

USAID/Zimbabwe
Operational Plan

FY 2006

June 2, 2006

Please Note:

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Program Performance Summary FY 2005: Zimbabwe, once one of southern Africa's most vibrant, productive, and resilient countries, is experiencing an unprecedented reversal of economic fortune and social development. The country has been undergoing a severe economic contraction since 1999, precipitated by an ongoing political crisis, which is contributing to the rapid deterioration of the nation's social fabric. The underlying cause of Zimbabwe's decline is the unchecked and abusive exercise of executive power, which has led to poor governance and destructive policies. Economic and social recovery is dependent on the government, supported by the international community, adopting a comprehensive approach to reform 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, suggests that recovery will not begin in the foreseeable future as the government continues to suppress most forms of dissent from the opposition party, independent press, the labor movement, and civil society. That said, the situation is highly fluid, with an ageing autocratic ruler and an unpopular and increasingly fractious governing party.

Economically, Zimbabwe is completing its sixth consecutive year of decline at a time when sub-Saharan Africa has recorded an average gross domestic product (GDP) growth rate of 3.4%. The failure to address fundamental, economic distortions, e.g., price and exchange controls, or tackle profligacy means that GDP is expected to decline by a further 7% in 2005; this follows the economic contractions of 4% and 10.5% in 2004 and 2003, respectively. Inflation is over 500%, and is expected to continue rising over the coming year. The managed exchange rate showed some flexibility this year; however, the local currency still remains overvalued, hampering the competitiveness of exports. Accordingly, foreign exchange continues to be in critically short supply. Zimbabwe, which has been in continuous arrears to the IMF since February 2001, paid the Fund \$120 million in September, plus an additional \$15 million in October and \$10 million in November 2005 but is still about \$150 million in arrears. Regardless, IMF and World Bank support will not be renewed absent comprehensive economic and political reforms. The economic decline has resulted in renewed shortages of food, fuel, electricity, and other critical imports. A once thriving industrial sector is suffering, with an additional 33 export companies closing in the first six months of 2005, bringing the total number of closures to 400 since 2002. The Government of Zimbabwe (GOZ)'s recent Operation Restore Order or Murambatsvina (Shona for "Throw out trash") also tried to close down the entire informal business sector as described below. Formal unemployment is over 80%. The economic, social and political upheaval has fed an unprecedented brain-drain, creating an estimated three million economic and political refugees in foreign countries.

Zimbabwe's once robust infrastructure and social services are collapsing in the face of the economic contraction, the AIDS epidemic, the alarmingly large exodus of the country's educated professionals and an ongoing complex humanitarian crisis. This decline is reflected in the 2005 UNDP Human Development Report, which ranked Zimbabwe 145th out of 177 countries on the Human Development Index - a drop of 27 places since 2002. Zimbabwe has one of the highest HIV/AIDS prevalence rates in the world (20.1%). Other health statistics are equally dire: 3,300 AIDS-related deaths each week; infant mortality rate of 76/1000; under-five mortality rate of 123/1000; over one million orphans in a population of 11.6 million; and a life expectancy of just 34 years. The shortage of most drugs continues, as does the exodus of medical personnel, and inflation has now put those drugs and treatments that are available outside of the reach of most people.

Zimbabwe's social and political environment remains highly polarized, with the society unable to reach consensus about how to transition from two decades of political dominance by the party that led its liberation struggle, the Zimbabwe African National Union - Patriotic Front (ZANU-PF). Despite international opprobrium and domestic pressure, ZANU-PF remains unwilling to engage in dialogue with the opposition Movement for Democratic Change (MDC) and continues to employ repressive tactics against the opposition and its perceived supporters. All signs suggest that ZANU-PF will continue to augment its dominant position. ZANU-PF has also maintained its power and ensured party loyalty through the effective use of patronage. Economic decline, however, is beginning to weaken the party's patronage system and factionalism is on the rise within the ruling party, particularly concerning the issue of leadership succession. That said, the party is united for now on the need to retain political power and all of its factions defer to the ageing President Mugabe.

As the country's only major opposition political party, the MDC offers a platform for those Zimbabweans - by most accounts a majority - who want to see restoration of the rule of law, free and fair elections and the return of rational economic policies. The MDC, however, has been under tremendous pressure and has been weakened as a political force. The electoral playing field for the March 2005 Parliamentary elections was fundamentally tilted against the opposition and the election itself was fraught with serious irregularities in the tabulation process. The result was that the MDC suffered a third stolen election since its 1999 founding. The MDC failed to respond effectively or to raise its voice against Operation Murambatsvina (see below), and has, more recently, been riven by infighting. The internal disputes became evident when party leaders disagreed publicly over whether the party should participate in elections for a newly created Senate. However, the real issues of contention concern leadership, internal governance and the use of violence.

On May 18, 2005, the GOZ began Operation Murambatsvina, a campaign to destroy "illegitimate" dwellings, as well as informal markets and stalls in major urban and peri-urban centers. The demolitions were purportedly intended to stop informal trading in goods and foreign currency, eradicate illegal residences, and promote urban beautification. The campaign resulted in mass evictions of urban households and the end of many informal businesses. According to the UN, more than 700,000 people were directly affected by this operation, an estimated 2.4 million were indirectly affected and the full impact in human and financial terms is still being determined.

The GOZ also suppresses the work of many non-governmental organizations (NGOs). In 2004, Zimbabwe's Parliament passed legislation that would restrict the operations of NGOs, including a prohibition on foreign funding for NGOs engaged in human rights and/or governance work. President Robert Mugabe did not sign this legislation but many aspects of it are being implemented and the threat of its reconsideration continues to cast a shadow over the work of NGOs and donors. Zimbabwean civil society remains a relatively vibrant force in the country, but the harsh operating environment has taken a toll on its energy and capacity.

With reference to the USAID fragile states framework, Zimbabwe is a vulnerable state where the legitimacy of the government is in question. The ruling party is unwilling to govern in the interest of its citizens or to adequately assure the provision of security and basic services to significant portions of the population. Given its past successes, the current experience of Zimbabwe is a cautionary tale about how quickly a country can backslide from a platform of sustainable development to a condition of profound economic decline, social atrophy, and failing institutions of governance. This is especially alarming given that the country's decline has been state-induced.

Zimbabwe has two primary sources of fragility. First, state power is highly centralized in the executive branch, specifically the office of the President, with virtually no checks and balances on the excessive use of this power. The executive branch has made the judiciary and the legislature largely subordinate to it. The exercise of state power is characterized by patronage, corruption, and forceful intimidation, leading to erosion of the rule of law and democratic freedoms. Second, Zimbabwe's dramatically high HIV/AIDS rate and emigration rate impose severe economic and social costs on the population at large and on the functioning of all public and private institutions. While the country's deep economic crisis is the result of the government's flawed economic and public management policies, its magnitude and persistence are fast making the economic decline a source of fragility in its own right.

USAID programs in Zimbabwe are designed to address fundamental causes of the nation's instability and contribute to the U.S. Government's foreign policy strategic objective to advance sustainable development and global interests as defined in the State-USAID Joint Strategic Plan. These programs also reflect the general policy aims of USAID as laid out in the USAID policy framework and the Strategic Framework for Africa. The United States maintains strategic interest in Zimbabwe as events in the country have significant impact on the entire southern Africa region. The U.S. Government's principal national interests in the country are to: 1) prevent a further deterioration of the political and economic situation, and the consequent detrimental impact on the region; 2) strengthen the prospects for stability by fortifying democratic institutions and civil society; 3) implement an effective response to the catastrophic HIV/AIDS pandemic; and 4) mount an effective response to the complex humanitarian crisis.

In addition to the goals and objectives for programming in fragile states laid out in the Strategic Framework for Africa, USAID's programs in Zimbabwe address one of the agency's global issues and special concerns through their attention to HIV/AIDS, identified as both a contributing cause and consequence of fragile state systems and national instability. Detailed information about USAID's programs addressing HIV/AIDS can be found in the Country Operational Plan (COP) and five-year strategy developed for the Office of the Global AIDS Coordinator (OGAC). Furthermore, USAID in Zimbabwe pursues the agency-wide operational goal of providing humanitarian relief, based on the criterion of urgent need and without penalty for weak government commitment. USAID's Food for Peace (FFP) and Foreign Disaster Assistance (OFDA) offices provide emergency food and other humanitarian assistance. Such assistance, when provided, contributes to USAID's programmatic aims in Zimbabwe and reinforces efforts to promote stability, recovery, and improved governance in the country. While aware that the Strategic Framework for Africa identifies counter-terrorism and the implications of extractive industries as two important Bureau-level concerns, neither is significant to the current sources of fragility in Zimbabwe. Therefore USAID does not currently address either concern in Zimbabwe.

Legislative restrictions under Section 620q of the Foreign Assistance Act (FAA), the Brooke-Alexander Amendment to the Appropriations Act, and the Zimbabwe Democracy and Economic Recovery Act (ZDERA) all remain in effect, along with the policy restrictions established by the Deputies Committee. Zimbabwe's withdrawal from the Commonwealth still stands as does the freeze on World Bank and IMF programs in-country.

Challenges: USAID remains concerned about the impact of Zimbabwe's economic decline on food security, economic livelihoods and social conditions. Additionally, efforts by GOZ to inhibit and undermine civil society, media, labor, religious organizations and the opposition are having varying degrees of success and remain a significant challenge to the institutionalization of democratic norms and practices.

Key Achievements: USAID's program made significant progress towards achieving its objectives, despite Zimbabwe's worsening environment. Following are the major achievements at the strategic objective (SO) level during FY 2005:

The Participation SO: Civil society partners actively advocated to Parliament, exceeding the advocacy index target for valid engagement with Parliament by nine points: an index score of 54 points versus a target of 45 points. This is particularly important in light of the fact that the Parliamentary session was extremely short this year due to Parliamentary elections in March, the establishment of a new Senate and limited GOZ funding to hold Parliamentary sessions. Nine of the SO's 15 NGO partners represent marginalized groups such as women, disabled peoples, and children to Parliament. Local government activities supported 14 local authorities to hold at least four open public meetings each, exceeding the target of 12 local authorities.

The HIV/AIDS SO: The HIV/AIDS program focuses on proven prevention strategies, while providing care and treatment to the HIV-infected, orphans and others affected by the disease. USAID-supported prevention-of-mother-to-child-transmission (PMTCT) sites counseled 73,337 pregnant women for HIV, representing 51% of all women attending antenatal clinics nationwide. In addition, 42,605 pregnant women were tested for HIV, compared to 19,843 in FY 2004. More than 5,200 HIV-infected women received a course of ARV prophylaxis to prevent MTCT, compared to the target of 2,650 HIV-infected women. USAID supported 33,005 orphans and vulnerable children (OVC) in the areas of education assistance, psychosocial support, income-generation and food security activities. Twenty USAID-supported voluntary counseling and testing (VCT) sites tested and counseled 172,655 clients for HIV, exceeding the target of 92,000 clients by 87%. USAID-supported sites provided anti-retroviral therapy (ART) to 483 infected people. A total of 975,000 female condoms were sold, exceeding the target of 720,000.

The Economic Opportunities SpO: USAID continued to support disadvantaged groups in an economy which has more than 80% unemployment in the formal sector. The USAID program exceeded its targets

despite Zimbabwe's economic meltdown and closure of some activities due to insufficient funding. The program benefited and improved the livelihoods of 110,277 households, exceeding the target of 78,000 by 41%. The number of USAID-funded Business Opportunity Centers (BOCs) doubled from 6 to 12, eight of which have since become financially self-sufficient. Over 88,000 clients bought 167,000 business-related services from the BOCs, 160% more than the target of 64,000 services. The household nutrition gardens (HNG) program, to help food insecure households grow their own food, reached over 12,000 households, 71% of whom are HIV/AIDS affected. The gardens have proved to be an excellent source of food nutrients and vitamins, particularly for the HIV-infected.

Gender: USAID recognizes that for development to be sustainable, the diverse causes and impact of gender dynamics must be addressed. Half of USAID's partners working in the area of democracy and governance specifically address advocacy issues of women and other minority groups. USAID equally recognizes the important role that gender and gender imbalances play in the HIV/AIDS pandemic in Zimbabwe. Gender is one of the key variables affecting access to HIV/AIDS services. USAID therefore, enlists male support for activities such as PMTCT in order to increase the number of women successfully participating in such services. The HIV program fosters dialogue between men and women on HIV issues in order to decrease stigma within families and communities, a key barrier to mitigating the impact of AIDS and making it a manageable disease.

Youth: All Mission program areas include youth as beneficiaries. In addition, the behavior change component of the HIV and AIDS program directly focuses on this age group. Recent studies showing a drop from 24.6 to 21.3% in the prevalence rate suggest that work with this group is beginning to have an impact.

WEBSITE: www.usaidzw.org

FY 2006 Program

SO: 613-008 Manage Crises and Promote Stability, Recovery, and Democratic Reform

Establish & Ensure Media Freedom & Freedom Of Information

Establish and Ensure Media Freedom and Freedom Of Information (\$1,000,000 ESF): USAID supports the Voice of America's (VOA) Studio 7 program which focuses on current events in Zimbabwe and has emerged as an important alternative source of information in a media environment that is highly regulated by the Government of Zimbabwe (GOZ). Principal contractor: Voice of America (VOA) (prime).

Strengthen Civil Society

Strengthen Civil Society (\$700,000 DA, \$1,970,000 ESF, \$2,484,000 prior year ESF): USAID continues to support organizations and institutions that advocate for greater inclusiveness in national-level decision-making. USAID will strengthen civil society organizational structures, policies and advocacy activities. Participating civil society organizations will work on a variety of issues to assist marginalized groups such as women and children. Principal contractors and grantees: To be determined.

Strengthen the Legislative Function/Legal Framework

Strengthen the Legislative Function/Legal Framework (\$676,000 DA): USAID will continue to strengthen the capacity of parliament. The program provides support to strengthen parliament's management of the legislative process and assist parliament in exercising legislative oversight of selected ministries. As part of this effort, USAID will continue to provide technical support to parliamentary committees, for activities such as public hearings, and final technical inputs into the rules of parliament. The program will support ongoing training activities of parliamentary staff in terms of public hearing guidelines and legislative analysis. Principal contractor: State University of New York (SUNY) (prime).

FY 2007 Program

SO: 613-008 Manage Crises and Promote Stability, Recovery, and Democratic Reform

Establish & Ensure Media Freedom & Freedom Of Information

Establish and Ensure Media Freedom and Freedom Of Information (\$1,000,000 ESF): There remains a huge unmet demand for expanded coverage of VOA's Studio 7 program focused on Zimbabwe. USAID will expand the successful Studio 7 program by targeting the rural population which has limited alternatives to the state broadcaster. Principal contractor: VOA (prime).

Promote and Support Credible Elections Processes

Promote and Support Credible Elections (\$500,000 ESF): The next presidential election in Zimbabwe is scheduled to take place in 2008 and one of the key lessons learned from the 2005 parliamentary election was that monitoring and surveillance of the electoral process needs to begin early. As a result, USAID will support domestic and regional partners who undertake objective election monitoring. Principal contractors and grantees: To be determined.

Strengthen Civil Society

Strengthen Civil Society (\$1,000,000 DA, \$1,500,000 ESF): USAID will continue to support advocacy efforts by civil society, religious organizations, public information institutions and/or labor. Demand-driven issues will be addressed by implementing partners to improve democratic initiatives, service delivery and public advocacy. Principal contractors and grantees: To be determined.

Strengthen the Legislative Function/Legal Framework

Strengthen the Legislative Function/Legal Framework (\$400,000 DA): USAID will continue to monitor the effectiveness of the legislative strengthening process. Should the longer-term objective of enhancing public political debate remain achievable, the program will continue. The focus of such efforts will center on providing technical input, encouraging public hearings, increasing civic participation, and improving outreach to the media. Principal contractor: SUNY (prime).

FY 2006 Program

SO: 613-009 HIV/AIDS Crisis Mitigated

Improve Maternal Health & Nutrition

Improve Maternal Health and Nutrition (\$1,700,000 CSH): USAID's efforts in Preventing Mother to Child Transmission (PMTCT) focus on strengthening the national and district-level capacity to provide integrated prevention, care and treatment services using PMTCT as an entry point. USAID promotes an increase in the use of anti-retroviral therapy (ART) of pregnant women by building systems to improve follow-up of mothers and infants, monitoring and evaluating the program's effectiveness, and providing additional training to enhance the quality of services. USAID will support 118 sites nationwide that deliver PMTCT services. Support will include on-site HIV rapid testing, training for 250 health workers in various aspects of PMTCT services, counseling and testing for 46,000 pregnant women, and delivery of anti-retroviral prophylaxis to 8,700 women. Principal contractors and grantees: Elizabeth Glaser Pediatric AIDS Foundation (EGPAF) (prime), JF Kapnek Charitable Trust (Kapnek), Institute of Public Health, Epidemiology and Development at the University of Bordeaux, France (ISPED) and the Zimbabwe AIDS Prevention Project (ZAPP) (subs).

Reduce Transmission & Impact Of HIV/AIDS

Reduce Transmission and Impact of HIV/AIDS (\$8,083,000 CSH, \$150,000 prior year CSH): USAID continues to fund both mass media and interpersonal communication messages to promote behavior change, focusing on delayed sexual debut, stigma and discrimination, provider-initiated counseling and testing, post-test support services and campaigns to promote male and female condoms. Marketing of voluntary counseling and testing (VCT), condoms and contraceptives will also continue, as well as procurement of condoms. In September 2005, USAID awarded a new contract to implement these activities. The new contract incorporates best practices learned over the last decade, including the integration of various HIV programs and the maximum use of local organizations to build local capacity and enhance sustainability. USAID plans to provide VCT to 580,118 clients and also increase nationwide testing through a "provider-initiated" program where clients at all health facilities will be offered an HIV test.

In continued collaboration with the U.S. Centers for Disease Control and Prevention (CDC), USAID will provide ART for 500 patients and provide training in ART provision and management for health workers at five health facilities. USAID will also provide support for second-line ART for up to 1,500 patients.

USAID is supporting 11 non-governmental organizations in building community capacity to identify and care for their orphans and vulnerable children (OVC) by providing education assistance, psychosocial support, food security and income-generation activities. USAID will continue to provide technical assistance to the Government of Zimbabwe for the implementation of the National Plan of Action for OVC. In addition, USAID will work with faith-based organizations to enhance their capacity to provide leadership and reduce the stigma surrounding AIDS with evidence-based HIV policies. USAID will support the development and dissemination of the 2005 Demographic and Health Survey. USAID will build the capacity of the Ministry of Health and Child Welfare to plan and forecast ARV needs and other HIV commodities for national-level procurement. Principal contractors and grantees: Abt Associates,

Population Services International (PSI), John Snow, Inc. (JSI), The Futures Group, MACRO International and Catholic Relief Services (CRS) (primes).

Support Family Planning

Support Family Planning (\$1,190,000 CSH): USAID will implement a new activity providing stewardship for strengthening the integration of family planning into the national HIV response. This will include promotion of informed demand for family planning by using PMTCT services as an entry point for educating women and their partners. It will also include communication campaigns to strengthen the integration of family planning and PMTCT. USAID will support the integration of VCT at family planning sites and family planning at VCT sites. Over 200,000 couple years protection (CYP) will be achieved. Principal contractors and grantees: Abt Associates, PSI and EGPAF (primes).

FY 2007 Program

SO: 613-009 HIV/AIDS Crisis Mitigated

Improve Maternal Health & Nutrition

Improve Maternal Health and Nutrition (\$1,700,000 CSH): PMTCT activities will continue to focus on building capacity to provide high quality, comprehensive PMTCT services within those health facilities receiving USAID assistance. Principal contractors and grantees: EGPAF (prime), JF Kapnek Charitable Trust (Kapnek), ISPED and ZAPP (subs).

Reduce Transmission & Impact Of HIV/AIDS

Reduce Transmission and Impact of HIV/AIDS (\$8,097,000 CSH): USAID will continue VCT, behavior change communication and social marketing activities. USAID will continue to fund OVC activities at approximately the same level and under the same parameters as in FY 2006. USAID support for ART will focus primarily on HIV commodity logistics management and the provision of technical assistance. Condom procurement and logistics management will continue at approximately the same level and under the same parameters as in FY 2006. Principal contractors and grantees: Abt Associates, PSI, EGPAF, JSI, The Futures Group, MACRO International, and CRS (primes).

Support Family Planning

Support Family Planning (\$1,025,000 CSH): USAID will continue at approximately the same level and under the same parameters as in FY 2006 to promote informed demand for family planning by using PMTCT as an entry point for educating women and their partners. Over 200,000 CYP will be achieved. Principal contractors and grantees: Abt Associates, PSI and EGPAF (primes).

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

Results Framework

613-008 Manage Crises and Promote Stability, Recovery, and Democratic Reform

Program Title: Participation

IR 1: Improved Civil Society Organization's Representation of Citizens' Interests at National and Local Levels

IR 2: More Effective and Accessible Selected National Government Institution (Parliament)

IR 3: Local Authorities More Capable and Open to Local Citizen Input

613-009 HIV/AIDS Crisis Mitigated

Program Title: HIV/AIDS

IR 1: Reduced high-risk sexual behaviors

IR 2: Enhanced capacity to formulate, advocate and implement improved HIV policies

IR 3: Increased care and support for OVC and others infected with HIV

613-010 Access to Economic Opportunities for Disadvantaged Groups Expanded

Program Title: Economic Opportunities

IR 1: Rural Incomes and Food Security Increased

SpFA 1: Adverse Economic Impact of HIV/AIDS Mitigated