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Sida Country Report 2003

Zimbabwe

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1. Summary

In early 2003, Zimbabwe introduced a new economic plan, the National Economic Recovery Plan (NERP). In spite of a number constructive measures taken in NERP, for example the *de facto* devaluation of the Zimbabwe dollar, the economy continued on its downward trend and contracted by around 13 percent during the year, with an inflation rate of around 600 percent. A new Governor of the Central Bank was appointed and announced a new monetary policy that, among other things, introduced a foreign currency auctioning system.

The economic decline has had serious impact on the social sectors. The lack of resources has resulted in a major flight of qualified personnel, especially from the health sector. The "Fast Track" land reform, although formally completed, is still being pursued with the government continuing to expropriate land. Expropriations of commercial farms and general insecurity of land ownership and use has reduced food production and caused displacement of farm workers. Nearly half of the population is dependent on humanitarian food assistance.

The political division and antagonism between the ruling ZANU-PF and the opposition Movement for Democratic Change (MDC) remains deep. The political situation has remained tense during the year, with continued intimidation of the opposition and those, including civil society organisations, perceived to oppose the government.

Donors have continued to channel support solely via civil society. Assistance is mainly focused in the areas of promoting human rights and democracy, combating HIV/AIDS, and humanitarian assistance.
Given that the root cause of the crisis is manmade, and given the lack of any signs that there will be a change in the policies that caused the crisis, the humanitarian crisis is set to continue for some time to come.
Efforts by UNDP to initiate dialogue on humanitarian issues, supported by donors, has not proven successful and currently this dialogue has been put on the backburner.

Civil society is finding it more difficult to function freely, given the new laws that were introduced by the government in order to curb and limit the activities of civil society. In spite of these restrictions, many non-governmental organisations are still active.

In view of the deteriorating socio-economic situation, the Embassy has placed a stronger focus on children's rights. Projects supporting

torture victims and conflict resolution at local levels have been added to the portfolio. In the area of HIV/AIDS, the work has been expanded in home based care, support to orphans and vulnerable children.
Food security for those affected by HIV/AIDS has been given priority.

2. Strategic Country Development Trends

2.1 Macro-economic development

The country has, for the last few years, been haemorrhaging from foreign currency and fuel shortages, low business confidence, high levels of inflation and braindrain of qualified personnel (particularly in the social sectors). In early 2003, the government of Zimbabwe introduced a National Economic Recovery Plan (NERP) to address the challenges mentioned above, and avert further deterioration of the economy.

The most dramatic measure taken in NERP was the *de facto* devaluation of the Zimbabwe dollar, from US$1 = Z$ 55 to 1US$ = Z$ 824[1]. The new rate applied not only to exporters, but also to all other foreign currency transactions. However, the government kept the old rate of Z$55 for 'critical and strategic imports such as medicines and other government requirements'. This meant that huge losses were incurred as the Central Bank (Reserve Bank of Zimbabwe, RBZ) was buying the US dollar at a much higher rate than when selling to the government.

In spite of NERP, Zimbabwe's economy during 2003 contracted by about 13 percent, bringing the total economic decline the last four years to nearly 40 percent. There were signals, albeit weak, that the government wished to reengage with the international community in order to arrest the economic decline. This was repeated a number of times, by different actors from the President, the Minister of Finance, to the newly appointed Governor of the Reserve Bank. However, concrete steps to follow up were lacking. The government could not service loans and as a result, relations with IMF and WB soured. In June the IMF suspended Zimbabwe's voting rights and the World Bank suspended its consessional loans due to overdue financial obligations. There was a rapid build up of external payment arrears and Zimbabwe is facing a critical foreign debt problem.

Inflation remained high during the year, and towards the end of 2003 the year ended with an inflation rate of around 600 percent. Interest rates, however, have remained significantly lower than inflation rates, thereby discouraging savings in general and encouraging a shift from savings in portfolios of productive investments to higher yielding but non-productive investments.

[1] The initiative was not termed devaluation but labelled 'export promotion scheme'.

The inflation rates caused strikes during the year, mainly by teachers and health sector personnel. Inflation rates also caused steep increase of school fees and hospital fees, to such an extent that ordinary people could no longer access these institutions.

In the budget speech for the 2004 budget, the Finance Minister highlighted the deteriorating economy, including the issue of uneconomic pricing of public enterprises' goods and the subsequent losses incurred by these. In trying to achieve macro-economic stabilisation, the Minister raised a crucial point of fiscal discipline and the intention of the government of matching recurrent expenditure with recurrent revenue. Public enterprises are now expected to charge economic and viable prices. This has, however, met resistance among the public as the price hikes are beyond what many public institutions and private individuals can afford. The Minister, furthermore, impressed the importance of avoiding reversals on agreed policy positions and aborting painful measures midway through policy implementation.

The Zimbabwe 2003 national budget had a total budgeted expenditure of ZW$ 782 411 228 000 versus a projected total revenue of ZW$ 540 5000 7000 000, resulting in a budget deficit of ZW$ 241 910 528 000. An analysis of the budget allocations shows that priority was given to social sectors, with the highest allocation being the Ministry of Education, Sports and Culture (ZW$ 109 billion), followed by the Ministry of Defence (ZW$ 76 billion), and the Ministry of Health and Child Welfare being allocated ZW $73 billion (see annexes).

A new Governor of the Reserve Bank of Zimbabwe (RBZ) was appointed towards the end of 2003. In December, a new Monetary Policy was announced that introduced an auction system for foreign exchange, which resulted in an exchange rate around Z$ 4000 to the US. The policy states that all exporters are expected to sell 25 percent of their export proceeds at the rate of 824 to the US and another 25 percent at the current auction rate, and that the last 50 percent can be retained by the exporter to be used within a given period for import of goods. One can speculate where these policies will ultimately lead, but there are clear indications that the government wishes to use some of the proceeds of the auction system to service their outstanding loans with the Bretton Woods institutions in order to reengage with them.

2.2 Poverty reduction: Overall trends and perspectives

To date no comprehensive national vulnerability needs assessment has been made due to restricted access in the country by humanitarian partners. However, the UN and non-governmental organisations have conducted several local, provincial and regional assessments. It is clear, though, that drought is not the main cause for the humanitarian needs of the country, where 45 percent of the population are in need of food aid according to the UN. Instead, the lack of corrective policy decisions has caused the macro-economic collapse that turned southern Africa's breadbasket into a food deficit country. Although rains remained erratic during 2003, the whole southern Africa region is recovering and producing good harvests, apart from Zimbabwe.

According to the UN, the unemployment rate in Zimbabwe is close to 80 percent. An estimated five million people are unable to produce and/

or purchase minimum daily food requirements and are therefore dependent on food aid. Humanitarian assistance, including food aid and nutrition programmes, have saved lives and mitigated the impact of the crisis on the most vulnerable, but without necessary policy reforms the humanitarian crisis will continue and could become chronic, thus undermining the potential for recovery.

Under-nutrition and high HIV/AIDS rates will definitely contribute toward unprecedented increases in illness and poverty. Health indicators are deteriorating fast. Chronic malnutrition has increased to 26,5 percent and cholera, malaria and tuberculosis are on the increase. Vacancy rates for medical doctors are estimated at around 55 percent, at 73 percent for dentists, at 40 percent for nurses, and at 90 percent for pharmacists. A serious shortage of essential drugs exists, which is compounded by an acute shortage of water supply and sanitation in rural areas. Due to shortage and erratic supplies of water treatment chemicals (lack of foreign exchange) has cause similar problems to urban centres. In the education sector there is a lack of basic infrastructure, qualified teachers and learning materials. Increase in school dropouts has been noticed due to the high increase of school fees and costs for school uniforms that have become out of reach for the majority of people. There are signals that girls drop out of school before boys, and to a higher extent.

The situation of internally displaced persons – which are labelled 'highly mobile population' in Zimbabwe – is difficult. Reliable statistics on their numbers is absent and based on best estimates. The International Organisation for Migration (IOM) has managed to collect some statistics in parts of the country in spite of lack of national overall statistics and information on this group.

The household level of poverty continued to widen and deepen during the year. More and more Zimbabweans, particularly adolescents, were forced to adopt negative coping mechanisms, such as contractual sex that greatly increases the risk of HIV infection. The food shortages continued to have a harsh effect on individuals infected with HIV by further compromising their immunity and escalating their descent to terminal illness.

2.3 Political development, good governance and human rights

Zimbabwe continues to experience instability and political unrest after the presidential elections in March 2002. The division and antagonism between the ruling party, Zanu-PF, and the opposition, Movement for Democratic Change (MDC), have remained deep and dominated public life. Although promises of dialogue and reconciliation were constantly repeated during 2003, no substantive signs of these were seen. The situation is generally tense and it has become increasingly dangerous for political opponents and dissidents to act freely. Government sanctioned intimidation and violence against the MDC and other perceived political opponents has continued, such as the private press, civil society, trade unions and teachers. Through a series of newly introduced laws, such as the Public Order and Security Act (POSA), the police force has been given far-reaching powers.

Surges of political violence and intimidation have continued to take place throughout the period, especially in connection with local and parliamentary by-elections, as well as in relation to demonstrations. Allegations of arbitrary and politically motivated arrests and imprisoning of those perceived to be opposing the government are many. High-level opposition party (MDC) officials have been arrested, including members of parliament and the party leadership. The MDC President, Mr Morgan Tsvangirai, was put on trial charged with treason. As we move closer to the parliamentary elections in 2005, the situation is expected to further deteriorate.

In March and June of 2003, the opposition called for nation wide mass actions and "stay aways" in protest of the current regime and the lack of democracy in the country. Massive retribution violence followed, as hundreds of opposition supporters were assaulted and/or arrested. Amnesty International and other international organisations have made strong statements denouncing the ongoing human rights violations perpetrated by the government.

Freedom of expression has come under increasing restrictions, with representatives of independent media being harassed and arrested. The country's only daily independent newspaper, the Daily News, was forced to close down. Alarmingly, the judicial system also continues to be under attack, as independent lawyers and judges have been intimidated and targets of politically motivated violence. Members of civil society and non-governmental organisations find themselves working under increasingly difficult and dangerous circumstances as restrictions are getting tougher. So far most of the demonstrations have been peaceful except for the violence used by the police on the demonstrators.

The 'fast track' land reform programme has been officially completed. According to the government, all the land subject to reallocation has been turned over to its new owners. This, however, is far from being true as the government is still expropriating land. During the year, the President commissioned a review of the land reform (the Utete-report) as a result of allegations that influential people with links to the government and party have grossly benefited from their connections and received more than one farm. The report came up with clear guidelines to be reinforced, i.e. one farm per person and that land should be distributed among the needy, but it remains to be seen if any of these guidelines/recommendations will be adopted. It is, however, clear that an upper class without knowledge in agriculture has emerged.

The reallocation programme has resulted in large-scale evictions and seizures of commercial farms, often under lawless and violent circumstances. The reports of violence and intimidation are many. As a result, hundreds of thousands of black farm workers and their families have been forced off the farms, leaving them unemployed and homeless. The decrease in commercial farming following the evictions adds to the shortage of food experienced in the region. The production forecast for the season beginning in 2004 is alarmingly low and Zimbabwe will continue to be dependent on food aid from outside. Political decisions have placed Zimbabwe in a terrible humanitarian situation and naturally this contributes to the overall volatility in the country.

As mentioned above, co-operative relations between Zimbabwe and the international community are more or less non-existent. In December, Zimbabwe withdrew from the Commonwealth as a reaction to the continued suspension of Zimbabwe from organisation. Zimbabwe's relation with most of its neighbours is perceived as relatively good although the crisis is Zimbabwe has had a serious and negative impact on the region as a whole. Very little open criticism has come forward from the region, with the exception of Botswana that has openly criticised the lack of progress in the Zimbabwe crisis.

2.4 Development co-operation and partnership

As said earlier, there is very limited development co-operation in Zimbabwe between the government and the international community, with one exception being the American organisation Centre for Disease Control (CDC) that works through the Ministry of Health. However, most of the former major donors are still present in the country in one form or another, with the exception of Denmark (and Finland) that closed their Embassies altogether.

Although the humanitarian crisis facing is considered man-made due to policies pursued by the government, nearly all donors are involved in humanitarian support. This is mainly in terms of food aid, although the UK and the EU also supply medicines, mainly as a means of combating HIV/AIDS. Apart from the medicines that are channelled through the government, all international donors' assistance is channelled through the civil society.

The lack of dialogue between the government and donors as a result of terminated development co-operation agreements, is a major constraint. UNDP acts as a conduit for such a dialogue and all donors (US, UK, EU, NL, N, C, S) support UN's efforts in co-ordinating humanitarian aid through UNDP's Relief and Recovery Unit (RRU). Relations amongst the donors are cordial and there is collaboration with regular donor meetings. The donor supported dialogue between UNDP and the government has not born any fruit, as the government lacks willingness to constructive dialogue and rejects discussing the humanitarian situation. The main division between donors and the government is what caused the crisis. The standpoint of donors is that the crisis is man-made and due to economic mismanagement to say the least, while the government refers solely to the drought and/or economic sanctions by the West.

Apart from humanitarian assistance most donors are active in support of organisations working in the area of human rights and democracy and HIV/AIDS. The like minded countries (Canada, Netherlands, Norway and Sweden) have been working together in capacity building of non-governmental organisations and co-ordinated efforts in these areas.

2.5 Humanitarian assistance

The continued economic and social deterioration in Zimbabwe is now in its fourth year and has transgressed into a serious humanitarian situation. The vulnerability of people is increasing and coping mechanisms are weakened. At the same time, the government does not always adhere to the humanitarian principles and the dialogue between humanitarian actors and the government is non-existent. UN co-ordination is also weak.

The agricultural sector has been seriously affected by major land ownership changes, price controls and shortages as well as prohibitively expensive essential inputs which has reduced production capacity and increased hardships for rural populations. A progressive shift from modern and capital-intensive production techniques to weather-dependent subsistence farming methods is observed. The maize deficit is estimated at 1,2 million metric tonnes (MTs) and the deficit in wheat is 275.000 MTs. From July to December 2003, international organisations distributed 156.000 MTs of food aid. At the same time the government through the Grain Marketing Board (GMB) established a strategic cereals reserve of 260.000 MTs that was not distributed among the vulnerable population.

The quality of and access to social services, in particular health and education, have deteriorated rapidly and do not meet minimum standards. Economic conditions and policies have resulted in chronic underfunding of public services and an exodus of educated professionals (brain drain), strikes, equipment breakdowns and shortages of essential supplies such as medicines. The spread of HIV/AIDS has further depleted human resources in these and other sectors.

The "Fast Track" land reform programme has devastated the livelihoods of approximately 500,000 former commercial farm-workers and their families, totalling some two million people. This group, to a great extent of migrant origin, is described as a highly vulnerable group in a recent UN report. However, humanitarian access to assess and respond to the needs of these populations has been difficult to negotiate.

During 2003 Sida entered into agreement with the International Organisation for Migration (IOM) for support to "Emergency Assistance to Mobile and Vulnerable Populations in Zimbabwe". Through IOM, Sida will provide food and non-food items to a target population of approximately 800.000 members of vulnerable groups, including internally displaced populations and former farm workers, through a network of national and international non-governmental organisations all over the country. Up to date available assessments of the needs of ex-farm workers at a national scale has been limited, scattered and less than accurate. To address this situation, IOM will undertake assessments and compile the information in a database in collaboration with RRU/OCHA and implementing partners. The database will be used for mapping the needs and monitoring the support as well as for general information and advocacy.

Sweden supports the Relief and Recovery Unit jointly with a number of donors. During the year the unit was strengthened and expanded from three to 27 people. Despite this, the RRU did not perform to satisfaction. As a result, an internal UN team evaluated the unit in the end of the year. The unit was marred by internal problems and the co-ordinator left his position at the end of the year. RRU opened up field offices during the year, which were soon closed down by the government on technical grounds and have since remained closed. This has further hampered the follow-up of information as regards humanitarian assistance. A new mechanism has now been set up via the World Food Programme to follow up on food distribution procedures.

Sweden is the 5th largest humanitarian donor to Zimbabwe after the EU, UK, USA and Norway. In addition to the Embassy support to RRU and IOM, humanitarian assistance is channelled through SEKA-HUM in Stockholm within the areas of food aid, distribution of seeds and tools, nutrition to lactating and pregnant mothers and children under-five, water and sanitation and to child immunisation.

UNDP has tried to keep the dialogue channel between the government and donors open by calling a number of ambassadors, the UNDP, and government ministers to meetings in order to bridge the current vacuum. The Embassy has actively tried to persuade UNDP to call a smaller meeting between a few selected, the UNDP and the government. This has still not materialised. Donors and the UN have continued to pressure the government to ensure neutral and impartial distribution of humanitarian assistance on the basis of needs, countrywide needs assessments, greater information sharing, secure field monitoring and enhanced collaboration and co-ordination in order to promote greater adherence to humanitarian principles.

In August 2003 the government issued a new policy on non-governmental humanitarian operations. The government insisted that all food had to be distributed through government channels. This was strongly resisted by all donors of fear of politicisation of the food distribution. Later the same month an agreement was reached between the UN and the government that continued to allow food to be distributed through non-governmental organisations.

3. Swedish Development Co-operation

3.1 Strategic assessment and considerations

The socio-economic crisis of Zimbabwe is originating from political issues. The efforts by different actors to promote a political dialogue between the government and the opposition to resolve the crisis have been unsuccessful. Unless the government adopts the necessary measures to address the underlying causes of the crisis in the country, the situation will not improve and the international community will have little opportunity in moving from humanitarian assistance to recovery. One key challenge for all donors is how to engage with the government in a constructive manner, in order to first of all discuss the humanitarian situation and secondly, to discuss the combat of poverty.

So far humanitarian assistance has been mainly in terms of food. But as the economy continues to deteriorate at a fast rate, the socio-economic decline accelerates and the social sectors, particularly health and education, are breaking down. There is increased dependency from the general populace on humanitarian aid (although this is not a view that is shared by the government). Donors have started to support small-scale recovery at local levels instead of supplying humanitarian aid only, in order to escape dependency. The focus of the Swedish programme has been on economic and social rights during 2003. The rights of the child is important in this respect but it is difficult to achieve any notable gains without the government assuming her role to protect, promote and fulfil children's rights.

The high rate of inflation last year and the fluctuating exchange rate resulted in more funds in local currency when exchanging Swedish Crowns. This reduced financial costs for the Embassy and for our partners. On the other hand, constant reviews of projected costs for implementing activities and actual costs on the ground caused complications and administrative costs. During much of the year there was a general deficit of notes in local currency circulating in the country, which restricted the amount of cash available for purchases and payments.

3. 2 Overall country programming review

The Swedish position (förhållningssätt) for development co-operation in Zimbabwe was revised in June 2003 (to be in force until June 2004). The support continues to focus on promoting human rights and democracy, combat of HIV/AIDS, and humanitarian assistance. Given the situation in the country the plight of children was highlighted during 2003.

3.2.1 Human rights and democracy (general)

A number of factors, some beyond the influence of civil society and the donors, have limited the impact of activities within this sector. General limitations to achieving results have, amongst others been, constant budgetary changes caused by inflation, weak organisational structures, and a fragmented civil society. The Access to Information and Protection of Privacy Act (AIPPA) requires media-houses and newspapers to register and is limiting freedom of expression. Some media houses and journalists have not been allowed to register and thereby denied permission to work as journalists. The Public Order and Security Act (POSA) has been used increasingly to ban meetings and to arrest activists. Acts of violence are being committed against real and imagined members and supporters of the opposition. Most of Sida's partners are, regretably, perceived by the government as belonging to the opposition. All partners have experienced some degree of interference in their work on behalf of the government during the year. Several partners have experienced difficulties to operate to such an extent that activities have run on a very low level or have even been closed down entirely during some periods.

The *Human Rights NGO Forum (HRF)* has experienced significant difficulties to operate during 2003 due to new government registration procedures under the Private Voluntary Organisation Act. HRF has therefore reorganised as a Public Interest Unit under Legal Resources Foundation (LRF) since LRF is registered. *Amani Trust*, providing rehabilitation to survivors of organised violence and torture, has also experienced serious difficulties during the year and had to close down on a number of occasions due to repeated harassment and raids by the police.

The *National Constitutional Assembly (NCA)*, whose main agenda is to propagate for a new constitution limiting the powers of the President, was provided with bridging funding for one year while an evaluation of the organisation was carried out. Despite the repressive climate, NCA succeed in carrying out advocacy activities, such as public meetings, workshops, press statements and distribution of fliers. NCA organised several mass demonstrations during the year, which were met with massive arrests of NCA members and of the NCA Chairperson. NCAs strong and broad grass-root membership base covering most of the country has allowed NCA to carry out civic activities in spite of the repression. The evaluation of NCA was carried out with two teams of evaluators, one on organisational development and one on financial management. Sida supported the evaluation by contracting K2 Techtop for the financial management part. The results of the evaluation showed that NCA has a need for organisational development. This process has started and K2 Techtop is working with NCA on organisational restructuring.

Support to *Zimbabwe Electoral Network (ZESN)*, the coalition of civil society organisations observing elections, has continued. Despite operating in a hostile political environment ZESN monitored a number of by-elections and Rural District Council elections, conducted research on electorate laws, advocated for electorate reform and free and fair elections, and provided voter education.

Support to *Legal Resources Foundation (LRF)* was renewed for a three-year period, including a paralegal, education and publications programme. LRF provides judicial advisory services and legal assistance to the disadvantaged in a large number of cases, educate paralegal trainers and practitioners and takes up test cases of public interest in order to establish precedents.

Civic Education Network (CIVNET) has continued to conduct workshops at ward level and to hold provincial meetings on civic education. They have also started a review of the civic education methodologies with the aim to carry out pilot study circles.

During 2003 Sida entered into agreement with a newly formed organisation, *Centre for the Rehabilitation of Torture Victims (CERETOV)*. CERETOV is set up by survivors of torture to provide rehabilitation of torture victims and advocacy for ending the use of torture. CERETOV have conducted training of basic counsellors and is establishing a countrywide network of counsellors. For the purpose of advocacy CERETOV is compiling a database of victims of violence, conducting research, publishing reports and producing a video-documentary portraying victims of torture and their testimonies.

Zimbabwe Liberator's Platform (ZLP) is another newly formed organisation with whom Sida has entered into agreement with during the year. ZLP was formed by "real" war veterans and are focusing on developing local capacity among communities, traditional leaders and war veterans to ensure the peaceful resolution of conflicts.

The *Media Institute of Southern Africa (MISA)* Zimbabwe-chapter has continued its work to promote a free, independent and diverse pluralistic media, however in a more restricted media-environment. As a result of the preparatory study made by The Institute for Further Education of Journalists (FOJO) the need for further mid-level training for journalists was identified. A proposal on training of journalists and community radio staff has been presented by MISA and FOJO. The proposal was revised and is currently under discussion with Sida.

A capacity assessment of *Parliament* has been conducted, in which the two main political parties in Zimbabwe, ZANU-PF and MDC, agreed on capacity building measures for Parliament. Granted that this is one of the few fora where the ruling party and the opposition meet for open dialogue, the Embassy has been active in supporting the development of this project idea. The project document is being finalised and support will be channelled through UNDP.

To provide support for capacity building in the democracy and human rights sector, Sida has supported the *Institute for Democracy in South Africa (Idasa)*. During the year, Idasa has been working to strengthen the capacity of 13 civil society organisations, many of which are Sida's partners. The programme includes leadership training, values, vision and mission of the organisation, institutional building, coaching for executive directors, skills training and regional and sectoral civil society exchanges. An evaluation of these activities is now in the process of being planned.

3.2.2 Children's rights

It is estimated that there are over a million orphans and vulnerable children in Zimbabwe. A situation that has been compounded by the high prevalence of HIV/AIDS and the harsh political, social, humanitarian and economic climate in the country. It is against this background that Sida in 2003 decided to put more emphasis on the rights of children, through programmes that are targeting children directly or their parents so that they can be economically viable to look after their children. Support to organisations such as the *Farm Orphan Support Trust, Save the Children UK,* the *Catholic Development Commission, Scripture Union* and *CARE Zimbabwe* was consolidated and expanded in 2003 so that more children could be reached. The above programmes are reaching around 100 000 orphans and vulnerable children. These programmes are all aimed at looking at the needs of the children in a holistic manner.

The immediate needs of children addressed by the various programmes include provision of food, access to education, access to health facilities, provision of shelter, skills training and recreational facilities. Programmes such as the Care Zimbabwe programme are aimed at making parents economically viable to look after their children. The Care Programme is reaching more than 11 500 households.

In 2003 Sida realised that the capacity at the Embassy did not allow adding many more partners. A decision was made to maintain the number of partners and rather expanding the volume of funding to reach more beneficiaries. Capacity building exercises were also emphasised, in order to empower organisations to work in a more effective and efficient manner. Cross-pollination of ideas between partners was deemed important as organisations had a lot to offer each other.

3.2.3 Culture

The year 2003 was an exciting year for the culture sector in Zimbabwe as it saw not only the consolidation of the already existing culture portfolio but also the creation of a new programme – the Zimbabwe Culture Fund. The purpose of the Zimbabwe Culture Fund is " to promote growth and development of arts and culture in Zimbabwe through provision of financial and technical support to innovative and diverse art forms by individual artists, artistic groups, cultural organisations and institutions". The Fund was established through collaboration between Sida and various stakeholders in the culture sector. Through this fund, Sida will be able to reach more beneficiaries in the culture sector without necessarily increasing the number of partners that it is dealing with.

The Zimbabwe Culture Fund was established and registered as a Trust in December 2003, in order to contribute towards the development of the arts sector in Zimbabwe through provision of financial and technical support. The Zimbabwe Culture Fund supports artistic groups, especially organisations, institutions and individual artists from the following disciplines: theatre, visual arts, film, dance, literary arts and music. The Zimbabwe Culture Fund is managed by a secretariat headed by a National Co-ordinator who reports to a Board of Trustees.

The membership of the Board is composed of six representatives from each of the arts disciplines listed above, the Director of the National Arts Council, a representative from the donor community, a legal practitioner, an accountant and a representative from the business sector. The Fund has been received with great enthusiasm in the country. The programme will be evaluated towards the end of 2004 to assess efficiency and effectiveness.

3.2.4 HIV/AIDS

The year 2003 saw a continuation of the many challenges that Zimbabwe has faced during the past few years. Political tension continues and is still characterised by violence against perceived supporters of the opposition. The independent media was silenced and thus information was polarised as evidenced by the information received concerning sexual violence. The lack of public debate on these arising issues puts the victims (mostly women and girls) at a heightened risk of HIV infection.

The Ministry of Health has identified prevention of mother to child transmission of HIV/AIDS (PMTCT), treatment of sexually transmitted diseases, condom procurement and distribution, safety of blood and quality home based care, as some of its main priorities in the response to the pandemic. However, funds to fulfil the same priorities remain scarce. In the face of the current epidemic most of the projects funded by Sida have had to provide food relief to the most desperate families affected by HIV/AIDS and children in difficult circumstances.

The *National AIDS Council (NAC)* finally recruited a new director during 2003. This has given NAC the necessary push to actively strengthen the community response to the pandemic through the formation of district, ward- and village AIDS Action Committees. However, the process still continues to experience problems, which include lack of technical capacity within these structures. NAC in itself has strengthened its monitoring and follow-up skills. During 2003 a process of actively involving donors in the work NAC is doing was started to the great joy of the donors. The Embassy has and is taking an active part in this process.

The *Zimbabwe AIDS Network (ZAN)* continued its consolidation as a true network for AIDS organisations. ZAN sits on the advisory committee of the National AIDS Council (NAC).

The significance of home-based care programmes in the continuum of care of terminally ill patients is ever increasing. Community care of terminally ill patients has since a number of years replaced conventional institutional care due to lack of both human and financial resources. This is further stretching the coping mechanisms of communities already reeling from the socio-economic hardships of the day. The home-based Care (HBC) programme that Sida finances through *Pact* assisted close to 90.000 patients during 2003, a huge increase compared to 10.000 in 2002. A majority (56 percent) of the people receiving care was female, which follows the trend that a majority of rural people is female.
The number of caregivers trained during the year is 332 totalling the number trained to more than 2.800.

The comprehensive *Ruvheneko VCT* church and community HIV/AIDS prevention and care programme facilitated by Pact at St Theresa's mission was officially inaugurated in May 2003. The programme offers counselling, testing, referrals, HBC and OVC around the mission hospital in Mvuma. During the year a total of almost 1.200 people visited the VCT centre and over 900 were tested. Work on expanding the Ruvheneko to other mission hospitals was initiated during 2003 and an agreement was signed with Regina Coeli hospital in Nyanga.

Another project being funded by Sida, The *Mashambanzou Palliative Care Unit* with 28-beds in Waterfalls cared for 274 patients during 2003. Admission went down slightly due to the fact that the unit was closed during a period for refurbishing. Approximately one-third of the children in Zimbabwe lives in households where one or both parents are infected with HIV. AIDS-orphans are estimated to number approximately 800,000 and the vast majority of these have remained within the extended family or community. An increasing number of child-headed households are now present in many communities. The Mashambanzou Care Trust's Mbare Crèche gives 70 disadvantaged children from high-density area pre-schooling and feeds another 200 at the gates every day. The number of children being fed/day has gone up from 150 early in the year to 200 and this is an indication of the worsening conditions for urban poor.

The *Pact HBC* programme has an orphans and vulnerable children's component (OVC) attached to most of the 11 non-governmental organisations receiving support. During the year close to 13.000 children received support within the areas of psychosocial support, feeding, clothing, school fees, etc.

Deseret International was evaluated during 2003 and an organisational development process, jointly funded by the Centre for Disease Control (CDC), was carried out successfully. The constitution was modified, the board was reconstituted, policies put in place etc. in order for the organisation to be able to carry out its mandate.

Swedish Co-operative Centre (SCC) is trying to address the plight of food security and drought in HIV/AIDS affected households through enhanced sweet potato and cassava production, processing, storage and utilisation. The project is being financed by Sida and is to be carried out in co-operation with HIV/AIDS partners like *Midlands AIDS Service Organisation (MASO).*

Sida supports work-place peer-education programmes in predominantly male-dominated work places such as the National Railways of Zimbabwe (NRZ), the Zimbabwe Iron and Steel Company (ZISCO Steel) as well as over twenty private companies including a few mines through *Zimbabwe Aids Prevention and Support Organisation (ZAPSO).* The Embassy provides support towards the formulation of HIV/AIDS policies in the work places. Under these projects, efforts are made to reach the surrounding communities by targeting the spouses and dependants of the workers. By targeting men with behavioural change programmes, Sida hopes to address gender inequality as a driving force to the epidemic. The support to ZISCO Steel was, during the year, brought under the support of ZAPSO and the agreement was not extended once it elapsed. By strengthening the capacity of the business sector to respond to HIV/AIDS through the formulation of prevention programmes, policies, care and support strategies for sick workers, Sida hopes that the impact of AIDS on labour will be reduced in the long-term.

Sida is increasingly focusing support to prevention interventions towards young people. To this end, support is being provided to *Population Services Zimbabwe (PSZ)* for the construction of youth-friendly reproductive health centres, which will incorporate the provision of clinical services, counselling, peer education and educational entertainment activities. In 2003 alone, more than 800 youths from different project sites participated in 30 group discussions facilitated by PSZ on sexuality, HIV/AIDS and other reproductive health issues. Overall, a total of 2000 were reached with IEC information, whilst 870 accessed contraceptives (150) and condoms (720). The major challenge sited by this organisation was insufficient funds for income generating activities and inadequate space to establish recreational facilities in one of the rented premises in Mbare. Remuneration for professional staff such as nurses and programme officers has not been competitive, resulting in high staff-turnover towards the end of 2003.

Sida supports several community-based orphan-care projects such as the *Catholic Relief Services Zimbabwe (CRS/ZW)* support to innovative replicable village and community efforts (STRIVE). The improvement of the organisational capacity of local organisations to deliver high quality care, support and prevention services for children affected by AIDS (CABA) and their families is one of the key result areas for STRIVE. Generally, these projects also aim to provide holistic psychosocial and material support to AIDS-orphans specifically in two rural communities in Masvingo province. Some of the activities include formation of community orphan-care committees, payment of school fees, provision of food, and equipping orphans with technical and micro-enterprise development skills, counselling and other forms of support for orphans and other children in difficult circumstances. The evaluation of the STRIVE programme will be carried out in mid -2004.

Efforts are currently underway to link the home based care programmes with the orphan care programmes, so that a child of terminally ill parents can be reached before the parents die. All the orphan-care and home-based care projects try to address the poverty and deprivation that are inevitable outcomes in homes that are affected by AIDS. *CADEC* currently runs programmes in which orphans and carers are trained in development and management of small businesses, as well as vocational skills such as welding, carpentry, leatherwork etc. They are also provided with small loans to start income-generating activities. Most of these projects have community-run vegetable gardens that provide food for the terminally ill and the orphans in the various communities. AIDS-affected households have been given agricultural inputs and training of communities on labour/capital-saving agricultural techniques and the cultivation of drought-resistant crops are already in progress.

3.2.5 Gender

Mainstreaming gender equality and women's rights has been central to Sida's work in Zimbabwe, hence the year 2003 posed new demands on supported projects as a result of cross-cutting challenges within a volatile macro-economic and political climate. The *Musasa Project* was given support towards for the formulation of a gender empowerment curriculum and a handbook for victims of domestic violence, due to their increased vulnerability to HIV/AIDS. It is envisioned that this comprehensive handbook will be used to empower survivors of domestic violence through giving information on women's rights, the laws of Zimbabwe, reproductive health, life skills and other related issues. Support to Musasa has, however, ceased pending an evaluation of the gender and HIV/AIDS sectors to be carried out in early 2004.

Sida support to *Women Leadership Governance Institute (WLGI)* came to an end in December 2003 after three exciting years of joint development partnership with the Netherlands Embassy. The programmes have specifically been targeted at women in management positions, young women's leadership development and community leadership development. The broad focus of the various training components has been personal empowerment of participants and facilitating gender mainstreaming in the participating organisations. The most significant milestone achieved by WLGI included training a total of 85 women decision-makers, of which 10 were from outside of Zimbabwe. In addition, at least 50 organisations trained in gender mainstreaming and other capacity building activities, and about one third were followed through to completion. A retreat was also held in May 2003 for participants to share their experiences of gender mainstreaming, while also providing WLGI with an opportunity to assess impact of their training. The experiences of WLGI with five selected case studies are encapsulated in a publication (to be) launched in February 2004 on 'Gender Mainstreaming in Zimbabwe'.

The *Zimbabwe Women's Lawyer's Association (ZWLA)* has continued to demonstrate its relevance as an organisation that seeks to create a constructive equitable justice delivery system that treats men and women as equal citizens. The activities conducted by ZWLA are still focused on provision of free education targeted at women about their legal rights, enhancement of women's and children's legal status through various strategies which include lobbying for legal reform of discriminatory laws, contributing towards research and publications. These initiatives will continue until 2005.

3.2.6 Save Catchment Council

An audit of the Swedish support to *Save Catchment Council (SCC)* and an evaluation of the same took place during 2003 being a commitment from earlier support. The audit showed that given the circumstances of political, economic and social hardship since the inception of the SCC the council had faired fairly well. It indicated that areas with administrative capital prior to the water reform, i.e. where old water boards had existed, faired far better than areas without them. The preliminary evaluation report was presented to the SCC at the end of the year and it was agreed that comments were to be handed over to the consultants in mid-January 2004.

3. 3 Sida support to regional co-operation programmes

3.3.1 Regional water resources management programme for Southern Africa

The regional water resources programme has focused on river basin management in transboundary river basins, research and capacity building together with awareness creation and in creating the necessary institutions for carrying out the work. The work around transboundary river basins and creation of basin commission is highly political. In many cases projects have been halted or never come to a real take-off due to political reasons. Power, sovereignty and resource control are some aspects, which the regional water programme has to consider. One of the problems in implementation is that the projects are programmed as just projects and not as political processes. Another problem is that many of these projects are handled by people, who are not trained and/or skilled to work in a political environment or with political processes.

Within the regional water programme, much effort was dedicated to get the basin wide *Zacpro 6.2* project to adjust to a process approach and to take off the ground. Zacpro 6:2, implemented by ZRA in co-operation with SADC WD, is going through a re-structuring process. This is a project co-financed with Danida and Norad. This project is more of a political process involving eight independent states.

The *Pungue river basin project* has finalised the first phase and intensive work has been carried out to analyse the results.

Work has been initiated towards the establishment of river basin secretariat in the *Okavango basin.* This work has been done together with the OKACOM Commission.

A number of projects have been in their final year. The Support to *GWP* has come to an end and discussion together with other donors about a continued support has taken place and a new proposal has now been submitted. The Every River has it's people has been prolonged to February 2004 and discussion about a new phase started during the end of the year. The Water Demand management project was extended for eight months to mid 2004 to make it possible to end all activities.
The support to facilitating a Tripartite work around Lake Malawi has ended and we are waiting for the next move from the riparian states.

The *Environmental Monitoring Project for Lake Kariba* has come to an end and so has the State of Environmental Reporting project In the Zambezi Basin Phase II. Other projects which formally have been ended are Netwise, Shared River Inkomati,

Discussion on some new initiative has also taken place. A workshop to discuss a water quality project has been financed. A support to the government of Botswana and *IUCN* on developing an Okavango Delta Management plan has been prepared.

The Water Research fund for Southern Africa (WARFSA) project, which has been running smoothly has started discussions about the future. In 2003, effort was placed on improving focus and impact of the initiative through a revised strategy. Attention to process approaches in managing and relating to projects emerged as an area of emphasis. A draft communication strategy has been developed and information materials updated.
In donor meeting has been held in Maputo and a workshop with key stakeholders was held in May 2003, to discuss further Swedish support to water resources management in Southern Africa.

During a planning week in Gaborone it was, among other things, concluded that trans-boundary projects should be treated as political processes, rather than technical projects. In this aspect there might also be need for assistance from the political side of the Swedish structure. Strengthening communication with various Swedish embassies is important in that these can be used as conduits for information on the initiative in their respective countries. More importantly the Embassies can play as role as Sida representatives on behalf of the Initiative team in when the team is not available.

3.3.2 Democratic governance in Southern Africa.

During 2003, support to democratic governance in Southern Africa was promoted through partnerships with a number of regional non-governmental organisations. The activities at the regional office in Harare also included various forms of support to the Swedish Embassies in Southern Africa and some support to processes at Sida HQ in Stockholm.

The *Electoral Institute of Southern Africa (EISA)*'s capacity building programme ended in April 2003. The project strengthened the capacity of Electoral Management Bodies (EMB) in the countries of the SADC region to deliver successful elections and build capacity of commissions to manage electoral conflict.

Consolidation of Democratic Governance in SADC is another EISA project aimed at strengthening mechanism for qualitative and quantitative data collection for evaluating democratic consolidation within SADC. This project will contribute to the advancement of democracy through scientific research, multi-stakeholder dialogue and publishing and information dissemination in the field of democratic governance.

In the period under review, activities in the area of gender were centred on mainstreaming and women empowerment by strengthening the capacity of women NGOs and gender networks in the region. This has seen collaborative efforts with the *SADC PF's Engendering parliaments-initiative* and *UNIFEM* to bring together gender practitioners in the government and non-governmental sectors to shape an agenda around the Beijing + 10. Efforts are being made to integrate gender, HIV/AIDS and human rights perspectives into analyses and co-operation with partners and other gender activists. On gender and the media, a small grant fund for gender reporting in Southern Africa for journalists was established.

Work on building capacities of both male and female MPs to push for gender responsive policies and legislation also took the centre stage during the period under review, with the development of guidelines on gender mainstreaming in the HIV/AIDS and education sectors and production of A guide to Gender Dimensions in SADC Constitutions and SADC MPs Companion on gender and development in Southern Africa. Through co-operation with the *Women in Development Southern Africa*-initiative at the *Southern Africa Research and Documentation Centre, SARDC,* Sida is also promoting gender issues through a civil society approach.

Activities aimed at mainstream human rights and democracy issues into public institutions were spearheaded by the *Southern Africa Human Rights and Research Institute (SAHRIT)*. Their human rights short courses have received strong support and appreciation in the region and plans are under way to provide country specific courses that would see more people being trained on national level issues. The other programmes namely state party reporting and the police training have also been well received. SAHRIT has continued to provide expert consultancies to other regional organisations we are currently working with in the region.

Sida also funded work on peace building initiatives in the region, with special emphasis on Zimbabwe, through partnership with the *Centre for Peace Initiatives in Southern Africa, CPIA*. With the support of regional expertise from institutions like the SADC PF, EISA and AU – substantial work has been carried out on violence, elections, and electoral reform.

Sida's co-operation with the *SADC Lawyers Association (SADC LA)* is aimed at spearheading regional integration and harmonisation of laws and to establish standards of the legal profession and a comprehensive code of conduct for lawyers in the region. The organisation is working on the harmonisation of laws; rule of law and human rights, legal education and lobbying and strategic partnerships with other law societies, other organisations as well as the International Bar Association at both regional and international level.

Work on establishing a programme for *Strengthening of the Voice of the Poor in poverty reduction in Southern Africa (SVOPPSA)* is ongoing. This initiative, aimed at improving the quality of pro-poor policies in Southern Africa by increasing the involvement of poor people in policy formulation, is now at an advanced stage.

Discussions are ongoing with Sida Headquarters to look into possibilities for co-operation with *IOM* on trafficking in Southern Africa.
The embassies in Mozambique and Zimbabwe have shown interest in funding this initiative should we get a positive response from Sida HQ.

During 2003, visits by the regional advisor included visits to the Embassies in Pretoria, Windhoek and Lusaka. A regional meeting was carried out in Pretoria in June 2003 with representation from the Sida and Ministry sections of the Embassies in Harare, Lusaka, Pretoria, Luanda, Windhoek and Gaborone. After the DESA-days in Stockholm in September, a regional meeting on Southern Africa and the upcoming elections was also arranged with participation from AFRA, DESA and DESO.

3.4 Office and administrative Issues

The Embassy is staffed by nine expatriates, of whom three are from the Ministry of Foreign Affairs. One regional officer (HIV/AIDS) was transferred to Lusaka in September 2003. 20 locally employed personnel are employed, of whom four are National Programme Officers.

In September 2003 a process was initiated to review the Embassy's administrative routines and reduce the number of personnel. All concerned were involved in the process and a new organisation has now been agreed upon. Three persons were relived of their duties.
The Embassy is in the process of filling a new post as public relations officer.

Annex 1

Zimbabwe's Economy

Annual Indicators

	1999	2000	2001	2002	2003
GDP (US$ bn)	5.5	.4	4.8	4.6	4.8
Real GDP growth	-0.7	-4.9	-8.4	-13	-13.6
Inflation	58.1	55.7	74.5	134.5	c.a 600
Population (m)	12.4	12.6	12.8	13.0	13.1
Exports of goods (US$m)	1932.5	2194.7	1617.5	1477.3	1260
Imports of goods (US US$m)	1675.1	1849.0	1778.7	1822.2	1749.7
Current Account Balance	29.4	40.8	-382.2	-418.9	-500.8
Exchange Rate (Z$: US$)	38	44	55	55	727

Annex 2

Principal vote appropriations

(Z$m unless otherwise indicated)

	2003 estimate	2003 revised	2004-02-27 estimate	% increase 2004/3
Education	147,519.0	342.861.0	2,082,713.0	507.5
Defence	76,426.9	147,378.5	815,487.1	453.3
Health	73,427.9	129,667.1	701,209.7	440.8
Home affairs	49,500.0	95,995.4	406,239.5	323.2
Land & resettlement	40,549.1	114,293.7	440,866.2	285.7
Social welfare	32,268.1	68,159.0	251,105.4	268.4
Local government & housing	18,036.0	23,645.8	184,179.7	678.9
Transport & communications	20,749.5	39,638.9	248,152.5	526.0
Justice, legal & parliament	20,232.3	33,347.2	204,876.7	514.4
President & cabinet	13,259.8	28,765.2	149,734.4	420.5
Rural & water development	15,372.1	23,734.4	178,115.8	650.5
Total of above votes	507,331.1	1,047,486.2	5,662,680.0	440.6
Total expenditure	**783,934.0**	**1,456,403.9**	**8,747,732.3**	**500.6**

Annex 3

Zimbabwe's Economy

Budget for 2004
(Z$m trn)

	2003 budget	2003 revised	% change	2004 budget	% change
Revenue	0.541	1.141	111.0	6.901	505
Expenditure	0.782	1.441	84.0	8.704	504
Deficit	0.241	0.300	24.5	1.803	501
GDP	2.10	4.00	90.5	24.63	516

Annex 4

Planning overview Zimbabwe			
TSEK	**Outcome 2003**	**Outcome 2004 per March**	**Forecast 2004**
Inside country allocation			
HR/demo/culture Total	40183	9733	39868
HIV/AIDS, social sectors Total	12468	4500	13311
Humanitarian assistance Total	5281	0	5823
NPOs Total	764	222	1035
Other Total	228	0	0
Inside Country Allocation Total	**58924**	**14455**	**60037**
Outside Country Allocation			
HIV/AIDS secretariate	80	0	0
Regional Programmes Africa/HR	417	128	550
Regional Programmes Africa/Water	456	103	280
Research	0	0	0
Non-governmental Organisations	14939	-5	-5
Humanitarian assistance	5191	7893	10545
Outside Country Allocation Total	**21083**	**8119**	**11370**
Zimbabwe Total	**80007**	**22574**	**71407**

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.

Sida

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