Contractor
11	GOZ submits First Annual plan for second year training and consultancies	GOZ
12	AID concurs	USAID/Z
12	Condition precedent met for second disbursement	USAID/Z
14	Second group of first year participants depart	Contractor, GOZ
13-24	Intermittent use of short-term consultants	Contractor, GOZ
	In-country training courses	Contractor, GOZ
	Attendance at short-term overseas courses	Contractor, GOZ
19-24	Second group of long-term participants leaves for the United States	Contractor, GOZ
24	Mid-project evaluation	Evaluation Team
25-37	In-country training continues	Contractor, GOZ
	Attendance at short-term overseas courses	Contractor, GOZ
	Intermittent use of short-term consultants	Contractor
32-36	First group of long-term participants return to Zimbabwe	Contractor, GOZ
32-36	Third group of long-term participants leaves for the United States	Contractor, GOZ
44-49	Second group of long-term participants to Zimbabwe	Contractor, GOZ
56-61	Third group of participants returns to Zimbabwe	Contractor, GOZ
64	Final Evaluation	USAID/Z, GOZ Evaluation Team
72	Project Activity completion date	

C. Evaluation Plan

Periodic monitoring of the project will be necessary to determine the degree to which the project's training activities are responding to the GOZ's most urgent manpower needs in the fields selected for the project. If priorities have changed, it may be necessary to adjust the mix of training in the latter part of the project. It is anticipated that the GOZ, USAID and training placement and consultants/constructor will review project accomplishments periodically and make adjustments as necessary.

Two formal evaluations are proposed. First, an external mid-project evaluation approximately two years into the project, using one or more outside experts (2 person/months) jointly selected by the GOZ and USAID. They will be neither connected with the project nor recruited by the contractor. This would include interviews with GOZ personnel having used short-term consultants, and with Zimbabwean technicians who have completed short-term courses as well as local in-country courses. An assessment would be made of the training urgently needed by the GOZ for the latter part of the project's life. If necessary, adjustments could be made to the skill mix for the final groups of long-term participants to the United States as well as the remaining short-term consultants.

Second, a final evaluation, again using jointly selected outside consultants (2 person/months), would be carried out just before the end of the project in 1986. It would concentrate on interviews of returned long-term participants, the effectiveness of their training and its relevance to their present jobs. The evaluation would include an assessment of suitability of placement and utilization of Zimbabwean personnel trained under the project. It is recommended that USAID/Zimbabwe contract for a survey of returned participants (one person/month) prior to the evaluation.

Both of the formal evaluations will be conducted collaboratively with the GOZ and AID. The GOZ will provide appropriate representation from the Public Service Commission, Manpower Planning and Development, Economic Planning, Agriculture, Lands, Health, Education and Culture, etc. Evaluation findings will be available to both the GOZ and AID.

D. Conditions, Covenants and Negotiating Status

As condition precedents to the disbursement of funds, the GOZ will furnish to USAID/Zimbabwe (1) the names, titles, and specimen signatures of those GOZ officials responsible for administration

of the project, and (2) the first year's training priorities. A third condition precedent will require the GOZ to submit an annual training plan prior to the disbursement of funds in each subsequent year of the project. The Project Grant Agreement will contain the following covenants:

- (1) The GOZ agrees to make available qualified candidates for long-term and short-term training in the United States and other developing countries and agrees to ensure by bonding and other means that these persons are assigned to suitable positions utilizing their training, for a period at least equal to the period of training financed under the project.
- (2) The GOZ agrees to financially support the participants during their absence on long or short-term training in accordance with existing GOZ regulations on training.

The GOZ was actively involved in the development of this project and has approved the project (Annex B). In addition, the Design Team met with various ministries and training institution faculties which are expected to receive training and short-term consultants under the project. The tentative list of skills to be provided for training is based primarily on the priority needs identified by various GOZ ministries during the preparation of the paper. It is understood that this mix of skills will be reviewed and refined as the project progresses, in order to help meet the priority manpower requirements in the project's areas of emphasis over the five years.

ANNEX A

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

AND 1978-10 11-901
SUPPLEMENT 1

(INSTRUCTION: THIS IS AN OPTIONAL
FORM WHICH CAN BE USED AS AN AID
TO ORGANIZING DATA FOR THE PAR
REPORT. IT NEED NOT BE RETURNED
OR SUBMITTED.)

Life of Project:
From FY _____ to FY _____
Total U.S. Funding: _____
Date Prepared: _____

Project Title & Number: _____

PAGE

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p> <p>To increase Zimbabwe's human resource infrastructure to implement programs directed at equitable social and economic development.</p>	<p>Measures of Goal Achievement: (A-2)</p> <p>Effective development programs as reflected by increased real GDP and more equitable distribution of economic and social resources by 1996.</p>	<p>(A-3)</p> <ol style="list-style-type: none"> 1. GOZ Development Plans 2. National Accounts Data 3. Income Distribution Data 4. Social Indicators such as UN data on mortality, morbidity, educational attainment, etc. 	<p>Assumptions for achieving goal targets: (A-4)</p> <ol style="list-style-type: none"> 1. Political and social stability is maintained within the Southern African region. 2. The GOZ will continue to advocate an Africanization policy.

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

AID 1020-10 (11-79)
SUPPLEMENT 1

Life of Project: _____
From FY _____ to FY _____
Total U.S. Funding _____
Date Prepared: _____

Project Title & Number: _____

PAGE

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose: (B-1)</p> <p>To assist the GOZ to sustain high professional standards and operational effectiveness through training trainers and staff development in select areas relevant to the GOZ's development priorities in small farm agriculture, technical manpower development, management, teacher training, and health.</p>	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)</p> <p>1. Increased numbers and credentials of Zimbabwe nationals in positions of responsibility in the areas of emphasis identified in the project paper</p>	<p>(B-3)</p> <p>1. GOZ manpower and staffing 2. Project Evaluations and Contractor reports 3. AID and other donor experience with Zimbabwe development programs</p>	<p>Assumptions for achieving purpose: (B-4)</p> <p>1. GOZ continues pragmatic approach to development. 2. Popular support for GOZ development policies and programs continues.</p>

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: _____
From FY _____ to FY _____
Total U.S. Funding _____
Date Prepared: _____

Project Title & Number: _____

PAGE

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Outputs: (C-1)</p> <ol style="list-style-type: none"> 1. Strengthened institutional capacity within the University and other training institutions to impart high quality relevant training for technical and managerial positions both in GOZ and the private sector. 2. A cadre of trained Zimbabweans capable of continuing high standard performance in technical and managerial positions. 	<p>Magnitude of Outputs: (C-2)</p> <ol style="list-style-type: none"> 1. Trained faculty or staff in local training institutions. 2 (a) 120 Zimbabwe participants returned with degree training. (b) 150 person-months of training related short-term consultants completed. (c) 165 Zimbabwe participants return from s/t training in the U.S. and 3rd countries, and 400 receive in-country training. 	<p>(C-3)</p> <ol style="list-style-type: none"> 1. GOZ Quarterly Reports Contractor Reports Project Evaluations Project Records 2. Project Evaluations Contractor Reports 	<p>Assumptions for achieving outputs: (C-4)</p> <ol style="list-style-type: none"> 1. Qualified candidates for training can be identified by GOZ and made available for period required for long-term training programs.

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY _____ to FY _____
Total U.S. Funding: _____
Date Prepared: _____

Project Title & Number: _____

PAGE

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS						
<p>Project Inputs: (D-1)</p> <p>AID: Training: Long-term (U.S.) Short-term (U.S. and other) Short-term consultants Training equipment & supplies</p> <p>GOZ: Salary for trainees. Local operational costs</p>	<p>Implementation Target (Type and Quantity) (D-2)</p> <table border="1"> <tr> <td>FY 82</td> <td>FY 83</td> <td>FY 84</td> </tr> <tr> <td colspan="3">TOTAL</td> </tr> </table> <p>(See Budget Section III)</p>	FY 82	FY 83	FY 84	TOTAL			<p>(D-3)</p> <ol style="list-style-type: none"> Contractor Progress Reports Academic records of trainees GOZ personnel assignment records Project in-house and external evaluations 	<p>Assumptions for providing inputs: (D-4)</p> <p>GOZ funding will be available on a timely and adequate basis.</p>
FY 82	FY 83	FY 84							
TOTAL									

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name: "ECONPLAN"
No 2148
phone: 794571
de Bag 7752, Causeway.

REPUBLIC OF ZIMBABWE
MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT



ZIMBABWE

Reference: B.76 / 301

MINISTRY OF ECONOMIC PLANNING
AND DEVELOPMENT.

Milton Building,
Samora Machel Avenue,
Salisbury.

24th March, 1982.

Mr R. Stacy, Director,
USAID
1 Pascoe Avenue,
P.O. Box HG 81,
SALISBURY

Dear Roy,

ZIMBABWE MANPOWER DEVELOPMENT PROJECT

This letter is to officially request, on behalf of the Government of Zimbabwe, for financial support from the Government of the United States, for the above project. The request is based on the project proposal, "Zimbabwe Manpower Development Project" which was developed jointly between yourselves and an Interministerial Committee chaired by the Ministry of Manpower Planning.

There is a critical need to expand the skilled manpower availability if the country is to meet its social commitments as well as development targets. We therefore hope this request will receive your urgent consideration so that some candidates can be placed in U.S. universities by September, 1982.

Yours sincerely,

M. Nkaramasanga
for: SECRETARY FOR ECONOMIC PLANNING AND DEVELOPMENT

/TM

ANNEX C

USAID'S RESPONSE TO PID APPROVAL CABLE

STATE 81-178242 DATED 8 JULY 1981

1. First AID/W Concern

The criteria to be used by the joint GOZ and USAID Technical Assistance and Training Committee in determining those technical and professional areas in which training is required and/or Opex personnel are to be recruited are to be established taking into account the possibility of an active GOZ initiative to induce educated Zimbabweans living abroad to return to Zimbabwe. Also to be taken into account is the emigration of skilled staff and perceived shortages of appropriately qualified replacements within the country. Similarly, the effects of other donors' staffing inputs and training activities should be considered to avoid duplication and/or counter-productive programming.

Since results of National Manpower Survey most likely will not be available for two years, PP should contain discussion of the risks involved in proceeding with project before survey data become available.

USAID Response: The focus of the Project has been modified to concentrate on training and short-term training consultants. Both the training and consultants will be in direct response to GOZ/AID priorities as discussed in the section of the Project Paper describing areas of emphasis. Furthermore, by year 2 of the project, the GOZ and AID will have a comprehensive annual training plan which will be based upon the published results of the National Manpower Survey. The GOZ utilizes criteria for overseas training which ensure that training is complementary rather than redundant. Also the focus on the training of trainers minimizes the risk of offering training overseas in areas where it could be done more cost-efficiently in Zimbabwe.

2. Second AID/W Concern

If the education sector grant proposed in the FY 83 ABS becomes a reality, it may be advantageous from a management perspective to fold ZIMMAN into the sector grant. To facilitate such an eventuality, design should allow for a host country contract and any complications foreseen for future folding of ZIMMAN into the sector grant should be identified. If Mission wishes to consider selection of SAMDP contractor on a sole source basis as the implementer (sic) of ZIMMAN, full justification should be prepared in accordance with section 2.4.2. of HB 11, chapter 1

for Host Country contract and section 7-3.101-50 of AID/PR for Direct contract.

USAID Response: USAID believes that ZIMMAN should not be folded into another project/program such as the planned Education and Agriculture Sector Programs. The scope of ZIMMAN is broader than either sector program and offers one single mechanism for long-term training which minimizes management and administrative requirements for both the mission and the GOZ. The sector programs will use the ZIMMAN contractor for any long-term training placements on a cost reimbursable basis.

The Design Team and USAID concur that sole source procurement of contractor is not justified for this project as presently designed. USAID planning to issue RFP for project prior to signing of Project Agreement in order to expedite the selection process. The GOZ requested that it be an AID rather than Host Country Contract. The AID contract will be done using the regional contracts office in Nairobi.

3. Third AID/W Concern

Appropriateness of the Opex mechanism for use in Zimbabwe should be validated during design effort. Do the conditions under which Zimbabwe majority rule evolved mitigate against the successful introduction of additional expatriates regardless of the demand for their skills? While a traditional social soundness analysis may not be appropriate for this project, an analysis of the social soundness of the Opex intervention is essential. The relationships among expatriates, third country nationals, host country officials and trainees should be analyzed to assist the joint GOZ/AID Committee in identifying Opex assignments. Even if no problem is perceived regarding acceptability of Opex, consideration of long-term potential benefits should dictate that maximum resources be earmarked for training and that Opex portion of project be minimized.

USAID Response: Issue does not arise since Opex mechanism will not be used.

4. Fourth AID/W Concern

The focus of the bilateral manpower development programs in other countries has been upon the public sector. USAID/Z should explore the possibility of training some individuals for non-

governmental institutions. The possible use of Opex in the private sector should also be considered. Determination of the training/Opex ratio for both government and private sectors should be based upon estimated requirements necessary to establish Host Country institutional resources capable of future self-sufficiency.

USAID Response: The project will indirectly benefit the private sector by expanding and improving educational and training institutions in Zimbabwe. Better trained and skilled graduates from these institutions will contribute to increased productivity in the private sector.

5. Fifth AID/W Concern

Design must delineate program management responsibilities including contract management and funds management; special attention in this regard should be given to inter-ministerial coordination, to the functions of the joint GOZ/AID committee, and to procedures to be used for placing trainees in appropriate training programs.

USAID Response: In accordance with USAID's desire to minimize its own involvement in day to day operation of project operation, management responsibilities have been delegated to the implementation contractor. AID will approve training plans and short-term consultant requirements and assist in the procurement of commodities. The contractor will handle other aspects of project implementation, such as drafting of PIO/P's and PIO/T's for AID and GOZ clearance, pre-departure orientation for participant trainees, etc. See Implementation Plan for further detail.

Owing to AID's preference for minimal involvement, no formal GOZ/AID committee will be established. Instead the Ministry of Manpower will coordinate inter-ministerial requests for assistance and training, and will backstop the implementation contract on behalf of the Government.

Training programs for trainees will be determined by the Ministries requesting training and the trainees, and reviewed by appropriate staff from relevant ministries. To the extent possible, a choice of training institutions will be specified on the PIO/P forms, so that the choice will not be left to the contractor's home office, which has virtually no contact with the trainee.

6. Sixth AID/W Concern

Precision of goal, purpose and output statements could be improved. Suggested substitutes are:

Goal - to implement development programs efficiently and effectively.

Purpose - to increase organizational efficiency of key ministries and/or private sector and non-governmental organizations.

Outputs - training and technical assistance in the fields of:

Agriculture, in research, extension, marketing and project implementation;

Small business, in design, management, finance, marketing and entrepreneurial skills;

Manpower, in development economics, finance, data analysis and labor marketing;

Education, in planning, teacher training, curriculum development, distance teaching.

USAID Response: The changed emphasis in the project such as the focus on training and development of institutional training capacity in Zimbabwe have necessitated appropriate modifications in goal, purpose and output statements. See LOG Frame in Annex A.

7. Seventh AID/W Concern

PP should contain analysis of effects of training upon future GOZ recurrent cost budget for civil servants whose qualifications have been augmented.

USAID Response: See Financial Plan section of PP for details of this analysis.

8. Eighth AID/W Concern

A social scientist should be added to the Design Team to perform the social soundness analysis. USAID/Z should explore possible availability of HCN for this purpose.

USAID Response: Owing to the GOZ opinion that the social issue of introducing short-term consultants is not an issue, USAID decided not to recruit a social analyst for the design of the project.

9. Ninth AID/W Concern

Bureau environmental officer advised that in accordance with new

environmental regulations issued October 23, 1980, this project does not require an environmental impact statement. Mission Director should review regulation, part 216.2 and submit appropriate request for categorical exclusion. Copy of regulations will be pouched.

USAID Response: Categorical exclusion sought. See Annex E.

ANNEX D

ZIMBABWE MANPOWER DEVELOPMENT PROJECT

(613-0215)

COUNTRY CHECKLIST

A. GENERAL CRITERIA FOR COUNTRY
ELIGIBILITY

1. FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needs? NO

2. FAA Sec. 113. Has particular attention been given those programs, projects, and activities which tend to integrate women into the national economies of developing countries, thus improving their status and assisting the total development effort? YES

3. FAA Sec. 481. Has it been determined that the government of the recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully? NO

4. FAA Sec. 620 (b). If assistance is to a government, has the Secretary of State determined that it is not dominated or controlled by the international Communist movement? YES

5. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such governments? NO

6. FAA Sec. 630(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps or discharging its obligations toward such citizens or entities?

NO

7. FAA Sec. 620 (a), 620(f), 620D; Continuing Resolution Sec. 511, 512 and 513; ISDCA of 1980 Secs. 717 and 721. Is recipient country a Communist country? Will assistance be provided to Angola, Cambodia, Cuba, Laos or Vietnam? (Food and humanitarian assistance distributed directly to the people of Cambodia are excepted). Will assistance be provided to Afghanistan or Mozambique without a waiver? Are funds for El Salvador to be used for planning for compensation, or for the purpose of compensation, for the confiscation, nationalization, acquisition or expropriation of any agricultural or banking enterprise, or property or stock thereof?

NO

8. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression?

(a) NO (b) NO

9. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property?

NO

10. FAA Sec. 620(k). Does the program furnish assistance in excess of \$100,000,000 for the construction of a productive enterprise, except for productive enterprises in Egypt that were described in the Congressional Presentation materials for FY 1977, FY 1980 or FY 1981?

NO

11. FAA Sec. (620(1)). If the country has failed to institute the investment guarantee program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason? NO

12. FAA Sec. 620(m). Is the country an economically developed nation capable of sustaining its own defense burden and economic growth and, if so, does it meet any of the exceptions to FAA Section 620(m)? NO

13. FAA Sec. 620(o). Fishermen's Protective Act of 1967, as amended, Sec. 5. If the country has seized, or imposed any penalty or sanction against any U.S. fishing activities in international waters, a. has any deduction required by the Fishermen's Protective Act been made? N/A

b. has complete denial of assistance been considered by AID Administrator? N/A

14. FAA Sec. 620(q). Continuing Resolution Sec. 518. (a) is the government of the recipient country in default for more than six months on interest of principal of any AID loan to the country? (b) Is the country in default exceeding one year on interest or principal on any U.S. loan under a program for which the Continuing Resolution appropriates funds? NO

15. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the amount spent for the purchase of sophisticated weapons systems? (An affirmative answer may refer to the record of the annual "Taking into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB". This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) YES

16. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements be negotiated and entered into since such resumption?

NO

17. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget?

Believed current

18. FAA Sec. 620A: Continuing Resolution Sec. 521. Has the country aided or abetted by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism? Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed a war crime?

NO

19. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA?

NO

20. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977, although not a "nuclear-weapon State" under the nonproliferation treaty?

NO

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY.

1. Development Assistance Country Criteria.

N/A

a. FAA Sec. 102(b)(4). Have criteria been established and taken into account to assess commitment progress of the country in effectively involving the poor in the development, on such indexes as: (1) increase in agricultural productivity through small-farm labor intensive agriculture, (2) reduced infant

mortality, (3) control of population growth, (4) equality of income distribution, (5) reduction of unemployment and (6) increased literacy.

b. FAA Sec. 104(d)(1). If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, assistance to urban poor and through community-based development programs which give recognition to people motivated to limit the size of their families?

2. Economic Support Fund Country Criteria.

a. FAA Sec. 502B. Has the country (a) engaged in a consistent pattern of gross violations of internationally recognized human rights or (b) made such significant improvements in its human rights record that furnishing such assistance is in the national interest? (a) NO (b) N/A

b. FAA Sec. 532(f). Will ESF assistance be provided to Syria? NO

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A

d. FAA Sec. 620B. Will ESF be furnished to Argentina? NO

PROJECT CHECKLIST

A. GENERAL CRITERIA FOR PROJECT

1. Continuing Resolution Unnumbered; FAA Sec. 634A; Sec. 653(b).

(a) Describe how authorizing and appropriations Committees of Senate and House have been or will be notified concerning the project. (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)? Project included in FY-82 CP

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) YES

(b) YES

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

N/A

4. FAA Sec. 611(b); Continuing Resoulution Sec. 501. If for water or water-related land resource construction, has project met standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973?

N/A

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

N/A

6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

No, given Zimbabwe's unique manpower/training needs. However, an increase in Zimbabwe's skills base will necessarily encourage regional development given Zimbabwe's central role in SADCC.

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

Project will improve manpower skills base in public sector areas most directly relevant to economic development and private sector activities. Therefore, it is anticipated that the project will directly or indirectly increase international trade, foster private initiative and competition, and improve technical efficiency of industry, agriculture and commerce. Impact on items (c), (d) and (f) unknown.

8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

Project will finance one technical assistance contract with a private U.S. firm.

9. FAA Sec. 612(b), 636(h); Continuing Resolution Sec. 508. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

The GOZ will pay local currency for L/C costs.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

Yes. Funds are being used as appropriated funds, principally for U.S. mission expenses.

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

YES

12. Continuing Resolution Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial

N/A

injury to U.S. producers of the same, similar or competing commodity?

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria.

N/A

a. FAA Sec 102(b), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop co-operatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(1) (103) for agriculture, rural development or nutrition; if so (a) extent to which activity is specifically designed to increase productivity and income of rural poor; 103A if for agricultural research, full account shall be taken of the needs of small farmers,

and extensive use of field testing to adapt basic research to local conditions shall be made; (b) extent to which assistance is used in coordination with programs carried out under Sec. 104 to help improve nutrition of the people of development countries through encouragement of increased production of crops with greater nutritional value, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration of programs explicitly addressing the problem of malnutrition of poor and vulnerable people, and (c) extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

2. (104) for population planning under Sec. 104(b) of health under Sec. 104(c); if so, (i) extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research.

3. (105) for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development; and (ii) extent to which assistance provides advanced education and training of people in developing countries in such disciplines

as are required for planning and implementation of public and private development activities.

4. (106; ISDCA of 1980, Sec.304) for energy, private voluntary organizations, and selected development activities, if so, extent to which activity is: (i) (a) concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; (b) facilitative of geological and geophysical survey work to locate potential oil, natural gas and coal reserves, and to encourage exploration for potential oil, natural gas, and coal reserves; and (c) a cooperative program in energy production and conservation through research and development and use of small scale, decentralized, renewable energy sources for rural areas;
- (ii) technical cooperation and development, especially with U.S. private and voluntary or regional and international development organizations;
- (iii) research into, and evaluation of, economic development process and techniques;
- (iv) reconstruction after natural or manmade disaster;
- (v) for special development problems and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;
- (vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

c. (107) is appropriate effort placed on use of appropriate technology? Relatively smaller, cost-saving, labor using technologies that are generally more appropriate for the small farms, small business, and small incomes of the poor.

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the cost of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least developed country")?

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capabilities of the people of the country; utilizes the country's intellectual resources to encourage institutional development and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

2. Development Assistance Project Criteria (Loans Only).

N/A

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

3. Project Criteria Solely for Economic Support Fund.

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102?

YES; YES

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

NO

STANDARD ITEM CHECKLIST

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?

YES

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?

YES

3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will commodities be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in the U.S.?

N/A
There is no evidence of any such discrimination.

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price

N/A

of such commodity is less than parity?
(Exception where commodity financed
could not reasonably be procured in
U.S.).

5. FAA Sec. 603. Is the shipping
excluded from compliance with requirement
in section 901(b) of the Merchant Marine
Act of 1936, as amended, that at least
50 percentum of the gross tonnage of
commodities (computed separately for dry
bulk carriers, dry cargo liners, and
tankers) financed shall be transported
on privately owned U.S.-flag commercial
vessels to the extent that such vessels
are available at fair and reasonable
rates?

Requirement included.

6. FAA Sec. 621. If technical
assistance is financed, to the fullest
extent practicable will such assistance,
goods and professional and other services
be furnished from private enterprise on
a contract basis? If the facilities of
other Federal agencies will be utilized,
are they particularly suitable, not
competitive with private enterprise, and
made available without undue interference
with domestic programs.

YES; U.S. private
sector firms are expected
to be utilized.

7. International Air Transport Fair
Competitive Practices Act, 1974. If air
transportation of persons or property is
financed on grant basis, will provisions
be made that U.S. carriers will be
utilized to the extent such service is
available?

YES

8. Continuing Resolution Sec. 505.
If the U.S. Government is a party to a
contract for procurement, does the contract
contain a provision authorizing termination
of such contract for the convenience of the
United States?

If so, such a clause will
be included.

B. Construction

N/A

1. FAA Sec. 601(d). If capital (e.g.
construction) project, are engineering
and professional services of U.S. firms
and their affiliates to be used to the
maximum extent consistent with the
national interests?

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

3. FAA Sec. 620(k). If for construction of production enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million?

C. Other Restrictions

1. FAA Sec 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? N/A

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? YES

3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the the foreign aid projects or activities of the Communist-bloc countries? YES

4. Continuing Resolution Sec. 514. If participants will be trained in the United States with funds obligated in FY 1981, has it been determined either (a) that such participants will be selected otherwise than by their home governments, or (b) that at least 20% of the FY 1981 fiscal year's funds appropriated for participant training will be for participants selected otherwise than by their home governments? N/A

5. Will arrangements preclude use of financing:
a. FAA Sec. 104(f). To pay for performance of abortions as methods of family planning or to motivate or coerce persons to practice abortions; to pay for performance of involuntary sterilization YES

as a method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization?

b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? YES

c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, other law enforcement forces, except for narcotics programs? YES

d. FAA Sec. 662. For CIA activities? YES

e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guarantee of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained. YES

f. Continuing Resolution Sec. 504. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? YES

g. Continuing Resolution Sec. 506. To pay U.N. assessments, arrearages or dues? YES

h. Continuing Resolution Sec. 507. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multi-lateral organizations for lending.) YES

i. Continuing Resolution Sec. 509. To finance the export of nuclear fuel, or technology or to train foreign nationals in nuclear fields? YES

j. Continuing Resolution Section 510. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? NO

k. Continuing Resolution Sec. 516.
To be used for publicity or propaganda
purposes within U.S. not authorized by
Congress?

YES

INITIAL ENVIRONMENTAL EXAMINATION

OR

CATEGORICAL EXCLUSION

Project Country : ZIMBABWE

Project Title and Number: Manpower Development Project (613-0215)

Funding: FY(s) 82-86 \$13,139,000

IEE/CE Prepared by: USAID/Zimbabwe

Environmental Action Recommended:

Positive Determination _____

Negative Determination _____

or

Categorical Exclusion ✓

This activity meets the criteria for Categorical Exclusion in accordance with Section 216.2 (C) (2) (i) & (xiv) and is excluded from further review because:

This project will provide training short-term consultants and related commodity support and will not involve activities directly affecting the environment, such as construction. Accordingly, the Mission Director and Design Team have determined that this project is categorically excluded from the requirement for an initial environmental examination, EA or EIS. This determination of request for Categorical Exclusion is submitted pursuant to paragraph 10 of the PID approval cable.

Action Requested by: Marcus L. Luntz for
Mission Director Roy A. Stacy

Date: 5/24/82

Concurrence: George R. Thompson for
Bureau Environmental Officer

Approved: [Signature]

Disapproved: _____

Date: 5/24/82

Clearance: GC/AFR _____

Date: 5/24/82

Project Country: ZIMBABWE

Project Title and Number: Manpower Development Project (613-0215)

The proposed project's purpose is to sustain high professional standards and operational effectiveness in select areas relevant to GOZ priorities in rural development, education and manpower development. The project will be implemented through the GOZ Ministry of Manpower Planning and Development, in close coordination with other ministries, parastatals, training institutions, and appropriate private entities which will be the prime recipients of trained manpower and short-term consultants being provided by the project.

The project inputs involve long-term training in the United States (120 participants), short-term training in the United States (130 person months), and appropriate third country locations (65 person months), short-term training-related consultants (150 person months) and a modest training equipment and supplies component.

ANNEX F.

GOZ TRAINING PRIORITIES

The primary project emphasis is on training complemented by use of training consultants in-country. Positions for which degree training, short-term training, and consultants are provided would fall mainly within the GOZ priority areas of small farm agriculture, technical manpower development, teacher education, and health.

(a) Agriculture

Within agriculture the emphasis will be to overcome those manpower constraints which inhibit the GOZ's plans to increase significantly the productivity of the communal lands and re-settled areas while simultaneously maintaining a viable and extremely productive commercial agricultural sector. The magnitude of the training needs in agriculture are evident in the following statistics:

- 81 out of 200 or 41 percent of the senior research posts are vacant;
- 26 out of 84 or 31 percent of the positions in cooperatives are vacant;
- a significant percentage of the senior posts in AGRITEX (national extension service) are either unfilled or filled by inexperienced staff.

The solution to these growing shortages can only partially be found through promotion given the limited numbers of staff at the middle levels. The reasons for this are mid-career staff departures, modest employment levels in the pre-independence period, and the very small annual output of university agricultural graduates. Overcoming these shortages depends on enlarging the supporting institutional training infrastructure.

The Ministry of Agriculture and the University of Zimbabwe are planning major expansions in their training programs. Annual output from the University will rise from 15 in 1980 to 40 in 1982 with projected rise to 80 by 1987. The Ministry plans to double the number of extension assistants. To do this at current levels of output (55 diplomates and 120 certificate holders annually) would require 10 years, assuming none of these individuals went into commercial agriculture or other government agencies.

The capacity to meet these quantitative requirements depends on availability of facilities and staff. ZIMMAN will focus on assisting the GOZ to expand staff through professional training in the USA and other developing countries leaving the Agricultural

Sector Program to address the need for additional facilities including buildings and equipment.

New emphases or directions in agriculture as embodied in the objective to increase small farm productivity require new courses, changes in existing courses, and improved understanding of technologies appropriate to smallholder agriculture. ZIMMAN will finance the training of staff with these requirements in mind. It will also provide short-term consultants to work with the Ministry of Agriculture and the University to expand and re-orient their course offerings. The need for long-term technical assistance will be financed through the Agricultural Sector Program. Areas to be emphasized in agriculture include horticulture, soils physics, plant breeding, plant protection, small livestock/poultry, veterinary medicine, biometrics, farming systems research, rural development planning, agricultural engineering, irrigation engineering, and agro-climatology.

(b) Technical Manpower Development

The capacity of Zimbabwe's mining/minerals, manufacturing, construction, transportation, and commercial sectors to expand depends on the availability of semi-skilled and skilled technical manpower. It was estimated shortly before independence that Zimbabwe faced an immediate need for 20,000 skilled African workers in these sectors simply to maintain the status quo. The actual demand is considerably higher if Zimbabwe is to realize its 8 percent real growth in GNP and the exodus of skilled white labor continues.

Because of previous discriminatory policies and practices, Zimbabwe will be hard pressed to meet its demands for skilled workers. During UDI indigenous training capacity failed to keep pace with the demand for skilled workers. Until approximately the mid 1970's, some of the gap between demand and supply was met through recruitment of white skilled artisans, technicians and craftsmen from abroad. This became increasingly difficult with the intensification of the war. The war exacerbated the skilled manpower problem by contributing to a net loss of skilled labor through accelerated emigration and the competing demand for military manpower.

As the manpower gap widened, the private and public sectors relaxed racial barriers. More blacks were given access to apprenticeships and other forms of technical education. However, these changes were not sufficiently comprehensive to narrow significantly the gap in the growing shortages of skilled manpower.

The shortage of skilled Africans in the trades is serious. Of the estimated 14,000 journeymen employed in the aircraft, automotive, building, electrical, mechanical, and printing industries in April 1980, only about 500 were black. Until recently, white entries into apprenticeship training have outnumbered blacks by six to one.

Since the number of journeymen in Zimbabwe is declining through white emigration, the lack of adequately trained blacks to take their places is potentially a major constraint on economic growth. Between 1976 and 1979, Zimbabwe trained a total of 2,612 journeymen and lost a total of 2,025 through emigration for a net gain of 587. In the course of only five months in 1980, 181 apprenticeships were cancelled due to emigration. More recently private sector employers have expressed grave concern about their ability to sustain apprenticeships as the flight of white journeymen and technical instructors has greatly eroded the training capacity of the Polytechnics and technical colleges. For example, it has been estimated that 136 positions out of 241 or 56 percent of the posts at the three technical colleges (Bulawayo School of Mines, Bulawayo Polytechnic, and Salisbury Polytechnic) are vacant. Areas particularly hard hit include electrical, mechanical and automotive engineering.

To address the shortage of technical manpower the Ministry of Manpower has embarked on a five-fold strategy.

First: The Ministry is undertaking a major Manpower Survey.

Second: The Ministry has established the National Vocational Training Center to coordinate technical/vocational training to oversee the upgrading of semi-skilled workers, to develop syllabi and modules for vocational training programs, and to train trainers for industry and the planned rural skills centers.

Third: The Ministry is in the process of upgrading and expanding technical education.

Fourth: The Ministry is encouraging large private corporations to enlarge and expand their in-service training programs.

Fifth: The Ministry in consultation with other relevant ministries, is working to establish clear policies and regulations on hiring of expatriates to avoid the importation of redundant skilled labor.

AID's program in general, and this project in particular, will

address the need for technical manpower in four ways. First, ZIMMAN will provide scholarships to train additional staff for the existing technical colleges in Salisbury and Bulawayo, the new technical colleges in Gwelo, Umtali, Que Que, and Lowveld, the National Vocational Training Center, and the proposed six rural skills centers. Second, ZIMMAN will make available short-term consultants to work in these institutions on skills upgrading and testing and development of training syllabi and modules. Third, the Education/Manpower Sector Program will provide resources to cover some of the cost associated with physical expansion of buildings and equipment. Fourth, the Education/Manpower Sector Program will be the source of long-term technical assistance to work as staff in the technical colleges. Major fields of emphases include electrical, mechanical, and automotive engineering, civil engineering and building construction trades.

(c) Management

Administrative and managerial skills cut across sectors but are extremely important to the maintenance of efficiency. For example, the Ministry of Public Service is sending a delegation to other African countries, Europe, Great Britain, and North America to assist design the program of the new Zimbabwe Institute of Public Administration and Management. It is anticipated that they will seek training of staff and technical assistance from the U.S.A. The mission believes that it is desirable to include flexibility in the project to be able to respond to such requests in critical administrative and management areas.

Management training from the perspective of the GOZ includes a wide range of possible training options from accountancy and upgraded secretarial skills to middle level management training for operations of public institutions and cooperatives. Appropriate management training both outside and inside the country could permit the GOZ to rapidly provide management skills to the large numbers of recently returned or newly graduated civil servants and cooperative agents. Rapid absorption of such management skills will greatly assist the GOZ to sustain the high professional standards and operational effectiveness of both the public institutions and the cooperatives.

(d) Teacher Training (Primary and Secondary)

The GOZ has set forth ambitious educational objectives. These are:

- to provide universal primary and lower secondary education
- to redress inequalities in the access of nonwhites to education,

- to foster a technological and scientific bias in education to ensure its relevancy to Zimbabwe's economic and social needs, and
- to eradicate functional illiteracy among adults.

Achieving these objectives will depend largely on two factors. The first is the efficient and effective utilization of resources. The second is a significant increase in the availability of resources for education.

The advent of independence in 1980 led to profound changes in primary and secondary school enrollment patterns. In 1980, enrollment in grade one was up by 700 percent over 1979. By 1981 grade one enrollment increased by 80,000, doubling the intake of 1980. Thus, in the short period of time between 1979 and 1981, enrollment in grade one alone increased by a factor of nine, bringing the total to 455,500 students in the first grade. Thus, out of the 1,685,000 children in primary school 27 percent were in the first grade.

In the year before independence, there were 19,962 young people enrolled in 177 government and private secondary schools. Since then this situation has radically changed. In 1980, the intake alone in form one was 22,000 up from nearly 6,000 in 1979. By 1981, students entering form one had risen to nearly 75,000 bringing overall secondary enrollment to 145,800. Thus, by 1981, students in the first year of secondary education comprised just over half of total secondary enrollment. This percent was up from about one-third in 1979.

This expansion is impressive when one considers the circumstances under which it occurred. The war caused profound disruptions to the educational infrastructure in rural Zimbabwe:

- 1,094 primary schools closed out of 2,961 schools;
- 265,675 primary school students displaced;
- 6,058 primary school teachers displaced;
- 38 secondary schools closed;
- 10,157 secondary students displaced
- 512 secondary teachers displaced.

Double shifting of classrooms and teachers, large scale hiring of untrained teachers, and rapid reconstruction of damaged and destroyed classrooms made these quantum jumps in enrollment possible. Education's share of GNP rose from 4.3 percent in 1979

to 7.9 percent in 1981. As a percent of total public spending, education climbed from 10.5 percent in 1979 to 16.4 percent in 1981.

The capacity of Zimbabwe to sustain these gains and to continue to move toward the attainment of its national objectives is critically dependent on an expanding national budget resulting from high overall economic growth and an efficient use of resources. Furthermore, its success is greatly dependent on reducing the estimated 3.5 percent population growth rate which means that the educational system must run faster simply to sustain current enrollment rates. Of these factors, the one over which the Ministry of Education and Culture has most control is the efficiency with which resources are utilized.

The most important single variable affecting educational cost and efficiency is the teacher and how he or she carries out instruction in the classroom and how much he or she is paid to do so. Although little has happened since independence to alter the way in which instruction is conducted in the classroom, the Ministry of Education is aware that its success in achieving its educational objectives depends on altering the instructional environment. The Ministry launched in 1981 an innovative approach to primary teacher training, the Zimbabwe Integrated National Teacher Education Course (ZINTEC). ZINTEC combines residential courses at regional teacher training centers with in-service supervised correspondence work to produce a trained teacher after four years.

ZINTEC has the potential to train 3,000 teachers a year. This compares to an annual potential output of 2,285 trained teachers from the nine primary teacher training colleges.

There are only two conventional secondary training colleges in the country with a combined annual potential output of 675 teachers. An additional college in Salisbury financed in part from ID local currency is being developed. Since the output from traditional secondary teacher training institutions will be unable to keep pace with the mushrooming national requirements, the Ministry of Education is exploring the possibility of developing ZINTEC-type program for secondary teacher training.

Pressures to institute changes in the instructional system are likely to mount in the next few years. Recently, the Ministry has adopted a new salary scale for teachers. While these changes will result in an increase in the financial resources required this year without any compensating increases in either enrollment or efficiency, the Ministry had little choice but to move quickly to

attempt to redress the pay disparities within the teaching profession. The former pay ranges were from a low of Z\$82 a month for a beginning untrained primary teacher to Z\$1,276 a month for a headmaster, or 15.6 times the salary of the untrained teacher. In January 1982, the Ministry narrowed these differentials by raising the lower end of the scale for trained teachers to Z\$115. This change is likely to increase the educational budget this year from Z\$290 million to Z\$320 million.

AID is presently working with the Ministry of Education to develop the Education/Manpower Sector Program. This program will focus on improving the utilization of educational resources through (1) enhanced planning capacity, (2) incorporation of distance teaching and programmed learning into the educational system, and (3) improved teacher training. The sector program will furnish the financial resources to cover construction, equipment, and long-term technical assistance. ZIMMAN will be the mechanism for financing long-term training and short-term technical assistance. Areas of emphasis for training include educational broadcasting (radio); primary and secondary curriculum design, testing, and evaluation; teacher education; textbook and learning material development; and educational planning and economics.

e) Health

The GOZ's primary objective in health is to expand health services to reach most of Zimbabwe's population. At present the majority of the rural population has extremely limited access to health care, adequate water supplies, and sanitation facilities. Approximately one-third of the meager rural health infrastructure was damaged or destroyed during the war.

The GOZ plans to develop an integrated and comprehensive health service structure consisting of village health activities, rural health centers, rural and district hospitals, provincial hospitals, and central hospitals. The system will combine preventive and curative medicine into a mutually supportive vertical and horizontal organizational structure.

Since independence, AID has been a major source of assistance to the health sector. A grant of US\$2 million in 1980 helped to finance the reconstruction of nearly 150 rural clinics. Local currency from the two program grants has gone towards reconstruction of mission hospitals and clinics, the construction of a new college for training medical assistants, and a regional medical store in Bulawayo.

There are 450 health clinics in Zimbabwe. The Ministry of Health has proposed the construction of 316 additional clinics over the next three years. In order to strengthen and develop district hospital facilities, the Ministry proposes to upgrade 1 existing hospitals to district hospitals and construct six additional hospitals. This would bring to 54 the number of district hospitals. To undertake this program requires a substantial increase in the number of medical assistants, health assistants, nurses, medical technicians, and doctors.

AID is likely to continue supporting the Health Sector, largely through the use of local currency generations from the Commodity Import Program. Since significant other donor assistance is expected, the magnitude of AID support is not expected to rise above its current level.

The training resources available from ZIMMAN will assist the Ministry of Health meet its requirements for professional manpower by concentrating on health administration, health economics and planning, and primary preventive health care.

BUDGET CALCULATION BASES

Instruction of GOZ Budget

Training

L.T. - Trainees are paid 50% of Z\$7,000 for period in U.S.

3 years for PhD. 2 years for M.A.

Mix is 90% M.A. - 10% PhD.

S.T. (U.S.). - Trainees are paid full salary at Z\$12,000

whether in U.S. or overseas. All short-term training

is calculated on 3 person months per participant.

S.T. (3rd Country) - Same as B.

Z\$10,000 per in-country training course includes 20 people
x ½ monthly salary at a rate of Z\$7,000 per annum plus some
local per diem, transport costs, etc.

This line item represents the increased salary earned by the
better trained U.S. long-term trainee upon his return to
Zimbabwe. The basis for this is Z\$2,400 for an M.A. and
Z\$800 for a PhD. calculated on the same 90/10 M.A. - PhD. split.

Consultant Support

Office space, paper etc., which the 10 consultants use per year will
be attributed \$10,000 a year.

Administrative Time

\$1,000 per year.

Contingency - 10% - same as U.S. budget.

Inflation - 15%.

Instruction of U.S. Budget

Training

U.S. (LT) - \$22,000 per year, 10% inflation compounded with MA/PhD split of 90/10. This figure is 10% higher on 1982 costs to include placement fee.

Short-term (U.S.) - \$3,000 person month with 10% inflation.
Each trainee is assumed to have 3 month course.

Short-term (3rd country) - \$1,500 person month - same as B above.

In-country (like USDA course) - \$12,500 per course - assume 1-2 person training team in country for 2 weeks (inflated at 10%)

Airfare based on \$2,500 R/T to U.S.
\$2,000 R/T to 3rd country

. Consultants Budgeted at \$12,000 per month which includes approximately 20% recruitment fee. Inflated at 10%.

1. Training Equipment. Figure of \$50,000 (not inflated)
7% procurement fee (in PIO/C)
40% CIF
Contingency of 10% - same as GOZ.