

Zimbabwe

The Development Challenge: Zimbabwe is now in its fifth consecutive year of severe economic contraction, precipitated by a political crisis that has embroiled the country since 1997 and aggravates an already worrying social context. Zimbabwe's hopes for economic and social recovery lie with a comprehensive approach that includes the restoration of the rule of law and the reintroduction of sound monetary and fiscal policies. The protracted impasse in Zimbabwe's political arena, however, is setting up the country for a prolonged recovery process. Despite efforts by key players to broker negotiations between the ruling party and the major opposition party, the political stalemate continues and the government has continued to suppress, directly or indirectly, any form of dissent from the opposition party, independent press, the labor movement, or civil society.

Zimbabwe's economic indicators have worsened over the past year, and the outlook is bleak. Gross Domestic Product (GDP) declined by a record high 13.2% in 2003. The foreign currency shortage remains critical (foreign currency earnings declined from \$2.2 billion in 2000 to an estimated \$200 million for 2003). A loose monetary policy and an artificially high official exchange rate (\$824 Zimbabwean dollars to one U.S. dollar) have resulted in a parallel market rate for the currency as high as Z\$6,000 to \$1. At a conservatively estimated rate of 620%, Zimbabwe's inflation is the world's highest. Most of 2003 was characterized by widespread shortages of local currency, fuel, electricity, and basic commodities. More than 70% of the population live below the poverty line. The World Food Program estimates that over seven million Zimbabweans are in need of humanitarian assistance, and the Government of Zimbabwe (GOZ) has neither funds nor credit to secure required food or other essential imports.

Zimbabwe's once robust social services are collapsing in the face of the economic crisis, the AIDS epidemic, and an alarmingly large exodus of the country's educated professionals. Zimbabwe has one of the highest HIV/AIDS prevalence rates in the world (24.6% of all adults). Life expectancy dropped from 61 years in 1990 to 34 years in 2002. Infant mortality is 76 per 1,000 live births; and under-five child mortality is 123 per 1,000 live births.

The U.S. Government's national interests in Zimbabwe are to restore democratic legitimacy and foster free and fair elections; prevent further deterioration of the political/economic situation and its detrimental regional impact; strengthen prospects for stability by fortifying civil society and democratic institutions; and mount an effective response to both the HIV/AIDS pandemic and the humanitarian crisis.

The USAID Program: The Zimbabwe program focuses on three critical areas: 1) mitigating the HIV/AIDS pandemic; 2) increasing dialogue between the citizenry and selected government institutions; and 3) enhancing access of the most disadvantaged groups (principally in rural and peri-urban areas) to appropriate business and technical services. The program remains subject to the legislative restrictions of the Brooke-Alexander Amendment and Section 620q and, absent a resolution of the political crisis, U.S. policy also restricts direct USAID assistance to the GOZ.

FY 2004 funds will be used to carry out programs in three focus areas. USAID will expand the HIV/AIDS program to address the growing epidemic more comprehensively by implementing behavior change/prevention activities, care and support, and promotion of effective leadership and policy development. Voluntary counseling and testing services will be expanded, balanced behavior change messages will be broadcast, and there will be efforts to ensure reliable supplies of condoms for health clinics nationwide. USAID will expand its support of community efforts for the care of orphans and other vulnerable children, and will support the provision of services for the prevention of mother to child transmission of HIV and antiretroviral therapy for those with AIDS. USAID will help integrate HIV/AIDS activities into existing family planning programs, strengthen the capacity of the public sector and civil society to formulate and advocate for improved HIV/AIDS policies, and support the engagement of church leaders in the fight against HIV/AIDS.

In democracy and governance, USAID is working to strengthen both the demand and supply sides of the democratic equation by supporting civil society organizations (CSOs) and selected government

institutions to promote sustainable dialogue and public discourse. Democracy and governance activities focus on: 1) supporting CSOs that demand greater inclusiveness in national-level decision-making through improved advocacy to Parliament; 2) supporting the parliamentary reform program to strengthen the legislative process, the parliamentary committee system and the capacity of Parliament to involve citizens in parliamentary business; and 3) providing technical assistance and training to urban and rural local authorities that are committed to democratic reform.

USAID's economic opportunities program is designed to facilitate income-generating activities for the disadvantaged, mainly communal (rural) area residents, women, under- and unemployed youth, the urban poor, the disabled, orphans, farm workers and households affected by HIV/AIDS. This special objective provides technical training services, including basic agronomic practices such as use of low-cost drip irrigation technologies, and helps establish direct farmer to market (out-grower) contracts.

Other Program Elements: USAID's Food for Peace and Foreign Disaster Assistance offices provide emergency food and other humanitarian assistance. The Office of Transition Initiatives supports freedom of the press, the rule of law, grassroots organizations, and human rights. The American Schools and Hospitals Abroad office supports Africa University, a private university located in Mutare and funded by the Methodist Church.

USAID's regional portfolio includes four activities dealing with natural resource management; three supporting agricultural research and policy development; five supporting the development of Southern Africa regional trade and economic integration; and three encouraging anti-corruption, enhanced legislative processes, and greater media freedom. Due to Brooke-Alexander restrictions, Zimbabwe's participation in these activities has been greatly reduced.

The southern Africa regional HIV/AIDS program focuses on HIV/AIDS mitigation along international trucking routes and at border sites. The regional Famine Early Warning System network supports regional food security monitoring, analysis and reporting in selected countries, including Zimbabwe. The Centers for Disease Control and Prevention (CDC) works with the GOZ to combat the AIDS pandemic and with WHO on other health-related issues.

Other Donors: In addition to the United States, the major non-food aid donors are: the European Union (governance, social services and environment); the United Kingdom (HIV/AIDS, health and agriculture recovery); Japan (environment, self help, HIV/AIDS, reproductive health, education, infrastructure and private sector); and Sweden (HIV/AIDS and democracy/human rights). Smaller programs are implemented by the Netherlands (governance and HIV/AIDS) and Norway (DG, health and education, although their program is now in abeyance). Germany and Denmark have withdrawn their development programs since the March 2002 Presidential elections. Humanitarian assistance is provided by 15 bilateral donors, including the United States, as well as the European Union, the African Development Bank, and the United Nations' agencies.

The International Monetary Fund and World Bank programs remain frozen, principally due to non-repayment of arrears, but the World Bank is now actively exploring options to remain engaged in Zimbabwe through its new program, entitled "Low-Income Countries Under Stress." All but one major bilateral donor have stopped government-to-government assistance, opting instead to channel their aid through non-governmental organizations. The UN family of agencies remains active in Zimbabwe in several sectors (AIDS, health, education, environment and governance). Donor coordination is excellent, especially with respect to the emergency food and humanitarian assistance programs. USAID, in conjunction with CDC, leads the coordination of HIV/AIDS activities in country, and participates in other donor coordination groups.

Data Sheet

USAID Mission:	Zimbabwe
Program Title:	Participation
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	613-008
Proposed FY 2004 Obligation:	\$746,000 DA; \$2,282,000 ESF
Prior Year Unobligated:	\$510,000 ESF
Proposed FY 2005 Obligation:	\$1,135,000 DA; \$2,000,000 ESF
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2005

Summary: USAID's program to enhance citizen participation in economic and political decision making includes training, technical assistance, and grants to U.S. and local organizations to: 1) enhance civil society's advocacy activities with Parliament and local authorities; 2) build a more effective and accessible Parliament; and 3) build the capacity of local authorities and to make them more receptive to local citizen input. The objective is designed to strengthen both the demand and supply sides of the democratic equation by supporting civil society organizations (CSOs) and selected government institutions to promote sustainable dialogue and public discourse.

Inputs, Outputs, Activities:

FY 2004 Program:

Increased participation by Zimbabwean civil society in the political and economic life (\$746,000 DA; \$2,282,000 ESF). USAID will support the advocacy programs of 15 CSOs that demand greater inclusiveness in national-level decision making through improved advocacy with Parliament. CSOs will receive training and technical assistance as well as institutional support to strengthen their organizational structures and policies. In FY 2004, participating CSOs will continue to advocate for issues of national significance including policies that assist marginalized groups such as women, children, the rural poor, and the physically and mentally disabled. They will also work to amend repressive legislation such as the Public Order and Security Act and the Access to Information and Protection of Privacy Act. At the local level, CSOs that articulate their constituents' concerns and advocate to their respective local authorities will receive small grants and technical assistance. Advocacy issues will include rule of law and policy issues, transparency and accountability in identifying budget priorities, service delivery at the local level, and how to cope in a hyper-inflationary environment. Principal contractors and grantees: Pact, Inc.; the Urban Institute; and local non-governmental institutions.

Improve the capability and accessibility of local authorities (\$510,000 prior year ESF). Using prior year ESF funds, USAID will concentrate technical assistance and training on 15 urban and rural local authorities that are committed to democratic reform. USAID will train elected mayors and councilors in modern management practices, good governance and effective participation with civil society. USAID will assist local authorities to improve their creditworthiness so they can access private capital markets, and to improve their management skills to increase accountability and transparency, and minimize corruption. Principal contractor: Urban Institute.

FY 2005 Program:

Increased participation by Zimbabwean civil society in political and economic life (\$735,000 DA; \$1,500,000 ESF). USAID will continue to support 15 CSOs in their advocacy with Parliament. In addition, the creation of a culture of interaction between policymakers and organizations representing various population groups will become more entrenched--especially crucial in preparation for eventual political transition in Zimbabwe. At the local level, USAID will continue to provide technical assistance to CSOs so that they can better represent their constituents' interests. Primary contractors and grantees: Pact, Inc., the Urban Institute, and local non-governmental organizations.

Increase effectiveness of Parliament. USAID will explore and document the critical linkages between Parliament and other governance institutions in need of strengthening. Since Parliament cannot function in isolation, the key points of interaction with the legislative drafters, line ministries, media, civil society, professional associations and interest groups will be explored and cultivated. Support will be given to Parliament's secretariat, which needs to play a key role in ensuring an orderly and effective transition after the parliamentary elections scheduled in June 2005. Plans will be developed to prepare for the start of the sixth Parliament, making efforts to ensure that the reforms and improvements introduced in the fifth Parliament are carried forward through extensive documentation, orientation, and public awareness. Primary contractor: SUNY.

Improved capability and accessibility of local authorities (\$400,000 DA; \$500,000 ESF). USAID will consolidate its assistance to the 15 local authorities in order to support the mayors and councilors to effectively manage the affairs of local government in a participatory and effective manner. Primary contractor: the Urban Institute.

Performance and Results: USAID's activities contributed to increased participation in economic and political decision-making between CSOs and selected government institutions in FY 2003. CSOs' perceptions of valid engagement with Parliament on issues relevant to their areas of concern exceeded expectations, fourteen of the 15 advocacy CSOs showed improvement in their advocacy programs, and the number of CSOs that represent women and/or marginalized communities exceeded the target. Public participation in Parliament's public hearings and committee meetings increased substantially, with a record high of 14 public hearings. This reflected a substantial increase in the opportunities for participation afforded to citizens, their organizations and the media. Parliament also exercised an increased oversight role through its committee meetings, producing reports that in several instances critically evaluated Executive Branch programs and policies. At the local level, the number of targeted municipalities that held four or more open public meetings - providing local citizens with an opportunity to participate - increased from two to seven (of the 15 municipalities that USAID works with). This is a significant indicator of enhanced participation between CSOs and local authorities. At the same time, the number of democratically elected civic leaders trained in modern management practices increased substantially. Since August 2003, 167 out of 340 newly elected councilors and mayors have participated in management training.

As a result of USAID's activities, the democratic space between civil society and these selected government institutions (parliament and local authorities) has not only been kept open, but has increased. By the end of this program in 2005, participation in decision-making will be enhanced, despite a national environment of severe political repression and harsh economic conditions.

Data Sheet

USAID Mission:	Zimbabwe
Program Title:	HIV/AIDS
Pillar:	Global Health
Strategic Objective:	613-009
Proposed FY 2004 Obligation:	\$10,600,000 CSH
Prior Year Unobligated:	\$5,600,000 CSH
Proposed FY 2005 Obligation:	\$10,869,000 CSH
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2005

Summary: Child Survival and Health resources are funding a comprehensive HIV/AIDS program that includes: 1) voluntary HIV counseling and testing (VCT); 2) supporting HIV/AIDS-affected households to access market opportunities; 3) integrating HIV/AIDS activities into family planning programs; 4) strengthening the capacity of the public sector and civil society to formulate and advocate for improved HIV/AIDS policies; 5) supporting community responses to orphans and vulnerable children; 6) support services for those who test HIV positive at VCT centers; 7) support for initiation and roll out of a national antiretroviral (ARV) therapy program; 8) establishment of a system to ensure a reliable supply of condoms at public health facilities nationwide; 9) marketing of condoms; and 10) support for a national prevention of mother to child HIV transmission (PMTCT) program.

Inputs, Outputs, Activities:

FY 2004 Program:

Reduced high risk sexual behavior (\$7,200,000 CSH; \$5,600,000 prior year CSH). USAID will help develop and implement an ARV therapy program that will procure and distribute ARV drugs. A minimum of 500 patients are expected to be treated with ARVs by the end of FY 2004 and this treatment will be provided through at least five sites. A streamlined system for condom distribution will be developed to make condoms universally available in public health facilities. An additional five VCT sites will be opened, bringing the total number of USAID-supported VCT centers to 20, and the provision of mobile VCT services to rural areas. The VCT network will serve at least 120,000 new clients in FY 2004. Mass media and interpersonal behavior change communication campaigns will encourage several risk reduction strategies, including abstinence, delayed onset of sexual activity, mutual fidelity, early treatment of sexually transmitted illnesses (STIs), and correct and consistent condom use. By the end of FY 2004, the median age at first sex among 15-24 year olds will have risen from 18.4 years in 2003 to 19.5 years, and 52.5% of 15-24 year olds will have used a condom at last sex. In collaboration with the U.S. Centers for Disease Control and Prevention (CDC) and the Canadian International Development Agency, USAID will co-finance and support PMTCT services at a minimum of 60 health facilities throughout the country. Principal contractors and grantees: Population Services International (PSI); John Snow Inc.(JSI); Elizabeth Glaser Pediatric AIDS Foundation (EGPAF).

Improved HIV policies (\$700,000 CSH). USAID will strengthen the capacity of civil society to advocate for improved HIV policies and the capacity of faith-based organizations (FBOs) to tackle HIV prevention and expand support services. Over 200 faith-based leaders will be trained in HIV policy advocacy. The immediate impact will be increased community support to implement existing policies and an expanded dialogue to reduce stigma and discrimination. Principal contractor: The Futures Group.

Enhance community response to orphans and vulnerable children (\$1,500,000 CSH). Due to an estimated 3,290 AIDS deaths per week, food shortages, and the economic crisis, there are increasing numbers of orphans and vulnerable children (estimated at 800,000 children). USAID will help develop innovative models for supporting these children through community-based programs such as capacity building of community-based organizations (CBOs), psycho-social support, and provision of food and

educational assistance. An estimated 150,000 orphans and other vulnerable children will be reached. Principal contractors: Catholic Relief Services; International AIDS Alliance.

Integrating HIV/AIDS into family planning (\$1,200,000 CSH). Zimbabwe's vast and previously successful family planning delivery infrastructure will be used to expand effective HIV/AIDS services. USAID will enhance the quality of family planning through support to a network of 985 private sector medical service providers, including doctors, nurses, and pharmacists. During FY 2004, the network will be expanded to include 145 new members. Over half of the current members will receive on-going training. Approximately 120,000 couple-years of protection will be provided through the provision of hormonal contraceptives alone. Principal contractors: Management Sciences for Health/Advance Africa (MSH/AA); EGPAF.

FY 2005 Program:

Reduced high risk sexual behavior (\$7,000,000 CSH). USAID will support implementation of an ARV program, with at least 1,000 patients provided with ARVs in FY 2005. Condom distribution will be enhanced so that condoms will be universally available at public health facilities. Over 30 million condoms will be sold. VCT will be expanded with over 150,000 new clients. Mass media campaigns will encourage several risk-reduction strategies. Principal contractors and grantees: PSI; JSI; EGPAF.

Improved HIV policies (\$800,000 CSH). Support will be provided for development of HIV policies and strengthening the capacity of civil society and FBOs to tackle HIV prevention and expand HIV services. Over 200 faith-based leaders will be trained in advocacy skills. Primary contractor: The Futures Group.

Enhance community response to orphans and vulnerable children (\$1,600,000 CSH). USAID will fund capacity building of CBOs, psycho-social support, provision of food and educational assistance. With current levels of funding, 200,000 orphans and vulnerable children will be reached. Primary contractors: Catholic Relief Services; International AIDS Alliance.

Integrate HIV/AIDS into family planning (\$1,469,000 CSH). USAID will enhance the quality of family planning through support to a network of private sector medical service providers. Approximately 130,000 couple-years of protection will be provided through hormonal contraceptives. Support will be provided for PMTCT at 70 health facilities. Principal contractors: MSH/AA; EGPAF.

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City policy.

Performance and Results: In FY 2003, 94,638 new clients were seen at USAID-supported VCT centers, compared to 55,093 in FY 2002 (a 72% increase). Mobile VCT services expanded to rural communities from 20 mobile visits in FY 2002 to 85 in FY 2003. The number of people counseled and tested at mobile VCT sites rose during this same period from less than 2,500 to over 11,500. Two pilot VCT sites integrated family planning and STI diagnosis and treatment services with over 3,440 clients (92% for STI services). Grants were awarded to 22 civil society partners who are providing advocacy on HIV/AIDS issues. USAID undertook a comprehensive logistics assessment of the Zimbabwe health system to determine capacity and site readiness to deliver effective anti-retroviral (ARV) treatment. USAID also developed a strategy for an integrated USAID/CDC program to initiate and roll out ARV treatment services. In FY 2003, 105,240 orphans and vulnerable children received care and support, surpassing the FY 2003 target of 83,000 children. Sixteen organizations received orphans and vulnerable children grants. By the end of the program in 2005 USAID will have reduced high risk sexual behavior, helped develop effective HIV/AIDS policies, and developed innovative models for community support for orphans and other vulnerable children.

Data Sheet

USAID Mission:	Zimbabwe
Program Title:	Increased Access to Economic Opportunities
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	613-010
Proposed FY 2004 Obligation:	\$500,000 CSH; \$700,000 ESF
Prior Year Unobligated:	\$977,000 DA
Proposed FY 2005 Obligation:	\$500,000 CSH; \$111,000 DA
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2005

Summary: The objective of the program is to increase access to economic opportunities for disadvantaged groups in rural and peri-urban Zimbabwe. The success of the program is measured by the number of disadvantaged households, including those affected by HIV/AIDS that access economic opportunities. Access to economic opportunities includes increased provision of business, communications and technical services, including new markets for subsistence farmers' agricultural produce. Food security activities that also provide income have recently become a centerpiece of the program, in light of Zimbabwe's persistent food crisis and severe economic contraction.

Inputs, Outputs, Activities:

FY 2004 Program:

In 2003, seven million people (approximately 60% of all Zimbabweans) benefited from food aid. Approximately 7.5 million people (65%) will require food aid in 2004. Food security, therefore, remains a major issue of concern. This objective will also provide business and related services to 71,000 households in rural and peri-urban Zimbabwe. The target for 2003 was 64,000 people served.

Improved access to financial services for disadvantaged groups. Using previously obligated funds, the program will provide technical support to two leading micro-finance institutions that have the capacity and potential to withstand the impact of the current economic downturn. Zambuko Trust will focus on its long-term transformation into a specialized bank providing financial and related services to small and micro-businesses. MicroKing, a subsidiary of a local financial services group, will receive technical support to structure a loan guarantee program to complement its expansion into rural areas. Three credit unions will continue receiving support under a pilot program to help them increase membership, improve internal systems and introduce new products, e.g., a funeral benefit scheme for members. In-kind loans for seed and agricultural inputs will be distributed to approximately 33,000 households through activities of participating non-governmental organizations (NGOs) and for-profit companies. This will contribute to improved food security for targeted groups. Principal contractors: Development Alternatives Inc.; Zambuko Trust; local NGOs; MicroKing.

Targeted groups equipped with business skills (\$977,000 prior year DA; \$700,000 ESF; \$500,000 CSH). USAID will provide business development, communications, and technical training services to improve business, agricultural productivity and access to better markets. Technical training will include basic agronomic practices, use of low-cost drip irrigation technologies, product quality control, marketing, management of out-grower contracts, and capacity strengthening of commodity associations. Activities that provide food security and that have income-generating potential and a high HIV/AIDS mitigation impact will be emphasized. Activities will include the distribution of 14,000 drip irrigation kits, accompanied by basic agronomic training, to improve the agricultural productivity of participating households. The program will also distribute seed packs for drought-tolerant crops to 30,000 households. Seed distribution will be accompanied by basic agronomic and business training services. The program will fund operational expenses of 12 business opportunity centers in FY 2004, thus allowing selected

communities to access business training and support services to improve their livelihoods. Principal contractors: Development Alternatives Inc.; local NGOs.

FY 2005 Program:

Program activities may potentially reach 78,000 households in FY 2005 depending on funding levels and current legislative restrictions on work in Zimbabwe. Activities for FY 2005 may be geared toward consolidating program gains and mapping out a strategy to ensure that on-going economic growth activities will continue operating without further USAID support.

Improved access to financial services by the disadvantaged (\$111,000 DA). Depending on macro-economic conditions, the program may provide up to 62,000 micro-loans and other financial services to targeted groups through continued support to the two leading microfinance institutions in Zimbabwe, Zambuko and Microking. In-kind seed or agricultural input loans disbursed through selected NGOs may continue or expand in FY 2005. Principal contractors: Development Alternatives Inc.; Zambuko Trust; local NGOs; MicroKing.

Targeted groups equipped with business skills (\$500,000 CSH). Approximately 109,000 beneficiaries will receive business, communications, technical training and other services. Of these, 41,000 may be related to improved market access and food security activities. Continuation of activities that provide food security and that have income-generating potential and a high HIV/AIDS mitigation impact will continue to be emphasized. No new activities are contemplated after June 2005, since the program is scheduled for completion by September 2005. Principal contractors: Development Alternatives Inc.; local NGOs.

Performance and Results: The program achieved significant success in 2003 by reaching 70,021 households, compared with the target of 64,000 households. Approximately 420,126 individuals benefited from these USAID-funded services.

A total of 141,210 non-financial services, such as training in bookkeeping and production improvement, were provided against a target of 76,000 services in FY 2003. To date, the program has 70 separate interventions implemented through grants and contracts with 60 partners. Impact surveys carried out on selected program activities, e.g., the small grains and commercial linkage project, indicate that participants have benefited from improved food security and improved diets (77%), as well as more adequate clothing (39%).

By helping disadvantaged groups realize economic opportunities in Zimbabwe, households will address their food security concerns, mitigate the impact of HIV/AIDS through improved diets, and earn more income. By the end of the project, 241,049 households will have benefited from the program, with some having received multiple services.

Zimbabwe PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2002 Actual	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Child Survival and Health Programs Fund	6,450	11,923	11,100	11,369
Development Assistance	2,512	2,919	746	1,246
Economic Support Fund	6,000	4,050	2,982	2,000
PL 480 Title II	25,522	0	0	0
Total Program Funds	40,484	18,892	14,828	14,615

STRATEGIC OBJECTIVE SUMMARY				
613-008 Participation				
DA	2,512	1,567	746	1,135
ESF	5,500	4,050	2,282	2,000
613-009 HIV/AIDS				
CSH	5,950	11,423	10,600	10,869
613-010 Increased Access to Economic Opportunities				
CSH	500	500	500	500
DA	0	1,352	0	111
ESF	500	0	700	0

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