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REPORT OF THE SECRETARY-GENERAL PURSUANT TO RESOLUTION 460 (1979)
ON ASSISTANCE TO ZIMBABWE

1. In its resolution 460 (1979) adopted on 21 December 1979, the Security Council, in paragraph 5, called upon all States Members of the United Nations and on the specialized agencies to provide urgent assistance to Southern Rhodesia /Zimbabwe/ and the front-line States for reconstruction purposes and to facilitate the repatriation of all refugees or displaced persons to Southern Rhodesia.
2. Further, in paragraph 8, the Security Council requested the Secretary-General to assist in the implementation of paragraph 5, particularly in organizing with immediate effect all forms of financial, technical and material assistance to the States concerned in order to enable them to overcome the economic and social difficulties facing them.
3. In his statement to the Security Council, the Secretary-General reported that he would, in due course, enter into detailed discussions with the new Government in Zimbabwe with a view to organizing an effective programme of financial, economic and technical assistance geared to the immediate and long-term needs of the country and would provide the international community with detailed information on the requirements for assistance to deal with the situation.
4. The Secretary-General had an opportunity to discuss the implementation of Security Council resolution 460 with the Honourable Robert Mugabe, the Prime Minister of Zimbabwe, during the Secretary-General's visit to Salisbury in April 1980.
5. Further to those discussions, and in pursuance of Security Council resolution 460, the Secretary-General arranged for a mission to visit Zimbabwe in May 1980 to consult with the Government on its reconstruction requirements and on the international assistance required to help Zimbabwe overcome its economic and social difficulties. The report of the mission, which is annexed hereto, describes the economic and financial position of the country and outlines a programme for reconstruction and development.

Annex

REPORT ON ASSISTANCE TO ZIMBABWE

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I. INTRODUCTION

1. Following the successful outcome of the Lancaster House Conference in producing agreement on a constitution for a free and independent Zimbabwe, and on arrangements for a ceasefire, the Security Council, at its 2181st meeting, adopted resolution 460 (1979). In paragraph 5 of that resolution, the Security Council called upon Member States and the specialized agencies to provide urgent assistance to Southern Rhodesia /Zimbabwe/ and the front-line States for reconstruction purposes and to facilitate the repatriation of all refugees or displaced persons to Southern Rhodesia. In paragraph 8, the Secretary-General was requested to assist in organizing financial, technical and material assistance to the States concerned.

2. In his statement to the Security Council on 21 December 1979, the Secretary-General reported that he would in due course enter into detailed discussions with the new Government in Zimbabwe concerning the implementation of Security Council resolution 460 (1979) with a view to organizing an effective programme of financial, economic and technical assistance geared to the immediate and long-term needs of the country. He also informed the Security Council that he would provide the international community with detailed information on the requirements for assistance to deal with the situation in Zimbabwe.

3. The Secretary-General had an opportunity to discuss the implementation of Security Council resolution 460 with Mr. Robert Mugabe, the Prime Minister of Zimbabwe, during the Secretary-General's visit to Salisbury in April 1980.

4. Further to those discussions, and as a first step in implementing Security Council resolution 460, the Secretary-General arranged for a mission to visit Zimbabwe to consult with the Government on its reconstruction requirements and on the international assistance required to help Zimbabwe overcome its economic and social difficulties. The mission, which visited Zimbabwe between 19 May and 1 June 1980, was led by the Joint Co-ordinator for Special Economic Assistance Programmes in the Office for Special Political Questions and included representatives of the United Nations, the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, the International Labour Organisation, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization and the World Bank.

5. While the mission was in Zimbabwe, a joint Zimbabwe Government/United Nations inter-agency meeting was held to examine programmes and projects to meet Zimbabwe's developmental objectives. A major purpose of the Zimbabwe/United Nations inter-agency meeting was to produce a list of high priority projects that the Government might present to the United Nations development system and to other bilateral and multilateral sources for financing. A list of the projects has been published in the report of the meeting, and is included in an appendix to this report.

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6. Members of the mission were able to participate in relevant sessions of the inter-agency meeting and were provided with all of the information which had been prepared for that meeting by the Government of Zimbabwe and by the participating United Nations organizations and specialized agencies. The documentation, and the discussion of various problems and programmes at the inter-agency meeting, were extremely helpful to the members of the mission.

7. The leader of the mission was received by the Deputy Prime Minister and Minister of Foreign Affairs. He also met with the Minister of Manpower Planning and Development, the Minister of Roads, Road Traffic, Posts and Telecommunications, the Minister of Economic Planning and Development, the Minister for Land Resettlement and Rural Development, the Minister of Mines and Energy Resources, the Deputy Minister of Agriculture, and the Deputy Minister of Finance.

8. Members of the mission had regular meetings with senior officials from ministries and departments and from various government corporations, boards and commissions.

9. The mission wishes to record its appreciation of the co-operation it received from the Government of Zimbabwe. It also wishes to acknowledge the important contribution of the United Nations Development Programme representative and the officials from the United Nations organizations and specialized agencies not represented on the mission who were attending the inter-agency meeting in Salisbury.

II. SUMMARY OF PRINCIPAL CONCLUSIONS

10. At independence, Zimbabwe is faced with difficult and complex development problems. The economy is characterized by a very advanced modern commercial sector and a seriously depressed rural subsistence sector suffering from widespread dislocation, poverty and disease.

11. The closure of the border with Zambia and, later, with Mozambique, combined with the escalation of the war, had serious consequences for the economy, and for the past six years the gross domestic product in real terms has been declining. By 1979, real gross domestic product per capita had fallen back to its 1965 level.

12. During most of the past 10 years, there has been a significant current account deficit in the balance of payments and a large and growing deficit in the Government's fiscal operations. The estimated public and publicly-guaranteed external debt as of 30 June 1979 was around \$550 million.

13. In the period from 1965 to 1975, the economy of Zimbabwe continued to develop in spite of the unilateral declaration of independence and the application of sanctions, but almost all of the available resources were devoted to the modern commercial sector. However, even in this period, international isolation affected the long-term growth potential of the economy.

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14. Following 1975, the economy went into a recession and the shortage of foreign exchange reduced reinvestment and replacement in equipment and facilities even in the modern commercial sector. The rural areas suffered progressive impoverishment as the war escalated.

15. At independence, therefore, the physical infrastructure is characterized by huge backlogs in repair and maintenance and a stock of over-aged and worn out plant and equipment. The effects of the war on the rural population have been devastating.

16. The economic and financial outlook for the immediate post-independence period is not promising. The balance of payments projection shows an annual current account deficit of \$Z 100 million a/ and the projected gross deficit on the Government's financial operations is nearly \$Z 500 million.

17. At the request of the Government of Zimbabwe, the Office of the United Nations High Commissioner for Refugees (UNHCR) drew up, for an initial period, a programme for the reinstallation and rehabilitation of returnees and displaced persons within Zimbabwe. The programme consisted of \$110 million for non-food items and approximately \$30 million for food aid. The international appeal for funds for the programme was launched on 30 April 1980.

18. The response of the international community to the appeal has been encouraging. Approximately \$19.3 million was contributed through the UNHCR, and \$81.5 million has been pledged or contributed bilaterally in grants or soft loans. There has, however, been little food aid pledged to date for the programme.

19. Over and above the assistance for the initial period, a substantial amount of international assistance is required to finance short-term rehabilitation programmes over the next three to five years. A summary of the assistance needed is provided in table 1.

a/ The national currency is the Zimbabwean dollar. All conversions in this report have been done at the rate of \$Z 1.00 = \$US 1.58.

Table 1

Summary of major short-term reconstruction
 and development requirements

	(in millions of Zimbabwean dollars)
(a) Remaining components of reconstruction programme for the first year - food aid	17.3
- non-food items	1.8
(b) Agriculture and animal health needs	104.6
(c) Transport:	
- Railways	222.7
- Road motor services	6.6
- Roads:	
- Repair of main roads	35.7
- Repair of gravel roads	57.6
- Rural road programme	143.2
- Repairs and testing of bridges	1.3
- Central Mechanical Equipment Department	55.0
- Local Authority equipment	13.5
- Civil aviation	6.5
- Inland waterways	1.9
(d) Telecommunications	15.2
(e) Health	31.8
(f) Youth and women	3.7
(g) Regional projects	5.6
(h) Food needs - maize	190,000 tonnes

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III. GENERAL BACKGROUND

A. General

20. Zimbabwe is an almost classic example of a dual economy with a very advanced modern commercial sector and a rural subsistence sector. Although the rural subsistence sector does produce some surplus crops and livestock for sale, its major source of outside income consists of remittances of migrant labour working in the commercial sector.

21. Over the years, by far the largest proportion of public and private investment has been devoted to the creation of the modern commercial sector. The rural areas, in which the population has been growing rapidly, have suffered from poverty and disease. The rate of infant mortality, for example, is estimated at around 122 per 1,000. Public health services have been scarce and two thirds of all the hospital beds in the rural areas were provided by church missions. Education, too, was badly neglected.

22. Because a large number of the men are employed in other sectors, returning only for holidays and retirement, production in the rural areas is, to a great extent, left in the hands of women, children and the elderly. Many of the rural areas, particularly what were previously called tribal trust lands, are overcrowded. It has been estimated that, with existing techniques of production, the land will only support less than half of the present population of 660,000 families in the former tribal trust lands. Overcrowding has resulted in the deterioration of large areas of agricultural and grazing land.

23. The 1969 population census showed significant age and sex distortions in both the rural areas and the urban areas. The urban areas showed a very large surplus of single African males in the 15 to 34 years old age group, and a corresponding deficiency in the rural areas. In the last 10 years, with the drift of working-age males to urban centres seeking employment and the large decreases in employment reported in the urban centres, rural households have suffered progressive impoverishment. This in turn led to overexploitation of land in the subsistence sector and serious land degradation.

24. The population of Zimbabwe in 1979 is estimated at 7.26 million people of which, according to official estimates, some 20 per cent live in urban centres and 80 per cent were classed as rural. These estimates, however, were based on the rural/urban proportion at the time of the last population census (1969) and do not reflect the increase in urbanization in recent years. Taking this into account, there are now probably 6.5 million people who would be classed as rural. Only a very small number of Europeans live in the rural areas (less than 7,000 households).

25. The very comprehensive published statistics relate primarily to the formal or commercial sector of the economy. Data are almost non-existent for most of the people living in the rural areas. As a result, the current data base reflects the situation of about 250,000 non-Africans plus those Africans employed in the formal

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commercial sector. Although the number of employed Africans is quite large (about 900,000), it is estimated that only about half of these live with their complete families, the balance being, in effect, migrant labour from the rural areas.

26. The dualism in the economy is reflected in a very wide income differential between urban and rural households. Although there are few reliable statistics on income distribution, most published estimates suggest that the average per capita income in the commercial sector is at least 20 times the average per capita income in the rural areas.

27. Even within the commercial sector of the economy, there are very substantial income inequalities. The Economic Survey for 1979, published by the Government, gives employment and earnings by sector. In the past, separate statistics were published for Africans and non-Africans. Using the earlier segregated statistics as a guide, it would appear that in 1979, average African earnings in the formal commercial sector was around \$1,150 per worker per year, while the average non-African earnings was in the neighbourhood of \$11,950 per person per year.

B. Economic situation

28. The gross domestic product (GDP) of Zimbabwe for selected years is shown in table 2. In current prices, the GDP amounted to \$Z 2.6 billion in 1979, or \$Z 365 per capita on the basis of the projected population of 7.2 million.

29. In real terms, GDP increased by 7 per cent per annum from 1965 until 1974. Thereafter, the closure of the border with Zambia and later with Mozambique, and the escalation of the war began to have serious effects and real GDP declined on the average from 1974 to 1979. Indeed, real GDP per capita in 1979 had fallen back to the 1965 level.

30. During the 1970s, the origin of GDP, in current values, has shown significant structural changes. The share of agriculture has fallen from 18 per cent in 1974 to 12 per cent in 1979. There was a slow but steady increase in the share of manufactures. Public administration and defence showed a sharp increase from 6 per cent in 1974 to 11 per cent in 1979. In the period 1970 to 1974, when growth rates were high, wages fell from 55 per cent of gross domestic income to 50 per cent. During the period when growth rates were low, however, wages increased as a percentage of gross domestic income reaching 60 per cent in 1979. Real levels of private consumption increased from 1965 to 1974 and then declined from 1975 to 1978. Similar changes occurred in investment and savings.

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Table 2

Gross domestic product, population and gross domestic product per capita - selected years

	1965	1974	1978	1979	Average annual growth rates (%)	
					Preliminary	1965-1974 1974-1979
Current GDP (\$Z million)	737	1 859	2 337	2 627	10.9	7.2
Constant GDP (1965 = 100)	737	1 357	1 186	1 187	7.0	-2.7
Population (million)	4.5	6.1	6.9	7.2	3.5	3.5
Constant GDP per capita	164	223	171	165	3.5	-6.2

Source: National Accounts, 1978, table 1, and Economic Survey of Zimbabwe, 1979, table 4.

31. Gross fixed capital formation in 1965 values rose steadily during the period from 1965 to 1974 when it amounted to 21 per cent of real gross domestic expenditure. Thereafter, gross fixed capital formation declined until, in 1978, it had returned to about the same level as 10 years earlier and made up only about 13 per cent of real gross domestic expenditure. The most significant shift in the pattern of investment in the period 1965 to 1979 was the increase in the share of capital formation by the mining sector. In 1978, for example, investment in mining activities constituted one fifth of total fixed capital formation. In the period between 1974 and 1978, capital formation by the manufacturing sector declined sharply, and amounted to only 12 per cent of total investment in 1978. There was also a decline in the share of capital formation in the transport and communications sector.

32. During the 1970s, savings were generally undertaken from domestic sources and usually by the sector engaged in the investment activity (see table 3). Between 1965 and 1978, net borrowing from abroad was only significant in three years - 1971, 1974 and 1975 - when imported savings covered from 15 to 20 per cent of total investment. Although final figures are not available for 1979, preliminary estimates suggest that something like 25 per cent of investment in 1979 may have been financed from abroad.

Table 3

Investment and saving by sectors - selected years
 (in millions of Zimbabwean dollars and percentage)

	<u>1970</u> value (%)	<u>1974</u> value (%)	<u>1978</u> value (%)
<u>Investment by</u>			
Personal sector	26 (12)	49 (9)	27 (7)
Companies	77 (34)	182 (35)	129 (34)
Government	40 (18)	96 (18)	107 (28)
Public corporations	24 (11)	78 (15)	45 (12)
Other a/	10 (4)	-12 (-2)	-1 -
Increase in stocks	47 (21)	128 (25)	73 (19)
<u>Total investment = saving</u>	<u>224</u> (100)	<u>521</u> (100)	<u>380</u> (100)
<u>Saving by</u>			
Personal sector a/	42 (19)	78 (15)	213 (56)
Companies	118 (53)	231 (44)	164 (43)
Government	24 (11)	48 (10)	-122 (-32)
Public corporations	16 (6)	52 (10)	74 (19)
Other domestic	11 (5)	32 (6)	63 (17)
Net borrowing from abroad	13 (6)	80 (15)	-12 (-3)

Source: National Accounts, 1978.

a/ Including statistical discrepancy.

C. Balance of payments

33. Balance of payments estimates for selected years from 1970 to 1979 are shown in table 4.

34. Exports in current terms have shown an average annual rate of growth of 11.4 per cent during the period 1970-1979. The current value of imports of goods grew somewhat more slowly at 9.9 per cent per annum on the average. This suggests that foreign exchange management aimed at ensuring a positive trade balance of sufficient magnitude to cover the anticipated deficit for services and transfers, particularly after 1975. Generally, freight insurance and other related charges are a relatively low percentage of the f. o. b. value of exports and imports

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reflecting, in part, the importance of South Africa as a source of imports and a destination for exports, but also suggesting that the effects of sanctions, if any, showed up in the prices paid for imports and exports rather than as higher charges on the services account. Substantial external borrowing by the Government in 1976 and 1979 not only financed the deficit but allowed a significant positive over-all balance.

35. Although there are no published official figures for gross foreign exchange reserves, the mission has estimated that, on the basis of the evolution of the balance of payments and foreign borrowings, gross foreign exchange reserves are about the equivalent of three months imports of goods and services - around \$Z 200 million. This, however, takes no account of the arrears arising from withholding debt service payments to certain countries and blocking remittances which, together, could easily amount to \$Z 125 million.

Table 4

Zimbabwe - Summary balance of payments, 1975-1980 a/
 (in millions of Zimbabwean dollars)

	1970	1975	1976	1977	1978	1979
<u>Trade balance</u>	<u>24</u>	<u>32</u>	<u>155</u>	<u>132</u>	<u>178</u>	<u>113</u>
Exports, f.o.b.	266	514	563	546	614	698
Imports, f.o.b.	242	482	408	414	436	585
<u>Services (net)</u>	<u>-34</u>	<u>-134</u>	<u>-132</u>	<u>-141</u>	<u>-150</u>	<u>-177</u>
<u>Unrequited transfers (net)</u>	<u>-3</u>	<u>-26</u>	<u>-23</u>	<u>-15</u>	<u>-16</u>	<u>-19</u>
<u>Current account balance</u>	<u>-13</u>	<u>-128</u>	<u>-</u>	<u>-24</u>	<u>12</u>	<u>-83</u>
<u>Capital (net)</u>	<u>18</u>	<u>85</u>	<u>+14</u>	<u>9</u>	<u>77</u>	<u>82</u>
Government	1	-6	-4	7	68	118
Other	17	89	+18	16	9	-36
<u>Over-all balance</u>	<u>5</u>	<u>-43</u>	<u>+14</u>	<u>-15</u>	<u>89</u>	<u>1</u>

Source: Mission estimates.

a/ Totals may not add up because of rounding.

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36. The volume of imports and exports for selected years since 1965 are shown in table 5. Immediately following the unilateral declaration of independence, the volume of both exports and imports fell. However, by 1974, import and export volumes had both increased to above their 1965 levels. In 1979, the volume of exports was slightly higher than it was in 1965. The real level of imports, which had been broadly maintained until 1975, declined rapidly thereafter as the terms of trade turned sharply against Zimbabwe. In 1979, the volume of imports was only about 60 per cent of the volume in 1965.

37. Data on the actual quantities and values of exports and imports are unavailable, except in general terms. Table 6 presents rough estimates of the values and composition of exports for selected years between 1964 and 1979. The information in the table indicates that, during the period since the unilateral declaration of independence, the most significant development has been the increase in the relative share of mining exports, when mining is defined to include the processing of minerals. The estimates for 1979 show a relative decline in the share of agricultural exports, probably reflecting the droughts in 1978 and 1979.

38. The implications of tables 5 and 6 are that, after the unilateral declaration of independence, the real value of exports was maintained and increased in spite of the application of international sanctions. The figures in table 6 suggest that the pattern of exports may have been deliberately shifted towards those products which were difficult to identify or similar to the exports of neighbouring countries (mining-related exports and agricultural products such as maize, sugar, beef and cotton). The stagnation of processed exports other than those derived from mining appears to reflect import substitution which was rigorously carried out during the period of sanctions.

39. An important factor in the future foreign exchange position of Zimbabwe is the extent to which export prices were lower and import prices higher as a result of the methods used to evade sanctions. Although it is difficult to arrive at any firm estimate of the effects of sanctions on the terms of trade in the period up to 1979, comparisons of import and export prices with international price data suggest that sanctions did not have a particularly severe effect on either the prices received for exports or the prices paid for imports. At the most the mission believes that the possible gain on exports is unlikely to exceed 5 per cent and, on average, import prices are unlikely to be lower by as much as 5 per cent. Although these are only approximate figures, they suggest that the terms of trade of Zimbabwe will not be significantly improved as a result of the lifting of international sanctions.

Table 5

Summary of indices of volume, unit volume
 and terms of trade - selected years
 (1964 = 100)

Year	Volume index		Unit volume index		Terms of trade
	Imports	Exports	Imports	Exports	
1965	107	113	104	104	100
1970	91	94	119	102	86
1974	115	123	177	149	84
1975	109	115	195	160	82
1979	67	118	379	212	56

Source: Monthly Digest of Statistics, April 1980.

Table 6

Zimbabwe - estimated composition of exports, selected years
 (in millions of Zimbabwean dollars and percentage)

	<u>1964</u>	<u>1970</u>	<u>1975</u>	<u>1979</u>
	Value (%)	Value (%)	Value (%)	Value (%)
Agricultural <u>a/</u>	111 (45)	90 (35)	227 (46)	258 (38)
Mining <u>b/</u>	78 (32)	125 (48)	210 (42)	339 (50)
Manufacturing	37 (15)	32 (12)	49 (10)	43 (6)
Other	<u>18 (8)</u>	<u>11 (5)</u>	<u>20 (2)</u>	<u>39 (6)</u>
Total	244 (100)	258 (100)	497 (100)	679 (100)

Source: Mission estimates based on discussions with officials plus various production and transport statistics.

a/ Defined as edible food and fats plus non-edible agricultural output such as tobacco, cotton, forestry products etc.

b/ Defined as crude materials and minerals, gold and processed mining materials - mainly unfabricated metals. Much of this might, by another classification, be considered manufacturing output.

40. The recent declines in the GDP appear to be related directly to the decline in the real value of imports and to changes in the composition of imports due to higher oil prices and the requirements of the war. As a result, there has been a shortage of imported intermediate inputs needed by the processing industries, which has shown up as an under-utilization of capacity. Indeed, in 1979, the volume of imported intermediate goods other than petroleum was probably only one half of the 1964 level. Broadly speaking, petroleum products now amount to nearly 30 per cent of imports.

D. Public finance

41. Total central government revenue b/ during the 1970s has been growing rapidly, at an average annual rate of about 13 per cent per year or faster than current GDP. Generally, direct taxes have provided about 45 per cent of revenue (table 7), indirect taxes around 33 per cent and non-tax sources about 22 per cent. Average elasticities for both direct and indirect taxes are high, probably around 1.3, but collections of customs duties have stagnated (table 7). The rates c/ of direct taxation are relatively low compared to other African countries, especially for personal income tax, where the highest marginal rate of 45 per cent begins on incomes of about \$Z 15,000 to \$Z 17,000. The company tax is 45 per cent. Customs duties are no longer significant either for revenue or protection as they constituted only 4 per cent of the f.o.b. value of imports in 1979.

42. As table 7 shows, recurrent expenditures plus transfers have risen even more rapidly than revenues, at an average annual rate of about 20 per cent per year. The Government has run significant deficits beginning in the 1976/77 fiscal year.

43. Over-all, Government operations have been of increasing significance. In the early 1970s, total Government expenditures plus lending were about 19 per cent of GDP. Such expenditures plus lending will, however, probably be nearly 40 per cent of estimated GDP for the 1979/80 fiscal year. Furthermore, the projected deficit for 1979/80 approximates 16 per cent of GDP, a figure well above that applicable for previous years in the 1970s. The Government has apparently made only limited use of foreign borrowing to finance budget deficits during the 1970s.

44. The composition of government expenditures as shown in table 8 began to change as more and more public money was spent on the war effort. Expenditures for defence and internal security (mainly police) increased at extremely high rates between 1974 and 1979 (defence expenditures at about 38 per cent per year and internal security

b/ As a rough estimate, local government revenues, excluding transfers, have been about \$Z 30 million since 1974. Expenditures, recurrent and capital together, were about \$Z 85 million in 1974 and \$Z 105 million in 1978 - or about 21 per cent and 13 per cent of central government expenditures net of lending.

c/ There is, however, a 10 per cent surcharge on personal and company rates.

at about 21 per cent per year). As a result, defence and internal security accounted for 34 per cent of central government expenditures in 1979. Expenditures on social services (education, health and housing) declined only slightly in relative terms. There was a large relative cutback of expenditures on economic services, notably agriculture, commerce and industry. Direct subsidy payments to the agricultural sector have averaged about \$Z 60 million a year.

Public debt

45. Total public debt as at 30 June 1979 was just under \$Z 1.3 billion - or about 50 per cent of 1 year's GDP. Published data indicate that only about \$Z 100 million of this debt is externally owed. However, there is a variance between foreign borrowing indicated in the balance of payments and fiscal accounts and the published figure for external indebtedness. Furthermore, the Government has accumulated international payments arrears as a result of blocked remittances and the delay of servicing of certain externally-owed debt. In total, foreign public indebtedness may be as much as \$Z 350 million. If one adds to this public guaranteed externally-owed debt of around \$Z 15 million, the estimated total public and publicly-guaranteed debt would be about \$Z 365 million or \$US 550 million.

Table 7

Central government fiscal operations

(in millions of Zimbabwean dollars for year ending 30 June)

	<u>1971/72</u>	<u>1976/77</u>	<u>1977/78</u>	<u>1978/79</u>	<u>1979/80</u>
<u>Revenues</u>	<u>242</u>	<u>531</u>	<u>610</u>	<u>580</u>	<u>674</u>
Income tax	(104)	(280)	(288)	(261)	(316)
Sales and excise	(52)	(137)	(172)	(183)	(212)
Customs	(26)	(24)	(23)	(22)	(22)
<u>Expenditures</u>	<u>250</u>	<u>662</u>	<u>780</u>	<u>881</u>	<u>1 100</u>
Recurrent	(141)	(311)	(411)	(482)	(643)
Transfers	(87)	(212)	(274)	(324)	(348)
Capital	(22)	(68)	(60)	(54)	(66)
<u>Gross Deficit a/</u>	<u>6</u>	<u>131</u>	<u>170</u>	<u>302</u>	<u>426</u>
<u>External financing</u>	-	-	70	129	162

Source: Based on data provided by the Central Statistical Office and Treasury officials.

a/ Includes recoveries from long-term loans and investments.

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Table 8

Composition of central government expenditures - selected years
 (in millions of Zimbabwean dollars and percentage)

	1970		1974		1979	
	Value	(%)	Value	(%)	Value	(%)
General administration and defense (of which defense and internal security)	64 (38)	30 (18)	124 (73)	31 (18)	400 (300)	46 (34)
Education and health			90	23	165	19
Social and recreational services	55	25	11	3	42	5
Housing and townships			4	1	5	0.5
Economic services	50	24	116	29	168	19
Pensions	8	4	13	3	28	3
Public debt	28	13	36	9	63	7
Other	8	4	4	1	4	0.5
Total	213	100	398	100	874	100

Source: Economic Surveys and National Accounts, various issues.

Money and prices

46. Money, broadly defined, d/ has increased by about 13 per cent per year since 1969 with little variation in the rate of increase during this period. The composition of money remained relatively stable until 1974; thereafter, there were significant increases in term deposits relative to currency in circulation and demand deposits. During 1979, however, there was a relative increase in demand deposits. Although the published monetary statistics have serious shortcomings, it appears that the main cause of the growth in the money supply, especially since 1974, has been greater Government borrowing from the banking system. Excess liquidity in the banking sector has been rising since 1974. Even after increases in reserve requirements in 1979, excess liquidity stood at nearly \$Z 200 million -- or 16 per cent of the money supply, broadly defined at the end of the year. Inflation, as measured by increases in consumer price indices, has increased relatively steadily during the 1970s and, at about 11 to 13 per cent per year, is now broadly in line with general international rates.

47. The increases in the money base have probably had little influence on inflation. The demand for loans by the private sector has been sluggish and general interest rates for loans are around 8 per cent, or well below the current levels of inflation. During the 1970s, the velocity of money, again broadly defined, has dropped significantly from about 3.1 to 2.6, with all of the drop occurring since 1974.

48. In the present situation, with excess liquidity in the banking system and a low velocity of money, there is considerable potential for demand-induced inflation.

49. However, there are fairly pervasive price controls in the economy. The prices of most foodstuffs (grains, beef, bread, sugar, dairy products and beer, but not vegetables), many inputs (cement, petrol and fertilizer), and several intermediate services (rail and road transport and electricity) are controlled directly. Many other prices are controlled by limiting the percentage mark-up over cost. Generally, only the prices of services are demand determined.

E. Impact of the war and sanctions

50. In the period from 1965 to 1975, the economy of Zimbabwe continued to grow and develop in spite of the unilateral declaration of independence and the application of sanctions. The Government devoted almost all of the available resources to the modern commercial sector. However, international isolation did affect the long-term growth potential of the economy. The reduction in foreign private investment, the loss of access to external financing for the Government investment programme, and the effects of sanctions resulted in a severe shortage

d/ Currency in circulation plus demand deposits plus term deposits.

of foreign exchange. Much of the available investment was used for import substitution manufacturing. Tobacco production declined as commercial agriculture shifted to other products. For example, by 1974, the country was virtually self-sufficient in wheat, although at very high costs. Between 1965 and 1974, cattle and milk production doubled, maize output increased sixfold, groundnuts fourfold, tea threefold and sugar production doubled. The output of soya beans and cotton increased substantially.

51. Following 1975, however, the economy went into a recession and began to feel the full effects of the border closures and the escalating war. The subsidies to commercial agriculture increased. The railroad system began to show greater operating losses. The border closure by Mozambique forced imports and exports to use the longer and more costly southern routes. Because of the shortage of foreign exchange, expenditures on imported equipment were kept seriously in check and more effort had to be devoted to maintaining and repairing worn out and obsolete equipment. As a result, even though most of the available investment was directed towards maintaining the modern commercial sector, Zimbabwe has inherited at independence a physical infrastructure with huge backlogs of repair and maintenance and a stock of over-aged and worn out plant and equipment. This is true of both the private and public sectors, particularly transport, communications, manufacturing and civil engineering.

52. Because a very large proportion of the modern commercial sector is in private hands, it is not possible at this stage to estimate the investment requirements for the economy as a whole. However, it is clear that significant investments will be needed in basic public infrastructure if the economy of Zimbabwe is to develop.

53. The effects of the war on the rural population have been devastating. More than 1,000 primary schools were closed in the rural areas as a result of the security situation and many classes were boycotted. The Economic Review of Zimbabwe, 1979 stated that "there now exists almost a complete generation of adults who were children of 6 to 12 years at the time the war commenced who have been deprived of primary or secondary education".

54. The war also led to the suspension of normal administrative structures, such as district councils and community boards, in the rural areas. In 1976, the Government initiated a programme of "protected villages" and by 1979 nearly 600,000 people had been moved from their normal homes into these centres. This programme reduced production in the former tribal trust lands and disrupted agricultural extension services, public works and other social services. Education and health services were seriously restricted and, to compound the difficulties faced by the rural population, the country was affected by drought in the 1978/79 and 1979/80 seasons for cereal production.

55. Particularly serious was the breakdown in animal disease control measures. As the war intensified in the border regions, major outbreaks of tick-borne diseases and foot-and-mouth disease occurred. Control measures for tsetse fly deteriorated. It is estimated that over one million cattle died in the former tribal trust lands, representing approximately 30 per cent of the cattle population in these areas. The impact of those losses extended to other rural agricultural activities, since

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cattle are the main sources of draught power and constitute an important reserve of wealth used to augment the income of the rural community in times of hardship. Attacks by tsetse fly and foot-and-mouth disease caused high morbidity among the cattle, seriously reducing their productivity. The affected cattle could neither be used for ploughing nor offered for sale. The severe long-term effects on rural productivity caused by the breakdown of animal disease control measures will take some time to overcome. There is also a grave danger of the diseases spreading to disease-free zones and to the neighbouring States of Zambia, Botswana and Mozambique, unless steps are taken to control them.

56. The purchases by the Cold Storage Commission of cattle from the former tribal trust lands indicate the effects of the war. In 1975/76, 49,168 head of cattle were purchased by the Cold Storage Commission. In 1976/77, this number has fallen to 29,888. The number declined again in 1977/78 to 20,860, and in 1978/79 only 12,217 head were purchased - about one quarter of the figures reached four years earlier.

Summary

57. Against this background, Zimbabwe at independence is faced with extremely difficult development problems. The long period of neglect of the rural areas, which is a legacy of history and policy, would suggest priority for integrated programmes of rural development. The need for a massive injection of resources into the rural areas is compounded by the destructive effects of the war and the diversion of resources to defence and internal security. At the same time, investment in the modern commercial sector has lagged far behind replacement needs and large-scale investments in this sector looking towards the long-run development of the economy have been neglected. These kinds of investments tend to have a long gestation period and, unless some effort is directed towards ensuring growth and reliability of the basic economic infrastructure in the modern commercial sector, the country could face serious bottlenecks in the next three to four years, and efforts at rural development could be frustrated.

58. Even the modern commercial sector in Zimbabwe has pronounced elements of dualism. A rough estimate suggests that non-African incomes in this sector are 10 times average African incomes. In addition, there has been a sharp increase in unemployment in the urban centres, a growing informal sector, and a serious backlog in housing and other social services. With the ending of past restrictions on families and dependants joining wage earners in the commercial sector, there is likely to be a major increase in the demands for housing, education, health and other facilities in the urban centres. As many of the urban poor face poverty levels comparable to the rural poor in the former tribal trust lands, there will be a need to allocate a significant amount of resources to deal with these urban problems.

59. The mission has divided the reconstruction and development needs of Zimbabwe into three groups: the immediate needs for the resettlement and rehabilitation of refugees and displaced people for an initial period; the short-term requirements

for reconstruction and rehabilitation; and projects directed towards the long-term development of Zimbabwe, such as strengthening the basic infrastructure.

F. Outlook - 1980/1981

60. In the existing circumstances in Zimbabwe, more than normal uncertainty must surround any attempt at making economic and financial forecasts. Table 9 gives the Government's projections for 1980 and 1981 for the gross domestic product, exports, imports and the balance of payments on current account. It should be noted that the Government is projecting a significant increase in the current account deficit for 1980 compared to the preliminary figures for 1979, and that the current account deficit for 1981 is expected to be even higher. The projections show a significant increase in imports in order to provide the necessary investment goods and intermediate goods to allow the industrial sector to utilize some of its excess capacity. It should be emphasized that, without a significant increase in imports, it is unlikely that the projected GDP will be achieved.

61. The Government is also estimating substantially greater export earnings for both 1980 and 1981. Although these projections take into account expected price changes, the mission believes that it may prove difficult to achieve the projected level of exports. Of particular concern is the capacity of the transport system to carry the increased volumes implicit in the projections of imports and exports.

62. The Government's financial projections for 1980-1981 (see table 10) show an increase in the gross government deficit from the actual figure for the 1979/80 fiscal year. It should be stressed that only Z\$ 376 million of capital expenditures are included in the estimates for 1980/81. The revenue figure includes a small but significant income in the form of capital recovery. The Government is therefore faced with a current budget deficit of nearly Z\$ 120 million. In some respects, the Government deficit may prove to be more difficult to manage than the current account deficit in Zimbabwe's international transactions. This consideration underlines the importance of international assistance programmes including provision for meeting local costs during the period of reconstruction in Zimbabwe.

63. The estimates for 1980/81 do not include expenditures on immediate relief and rehabilitation included in the programme drawn up by UNHCR, as that programme is being accounted for under an extra-budgetary statutory fund.

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Table 9

Economic projections, 1980 and 1981
 (in millions of Zimbabwean dollars)

	<u>1979</u> (preliminary)	<u>1980</u> (projected)	<u>1981</u> (projected)
GDP	2627	2730	2865
Exports (f.o.b.)	698	977	1197
Imports (f.o.b.)	585	907	1047
Current account deficit	-83	-97	-100

Source: Derived from budget statement of 24 July 1980.

Table 10
Financial projections
(in millions of Zimbabwean dollars)

	<u>1979/80</u>		<u>1980/81</u>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Government revenues	620	607	663
Government expenditures	1 082	1 162	1 440 ^{a/}
Gross deficit	454	475	436

Source: Derived from Budget statement of 24 July 1980.

a/ Of which \$Z 376 million is planned capital expenditures.

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IV. IMMEDIATE ASSISTANCE FOR THE RETURN AND REHABILITATION
OF REFUGEES AND DISPLACED PERSONS

64. On 25 March 1980, the Secretary-General received a letter from Prime Minister Robert Mugabe concerning the urgent problem of repatriating the Zimbabweans from Botswana, Mozambique and Zambia. The Prime Minister also referred to the large number of citizens who had been displaced and regrouped within Zimbabwe during the hostilities in so-called "protected villages". The Prime Minister reported that essential infrastructure, such as roads, health establishments and schools had been destroyed throughout the country and needed to be rebuilt as a matter of priority.

65. The Prime Minister requested that the United Nations High Commissioner for Refugees, in view of his past experience and involvement, be designated to act for an initial period as co-ordinator of a United Nations programme of humanitarian assistance focusing on the resettlement and rehabilitation of refugees and displaced persons.

66. In consultation with the Government of Zimbabwe, UNHCR drew up a programme for the reinstallation and rehabilitation of returnees and displaced persons within Zimbabwe.

67. It was estimated that the total number of returning refugees, internal rural displaced persons and urban squatters added up to more than one million people who would need a wide variety of assistance to enable them to return to and settle in their home areas.

68. There were two main elements in the programme. The reinstallation element covered the transport of refugees and displaced persons to destinations of their choice and help in rebuilding and re-equipping their homes. In addition, there was provision for specialized facilities for orphaned, handicapped and the aged. The reinstallation element also included the provision of seeds, tools and fertilizers as well as a comprehensive training programme to enable the people to benefit from the assistance provided. An important component was the provision of tractors in those areas of the country where the main source of draught power - oxen - had been seriously affected by animal diseases and the war. The reinstallation element also included projects to restore irrigation schemes in the countryside.

69. The second major element in the programme involved rural reconstruction in the areas where the refugees and displaced persons were being settled. Reconstruction included the restoration of health, education, and water facilities and a programme for road maintenance and repair.

70. The estimated cost of the programme for the return and rehabilitation of refugees and displaced persons for the initial period of one year was made up of \$110 million for non-food items and approximately \$30 million in food aid. An international appeal for funds for the programme was launched on 13 April 1980.

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Response to the appeal by the Office of the United Nations High Commissioner for Refugees

71. The response of the international community to the appeal has been encouraging. Approximately \$19.3 million was contributed through UNHCR e/ for the programme plus \$1.3 million f/ for expanded assistance in animal health.

72. In addition, \$81.5 million has been pledged or contributed bilaterally in grants or soft loans. The major contributors have been the European Economic Community (EEC) - \$5.5 million; the Federal Republic of Germany - \$29.3 million; the United States - \$15.0 million; the United Kingdom - \$16.2 million; the Netherlands - \$8 million; Japan - \$2.2 million; Sweden - \$2.4 million; Australia - \$1.6 million; and Denmark - \$1.7 million. The Government of Zimbabwe provided \$7.8 million for the programme from its own resources. To date, however, there has been little food aid pledged for the programme except for 3,000 tonnes of dried skim milk by EEC.

V. REHABILITATION AND DEVELOPMENT NEEDS

73. In the short period since independence, it has not been possible for the Government of Zimbabwe to formulate integrated development plans. The immediate needs for the return and rehabilitation of refugees and displaced persons for an initial period were covered in the appeal by UNHCR. The mission has therefore concentrated mainly on short-term rehabilitation programmes looking beyond the first year. However, some requirements for assistance looking towards the longer-term development of the economy have also been identified. With regard to these long-term development projects, only activities and sectors which deserve early attention if longer-term development is not to be frustrated have been included.

74. The short-term requirements for rehabilitation over the next two to three years cover the agricultural and livestock sectors, transport, communications, electricity and health. In addition, projects directed towards the special problems of women and youth have been included. The return to normal conditions in the region also gives a special urgency to certain regional projects which have been identified. The longer-term development requirements relate to basic economic infrastructure.

e/ The major contributors were: Saudi Arabia - \$5 million; Sweden - \$1.4 million; Norway - \$1.9 million; Denmark - \$0.9 million; the European Economic Community - \$10 million.

f/ By the European Economic Community.

A. Short-term rehabilitation and development

1. Agricultural and livestock sectors

(a) Overview

75. The agricultural sector in Zimbabwe is made up of three main groups of producers. Data for 1978 showed 6,200 European farmers employing about 350,000 African labourers, 8,500 "emergent" farmers in what were known as the African purchase lands, and some 660,000 farm families in the former tribal trust lands.

76. In the period from 1965 to 1976 there was a rapid rate of growth in agricultural production, and agriculture became much more diversified. As a result of sanctions, the European farmers switched from growing tobacco to producing cotton, cereals and livestock. African producers tended to switch from food to cash crops such as cotten and groundnuts. In the past three years, there has been a reduction in the number of European farmers, disruption of production by the African farmers, and for two years a drought has effected crops throughout the country. In addition, the policy of creating "protected villages", initiated in 1976, had significant effects on the output of African agriculture.

77. In general, the rural African sector, particularly the former tribal trust land, has suffered from a long period of serious neglect. Marketing and credit facilities were inadequate or non-existent. Roads were poor and extension services rudimentary. Many of the areas lack good land and have suffered from overcrowding. The decline in urban employment and the effects of the war on production, animal health and social services have added to the difficulties facing the rural poor. As a consequence, improvements in rural conditions are urgently required.

78. The Government of Zimbabwe intends to formulate and implement a new and imaginative long-run integrated rural development programme for the people living in the former tribal trust lands. The programme will include making additional and better land available, providing marketing and credit facilities, strengthening extension services, and ensuring adequate supplies of agricultural inputs such as seeds and fertilizers. At the same time, price and wage policies favourable to agricultural production in the former tribal trust lands will need to be evolved and social services and other infrastructure will have to be revitalized and extended throughout the rural areas.

79. Some measures for the immediate rehabilitation and reconstruction of the rural areas were included in the programme drawn up by UNHCR. All told, some \$42 million was included in that programme for fertilizers, seeds, tractors, animal dips, irrigation schemes and extension services. However, the programme was directed only towards the humanitarian needs to resettle and rehabilitate returnees and displaced persons for an initial period. There are substantial further short-term needs in order to carry out reconstruction and rehabilitation in the agricultural sector over the next two years pending the development and implementation of a major integrated rural development programme.

80. Because the Government's expenditure programme for 1980/81 was based largely

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on expected revenues and domestic borrowing, it did not include the requirements for the rural reconstruction programme for which additional international assistance is required. However, because of the urgency of rural development, \$Z 25 million was provided for land purchase and development. Provision has been made, for example, to expand settlement schemes at Chesumbanji and Middle Sabi, and for small-scale farming developments at Copper Queen, Moyo, Tokwe, Mukorsi and Tshovane. Extensions will also be carried out at the Antelope, Pungwe Valley and Tshotsholo Tilcor estates. Site investigations for the Condo Dam are also provided for.

81. The mission has classified the immediate reconstruction needs over the next two to three years under programmes for water and irrigation, rural infrastructure, equipment, training, and animal health and disease control measures. The detailed requirements are shown in table 11. In summary, some \$Z 104.6 million will be required for the immediate rehabilitation and reconstruction of the agricultural and livestock sectors over the next two years, in addition to the needs covered in the immediate programme of assistance drawn up by UNHCR and the rural development projects included in the Government's 1980/81 estimates.

Table 11

Reconstruction needs in the agricultural sector

<u>Water and irrigation</u>	(in Zimbabwean dollars)
Water supplies and boreholes	7,132,300
Dams and wells	1,442,300
New irrigation	3,058,000
Repairs to irrigation schemes	3,630,900
Pumps	202,500
Water development (hydrology)	55,700
Subtotal	15,521,700
 <u>Rural infrastructure</u>	
Roads and bridges	41,664,500
Fieldquarters and camps	995,500
Fishing camps	26,800
Staff housing	1,883,300
Repair and improvement of air strips	402,100
Suboffices	485,100
Subtotal	45,457,300

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Table 11 (continued)

(in Zimbabwean dollars)

Equipment

Tools and equipment	1,759,300
Road equipment	3,450,400
Transport equipment	4,229,000
Boats	81,000
Graders	810,000
Subtotal	<u>10,329,700</u>

Animal health and disease control measures

Animal pens and dips	1,013,000
Animal dips and inspection needs	4,823,800
Innoculation of cattle	155,000
Animal health centre	3,677,700
Fencing	1,703,000
Foot-and-mouth disease control	1,012,800
Tsetse control	7,277,000
Aerial spraying	9,343,000
Cattle purchase and breeding at the Tuli Livestock Centre	81,500
Sale pens and cattle marketing	612,300
Subtotal	<u>29,699,100</u>

Training

Training centres for district staff	2,041,800
Enlargement of training centre at Damboshawa	1,519,200
Subtotal	<u>3,561,000</u>

Total - agricultural sector 104,568,800

2. Transport

(a) Overview

(i) Railways

82. The rail network in Zimbabwe is the country's major transport system. The National Railways of Zimbabwe (NRZ) is operated as a government enterprise and also owns and operates a fleet of trucks for road transport (Road Motor Services - RMS) to complement the rail system. The rail network has connexions to Zambia via Victoria Falls, two links to Mozambique (to Maputo and Beira), a line through Botswana owned and operated by NRZ connecting to South Africa, and a direct link to South Africa via Beitbridge. In terms of the distances to ports, the routes through Mozambique are only about half as long as those through South Africa. They are also the most advantageous routes in terms of normal revenue sharing arrangements for rail traffic.

83. Historically, Zimbabwe has also been a transit country for significant volumes of traffic for both Zaire and Zambia. For these countries, too, the rail links to Mozambique ports are far shorter than the links to South African ports. Other factors entering into the selection of routes, such as quality of service, delays, port handling and documentation, would need to be very significant in order to outweigh the advantages of the links through Mozambique.

84. The basic infrastructure of the railway system in Zimbabwe is generally in good condition, although 90 kilometres of rail need to be relaid on the line to Maputo. Spare line capacity exists on almost all sections inside Zimbabwe, which means that the rail system is capable of handling a greatly increased volume of traffic if there is sufficient rolling stock, an adequate traffic control system, and rails, bridges and roadbeds able to carry the loadings on offer. There are extensive flat marshalling yards at Bulawalo and Salisbury and a modern mechanized hump yard at the hub of the system at Dabuka near Gwelo where there is also a container control centre.

85. NRZ currently owns 120 steam locomotives, 270 diesel locomotives and 9,100 wagons. At any one time, about 12,600 wagons move on the system. The traffic currently being handled is approximately 12,500,000 net tonnes each year.

86. NRZ has decided to embark on an electrification programme. The factors which have led the railway to make this decision have been the huge increase in the price of diesel oil, a shortage of skilled labour, the urgent need to acquire replacement and additional motive power, the expectation of higher traffic levels subsequent to independence, and the ability to produce relatively cheap electric power in Zimbabwe (both thermal and hydro).

87. The electrification programme is seen as a continuing exercise phasing in with the need to acquire new motive power for the system. The programme calls for electrification of the most important main line sections over the next nine years in three stages. Stage one is tentatively scheduled to commence in 1980 and to be completed by 1983, stage two will be undertaken between 1983 and 1986,

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and stage three between 1986 and 1989. Stage one of the programme covers approximately 355 kilometres of main line from Dabuka to Salisbury. Stage two will cover the electrification of the main line from Dabuka to Somabula and then either to Beitbridge or to Chicualacula on the Mozambique border. Stage three covers the electrification of the main line from Somabula to Bulawalo. For the first stage, it is planned to secure 30 electric locomotives and to convert 14 diesel electric locomotives.

(ii) Road motor services

88. RMS provides an important road haulage service complementary to the railway. It operates 80 different routes from 22 control stations over a total route distance of 12,000 kilometres. It provides scheduled services where other road haulers do not operate or cannot operate economically.

89. Generally, the vehicle fleet is very much over-aged. Many vehicles have suffered war damage. There is, therefore, an urgent need for vehicle replacement to handle existing traffic. The addition of new vehicles will be necessary if rural development is to take place.

(iii) Roads

90. The road network in Zimbabwe is made up of 12,400 kilometres of state roads, 23,600 kilometres of rural council roads, 2,700 kilometres of municipal roads, and about 40,000 kilometres of district administration roads.

91. Many national roads have exceeded their planned life largely because of the diversion of funds and construction capacity to security needs over the past five years. High priority needs to be given to those parts of the national road system which are in grave danger of collapse. There are also a large number of gravel or narrow mat roads on which traffic is so heavy that upgrading to a higher standard is necessary. It is anticipated that these roads will experience a substantial increase in traffic following economic revival in Zimbabwe and the development of the rural areas.

92. The Government has announced its intention to improve rural roads for the benefit of the people in the more remote areas where roads are very poor or non-existent. The lack of transport and communications in the rural areas has not only caused hardship for the local population but has retarded rural economic development. In order to remedy this situation, the Government plans to build 4,000 kilometres of all-weather rural gravel roads.

93. The heavy equipment for road construction and maintenance for all ministries in the Government is provided by the Central Mechanical Equipment Department (CMED) in the Ministry of Transport and Power. As a result of the war, economic sanctions and the shortage of foreign exchange, the replacement programme for machinery and equipment is very much in arrears, with one third of the total equipment fleet being in need of immediate replacement. It is estimated that within the next five years, every vehicle owned at present by CMED will have to be retired.

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(iv) Civil aviation

94. Zimbabwe Airways operates an extensive network of domestic routes covering all major points within the country. International services are operated to London, Johannesburg, Lusaka, Blantyre, Durban, Maputo and Beira. Routes are also planned to Kenya, the United Republic of Tanzania, Ethiopia, Nigeria and points in Europe where routes are viable. In 1979, there were about 300,000 international arrivals and departures and 540,000 domestic arrivals and departures from Zimbabwe airports. The Government has estimated that arrivals and departures will be 20 per cent higher in 1980. To meet the requirements of future traffic and to replace over-aged equipment, the civil aviation and meteorological services have embarked on a development programme which includes modernization of air navigation facilities, communication and navigation aids, new airport facilities, and an expanded training programme.

(v) Inland waterways

95. The Government is anxious to rehabilitate tourist facilities and to encourage new tourist developments at Lake Kariba. In addition to tourism, however, it is intended to develop the lake fishing industry and to open up the region surrounding Lake Kariba for more intensive economic development. The development of the region in the vicinity of Lake Kariba and the improvement of navigation and services on the lake will benefit not only Zimbabwe but also Zambia, which has similar development plans and rural development problems in the areas surrounding the lake.

96. It is intended to turn the lake into a navigable inland water body to complement other modes of transport by installing proper navigational aids, setting up radio stations to improve communications, constructing harbours and providing a search and rescue vessel.

(b) Short-term rehabilitation programmes

(i) Railways

97. Although the basic infrastructure of the railway is generally in good condition, there are large short-term rehabilitation needs.

98. In recent years, locomotives have been particularly difficult to keep in service. Many have suffered damage from mines during the war, and there has been a general lack of repair and maintenance due to the unavailability of spares and the shortage of skilled labour. Out of the total fleet of 120 steam locomotives, 33 require major rehabilitation if they are to be used.

99. In view of the shortage of motive power, it will not be possible to maintain existing levels of traffic unless new locomotives are provided. The existing fleet of 270 diesel locomotives is about 25 years old and only about half are available for service due to damage, lack of spare parts and a shortage of skilled labour to undertake repair and maintenance. Out of the total fleet of 9,100 wagons, some 2,100 were trapped in Mozambique when the border was closed. Some of these are now being returned to Zimbabwe. But no maintenance was carried out on this stranded

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fleet for a number of years and it appears that the majority might need to be retired or repaired.

100. There are two principal rail workshops. In Bulawayo, the shop handles the repair of steam and diesel locomotives as well as wagon maintenance. The shop in Umtali repairs diesel locomotives and maintains wagons. Although the workshops are generally in good condition, both require the replacement of precision tools, machinery, service motor vehicles, and track construction and maintenance equipment. Moreover, both workshops suffer from a lack of repair technicians, signals and telegraphs personnel, and other skilled labour.

101. The centralized traffic control (CTC) system on the railway network, with the exception of the Beitbridge line which is new, is 25 years old and needs replacement urgently. With the envisaged electrification programme, the replacement of the old signals and control system for the whole network must be looked upon as one of the priorities for the NRZ. There is also an urgent need to renew telecommunications, carrier systems and repeater stations and to install radios in the locomotives.

102. If the rail system is to carry the envisaged increase in traffic, including transit traffic, the track will need to be upgraded to permit heavier axle loads to accommodate longer and heavier trains. There will be a need to import significant quantities of rails and thermite portions for the track renewal programme. Particularly urgent is the provision of rails to be relaid on the route to Maputo.

103. In total, the short-term reconstruction requirements of the railroad amount to \$Z 222,729,400.

Table 12

Immediate reconstruction and rehabilitation
requirements of NRZ

Estimated costs
 (in Zimbabwean dollars)

A. Locomotives

Rehabilitation of steam locomotives	14,000,000
Conversion of diesel to electric (14)	3,360,000
New electric (30)	32,000,000
Spares and conversions, 1980/81	6,836,000
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Subtotal	56,196,000

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Table 12 (continued)

Estimated costs
 (in Zimbabwean dollars)

B. Wagons

300 general purpose wagons	7,000,000
100 specialized wagons	2,000,000
Replacement of 900 wagons from Mozambique	18,000,000
Repair of 900 wagons from Mozambique	3,600,000
Subtotal	<u>30,600,000</u>

C. Workshops, yards and depots

Maintenance equipment, vehicles, and extension to locomotives servicing department and electrical workshops	1,782,400
Railway maintenance equipment, heavy cranes and replacement of worn-out earth moving equipment . . .	4,000,000
Improvement of container facilities	1,300,000
Workshop equipment (lathes, overhead cranes, milling and shifting machines, welders, tampers etc.) . . .	<u>10,000,000</u>
Subtotal	<u>17,082,400</u>

D. Signals and control

Test equipment, radios, train graph recorders, morse-siding etc.	3,500,000
Replacement of wagon control equipment	1,000,000
Stores control equipment	250,000
Signalling (CTC), communications and others:	
- Bulawayo-Plumtree	2,150,000
- Gwelo-Salisbury	2,200,000
- Rutenga-Chredzi	1,500,000
- Chicualacuala	2,500,000
- Bulawayo-Victoria Falls	14,000,000
- Salisbury-Umtali	<u>3,300,000</u>
Subtotal	<u>30,400,000</u>

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Table 12 (continued)

Estimated costs
 (in Zimbabwean dollars)

E. <u>Service vehicles and passenger coaches</u>	
Replacement of service vehicles, lorries, four-wheel drives	2,000,000
Replacement of aged passenger coaches	3,200,000
Subtotal	<u>5,200,000</u>
F. <u>Electrification (stage 1)</u>	
Power supply connexions	4,800,000
Posts and telecommunications immunization	4,276,000
Railways signalling immunization	10,000,000
Substations	2,450,000
Overhead equipment	13,500,000
Miscellaneous (including installation for 330 km main line route plus 130 km station siding route length)	13,955,000
Subtotal	<u>48,981,000</u>
G. <u>Track renewal</u>	
New rails	33,917,000
Thermite portions	353,000
Subtotal	<u>34,270,000</u>
Railway total	<u><u>222,729,400</u></u>

(ii) Road Motor Services

104. The immediate requirement of RMS is to replace its over-aged and damaged fleet in order to carry existing levels of traffic. RMS operates a mixed fleet of lorries and of tractors and trailers. The existing fleet is very much dependent on the availability of spare parts and skilled labour to carry out repairs. Repair shops and facilities appear adequate.

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105. In total, some \$Z 6.6 million will be required to provide vehicle replacements to maintain the existing fleet. Of this sum, \$Z 3 million will be needed for lorries, \$Z 1.5 million for tractors or power units, and \$Z 2.1 million for trailers.

(iii) Roads

106. There is a relatively well-developed and extensive road system in Zimbabwe. The Government estimates that there are 450 kilometres of two-laned surface roads now exhibiting all the signs of an over-stressed condition as a result of carrying traffic in excess of their planned capacity. Each year, the length of road facing break-up from over-use is increasing. As these surfaced roads are part of the main road network in Zimbabwe, there is an urgent need for their repair and improvement. It is estimated that the repair and improvement of 450 kilometres will cost \$Z 35,705,000.

107. As a result of inadequate maintenance and construction in recent years, a large number of gravel and single-lane surface roads have deteriorated and need repair and improvement. At the present time, these roads require heavy maintenance expenditures and add significantly to the cost of transport. The Government estimates that 2,020 kilometres of gravel or single-lane surface roads need improvement and reconstruction. One half of these will require urgent attention during the next two to three years. The estimated cost of a programme to repair and upgrade these gravel roads is \$Z 57.6 million.

108. The Government has recognized the need for roads in the previously neglected rural areas which suffered so much from the war. The Government has decided that 4,000 kilometres, which were previously the responsibility of the Division of District Administration, are to be made the responsibility of the Ministry and upgraded to rural roads. In addition, there are 1,365 kilometres of roads in the rural areas which need to be upgraded to all-weather standard. The total cost of repair, improvement and upgrading of 5,365 kilometres to all-weather gravel standard has been estimated at \$Z 143,165,000.

109. During the war, a substantial number of bridges, causeways and culverts were damaged by explosive devices. The programme for repairing the structures is under way and it is estimated that \$Z 250,000 will be sufficient to complete the repairs. However, the structural effectiveness of the repairs has not been tested and the Government considers it necessary to carry out load testing of the repaired structures. It is estimated that the cost of load testing will be approximately \$Z 1 million.

110. The Central Mechanical Equipment Department, which provides the heavy equipment for road construction and maintenance for all ministries in the Government, has an extensive fleet of graders, compressors, rollers, compactors, heavy tractors, dump wagons, face shovels and front-end loaders. One third of this fleet needs immediate replacement at a cost of \$Z 28 million. In addition, the replacement programme is seriously in arrears. Over the next two years, it is estimated that an additional \$Z 37 million will be required for the regular replacement programme. In addition to the plant and equipment required by the Government for the roads for

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which it is responsible, local authorities and town councils have the responsibility for roads within their borders. The Government has estimated that local authorities and town councils will require \$Z 13,471,000 to replace worn out road equipment, vehicles and machinery during 1980/81.

(iv) Civil aviation

111. To meet the requirements of future traffic, it will be necessary to replace over-aged aircraft and equipment and to modernize air navigation facilities, communications and navigational aids. An immediate requirement is to replace worn out and obsolete facilities and provide levels of service to meet the standards of the International Civil Aviation Organization (ICAO). Table 13 gives the estimated costs of urgently needed improvements. Other requirements are considered in the section on longer-term development requirements.

Table 13

Civil aviation needs

	<u>Estimated costs</u> (in Zimbabwean dollars)
Replacement of radar display system at Salisbury Airport	500 000
Replacement of 26 non-directional beacons around airports	520 000
Replacement of 50 per cent of 50 watt transmitters and receivers VMF and UHF on airport perimeters (some extended range):	600 000
Replacement of VDF systems at certain airports to improve safety or comply with ICAO standards:	
- Fort Victoria (new)	
- Salisbury (replacement)	
- Wankie National Park (new)	
- Charles Prince Airport (new)	210 000
- Buffalo Range (new)	
- Kariba (replacement)	
Doppler VOR/DME requirements to comply with ICAO standards - Fort Victoria system:	
- Victoria Falls system	500 000
ILS installation at Bulawayo to comply with international operations requirements. Thomson CSF system - category one system	250 000
Long-range radar system for Bulawayo complete with secondary surveillance radar to comply with ICAO standards	3 300 000
ILS installation for Victoria Falls	250 000
Secondary surveillance radar equipment for Salisbury SSR to meet ICAO required standards by 1982	400 000
Total	<u>6 530 000</u>

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(v) Inland waterways

112. With the independence of Zimbabwe, it is now possible to develop the Lake Kariba area which was very much affected by the war. This will necessarily involve a joint programme with Zambia on navigational aids. In addition, the over-all development of the lake and its surrounding regions and the preparation of a master development plan will involve close co-operation between Zimbabwe and Zambia. Assistance required in those areas is included under regional projects.

113. A number of projects, however, are required if development on the Zimbabwe shore of Lake Kariba is to proceed. The details are given in table 14. In total, the costs amount to \$Z 1,850,000.

Table 14

Assistance required for Lake Kariba development

(in Zimbabwean dollars)

Vessel (some 50 m long) for Lake Kariba with derricks and suitable for search and rescue with radio/radar	350,000
Radio stations at Kariba, Sinamwenda and Binga with control tower at Kariba	500,000
Harbour development for commercial, tourism and rural development purposes	
- Andona (commercial and fishing)	500,000
- Chiumra (commercial, with breakwater)	250,000
- Milabizi (commercial and fishing)	250,000
Total	<u>1,850,000</u>

3. Telecommunications

(a) Overview

114. The telecommunications network within Zimbabwe is quite extensive. International communications, however, are very dependent on links with South Africa and have not been developed with neighbouring independent countries.

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115. There are three areas which require immediate rehabilitation and development. First, it is necessary to repair a large number of telephone lines which suffered extensive damage during the war. Secondly, telecommunications services must be extended into rural areas where large numbers of people are without adequate links to the rest of the country. Thirdly, it is critically important to establish adequate links with Botswana, Mozambique and Zambia in order to take advantage of the expanded opportunities for trade and transport in the region.

116. There is a shortage of skilled technical staff, and training facilities need to be established. In order to minimize maintenance problems, it is planned to use an open wire system to expand telecommunications services in the rural areas.

117. The communications with neighbouring countries will be improved through the establishment of microwave links to Victoria Falls and Kariba to connect with the Zambian system. The connexions with Botswana will involve establishing links inside Botswana and inside Zimbabwe. This link is therefore included in the section on regional projects. A particularly important rehabilitation requirement is new terminal equipment at Umtali to improve communications with Mozambique.

(b) Assistance required

118. Table 15 provides an estimate of the immediate assistance required in the telecommunications sector. In total, the immediate rehabilitation requirements amount to \$Z 15,150,000.

Table 15

Immediate rehabilitation needs in the
 telecommunications sector

(in Zimbabwean dollars)

Repair of war-damaged telephone lines, including poles, copper wire, copper weld, etc.	3,500,000
Establishment of microwave links:	
(i) Bulawayo-Victoria Falls	3,500,000
(ii) Salisbury-Umtali (terminal equipment only)	150,000
(iii) Salisbury-Kariba (to join up with Zambia)	3,000,000
Rural areas - extension of telephone system	3,000,000
Training requirements:	
Setting up training school in Gwelo, and equipment and lecturers for two-three year programme	2,000,000
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Total	15,150,000
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4. Electric power

(a) Overview

119. Hydro-electric power generation at Kariba Dam is the responsibility of the Central African Power Corporation (CAPC) which supplies bulk electricity from the facility on the Zambezi River jointly owned by Zambia and Zimbabwe. In addition, there are a number of old thermal plants. Distribution of electricity in Zimbabwe is the responsibility of the Electricity Supply Commission (ESC) and the city authorities in Salisbury, Bulawayo, Montali and Gwelo.

120. In recent years the sales of electricity have increased at an average annual rate of 10 per cent, a trend which is expected to continue in the foreseeable future. At the present time, the generating capacity in Zimbabwe falls far short of the requirements for electric power and the shortfall is met by importing power from Zambia. In 1979, nearly one quarter of the total power requirements were imported, and the Government estimates that 400 megawatts will need to be supplied during 1980. It is expected, however, that Zambia's power requirements will increase with the further development of the Zambian economy, resulting in less power being available for export.

121. In recent years, it has not been possible to consider the hydro-electric power capacity and the demands for electricity on a regional basis. In the new circumstances, it will be possible to re-examine electricity demands in the region and the most efficient way to produce power, having regard to the capacity of the Cabora Bassa dam in Mozambique and the potential for developing additional sites on the Zambezi River. It is known that there is a possibility to expand the generating capacity at Kariba South and that there are possible sites for new hydro-electric installations at Mpata Gorge, Devil's Gorge, and Botaka Gorge. In view of the lead time before hydro-electric projects can become operational, it is important to commence immediate exploratory work by engaging consultants to survey future hydro-electric power projects on the Zambezi. This work will necessarily involve close co-operation with Zambia and the project for the examination of those sites is included under regional projects.

(b) Assistance required

122. In addition to the hydro-electric power drawn from CAPC, about 30 per cent of the total electricity generated in Zimbabwe comes from old thermal plants which need to be replaced. Prior to independence, when co-operation with neighbouring countries was not possible, the development of a new thermal power plant at Wankie was initiated. The project was planned to be carried out in two phases: in the first phase, some 480 megawatts of generating capacity would be installed in the period from 1980-1982; phase two would involve the installation of another 800 megawatts. Phase one has commenced, although all funding has not yet been secured. The thermal plant is based on the use of coal and phase one will only be sufficient to replace obsolete thermal plants which it is hoped to take out of service over the next three years. The estimated cost of the first phase of the thermal station at Wankie is \$Z 224 million, not all of which has been funded, and external financing is being sought for the repairing elements of the project.

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5. Health needs

123. The health services in the rural areas of Zimbabwe have always been inadequate and the rural people suffer from widespread disease. The basic causes are poverty, the lack of potable water, unsanitary and overcrowded living conditions, the prevalence of communicable diseases, and the lack of preventive health services. In addition, people in the rural areas have suffered from an inadequate diet partly as a result of reducing consumption in order to sell products to earn money for basic necessities.

124. The existing health services are made up of the Ministry of Health of the central government, facilities operated by the local authorities, industrial medical services, missionary installations, and a variety of private facilities. Most of the advanced health services are available only in urban areas. Rural health care is rudimentary and is provided in large measure by voluntary organizations such as church missions. In general, 90 per cent of health expenditures have been on curative services and only 10 per cent on preventive medicine.

125. In 1977, there were 855 registered doctors, of which only 58 were Africans. This means that there was about one doctor for each 8,000 people. Most of the doctors practised in the urban areas.

126. As a result of the war and the disruption of rural agricultural production, malnutrition has increased along with overcrowding and disruption of rural water supplies. The inadequate rural health services have been drastically curtailed and, in some areas, have disappeared altogether. The country faces an urgent task of nutritional rehabilitation, particularly of children, and the need to introduce a widespread programme to control communicable diseases, especially tuberculosis, leprosy, cholera, malaria and sleeping sickness.

127. By 1979, more than half of the church-operated hospitals and a third of the church-operated clinics had been closed down, and the remaining facilities faced severe shortages of qualified staff and medical supplies. Most of the 160 council clinics in the rural areas have been destroyed or damaged or the trained staff have left. Fourteen government hospitals have also been closed. Out of 16 training clinics for medical workers, only 3 are in operation, and these have a much reduced capacity.

128. The immediate programme of assistance drawn up by UNHCR for the rehabilitation of returnees and displaced persons included \$11.7 million to repair damaged clinics and hospitals, for equipment and for an immunization programme. However, much greater assistance will be needed in the next two to three years to rebuild and develop rural health services. In addition to reactivating clinics which were closed as a result of the war, 250 new primary care clinics are required in the rural areas at an estimated cost of \$Z 5 million. About 300 houses are required for health personnel which will cost over \$Z 2.2 million. In addition, there is an urgent need for 37 land rovers, 22 trucks and 50 ambulances. In total, the Government has estimated that, in addition to the provisions for health in the programme drawn up by UNHCR, \$Z 3.8 million would be needed to reopen closed health institutions, and

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\$Z 28 million will be required to cope with the pressing needs for improved basic health care in the rural areas.

129. In view of the limited resources available to the Government, it was not possible to include the required rehabilitation programmes in the health sector in the budgeted expenditures for 1980/81. Local resources will largely be used to complete the General Hospital at Chitungwiza, to extend the Bindura Hospital, and for major expansions of health facilities in Gwelo and Umvukwes.

6. Maize requirements

130. The basic staple in Zimbabwe is Maize. Unlike most other countries in the region, Zimbabwe has been largely self-sufficient in all foodstuffs and, in the case of maize, in the 10 years prior to 1979, was able on average to export nearly 540,000 tonnes annually. However, in the 1978/79 and 1979/80 crop seasons, the country suffered from widespread drought which, combined with the effects of the war in the rural areas, has resulted in the country facing a maize deficit for normal consumption in 1980. Table 16 provides forecasts of maize production for the 1979/80 season:

Table 16
Forecasts of maize production
1979/80 season

	<u>Area in ha</u>	<u>Yield/ha</u>	<u>Production/ tonnes</u>
<u>Maize</u>			
Large-scale commercial	215,000	4,000	860,000
Small-scale commercial	31,000	1,226	38,000
Former tribal trust lands	900,000	.778	700,000
<u>Maize deliveries to AMB</u>			
Large-scale commercial			600,000
Small-scale commercial			14,000
Former tribal trust lands			40,000
<u>Maize retentions</u>			
Large-scale commercial			260,000
Small-scale commercial			24,000
Former tribal trust lands			400,000 to 660,000
Total			<u>1,338,000 to 1,598,000</u>

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131. Total maize production in the 1979/80 season is estimated to be between 1.3 million tonnes and 1.6 million tonnes. The wide margin in the estimate arises from inadequate data on production in the former tribal trust lands. However, comparing the forecasts for the 1979/80 season with forecasts for earlier years, it is clear that total maize production is expected to be about 30 per cent less than normal.

132. Because of the drought in the previous crop year, the country had minimal stocks on hand at the beginning of 1980. The shortfall of about 70,000 tonnes for normal consumption, coupled with the requirements to have some reserves in stock, means that Zimbabwe will need to import about 190,000 tonnes of maize during 1980.

133. Although maize is the staple crop, there is also an urgent need, particularly in the rural areas, for pulses, dried skim milk, and edible oils. The Ministry of Health has stressed the need for nutritional rehabilitation as an aftermath of the disruptions and dislocations of the war.

134. It should be noted that Zimbabwe is expected to play a significant role in the regional food security plan being considered by the countries in southern Africa. Under these circumstances, it is important that better data be provided for maize production in the rural areas and improved methods of crop forecasting be introduced. This suggests that attention should be given to the development of an early warning system combined with a much extended and more reliable reporting system for cereals in the rural areas.

7. Special problems of youth and women

Youth

135. The economic and social system which existed in Zimbabwe prior to independence created major distortions in the age and sex balance of the population in both the urban and rural areas. It is estimated that there are in the rural areas more than one million dependants of people employed in the commercial sector as a result of past controls which did not allow whole families to leave the former tribal trust lands. In addition, the recently ended war resulted in the dislocation of large numbers of Zimbabweans who either drifted to the urban centres, sought refuge in neighbouring countries, joined the liberation armies or were herded into so-called "protected villages". The problems have been exacerbated by the lack of employment opportunities. Between 1975 and 1979 the numbers in employment fell by 63,500. The seriousness of the unemployment problem can be appreciated when it is realized that during that period nearly 100,000 people were entering the labour force each year.

136. Young people appear to account for a very high percentage of the displaced and unemployed people. This is particularly true of persons who joined the liberation armies in the last three or four years of the war, large numbers of whom were adolescents who had abandoned schools virtually en masse and account for a high proportion of the more than 30,000 men and women currently grouped in assembly points around Zimbabwe.

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137. For a number of reasons, the situation of these young people poses a grave problem for the Government. Some without adequate education will be difficult to absorb into training establishments and the new national army would only be able to absorb a small proportion of the total.

Training establishments

138. Many of the young people in question have attained moderate levels of vocational skills, formally or informally.

139. Although the Government is actively resettling and rehabilitating those who wish to return to their villages, it is clear that it will take some time to design and implement a major integrated rural development programme on which the future of the country will depend. In the meantime, the Government is anxious to establish a programme which would offer to a limited number of these partially educated, semi-skilled and politically motivated young people, an opportunity to settle in economically productive communities in the countryside. The intention would be to recruit the young people mainly, but not exclusively, from the assembly points.

140. The Government is fully aware of the difficulties of succeeding with any mass programme, and wishes to establish a pilot project designed to settle approximately 200 young men and women in each of eight pioneer communities.

141. A detailed project has been drawn up for this pilot project which would cost approximately \$Z 1 million. The project would involve the provision of expertise in organization, training and agronomy at each community, necessary vehicles, tools and training aids and a number of fellowships to provide training in youth leadership, co-operatives, credit and marketing.

142. The Ministry of Youth, Sports and Leisure would wish to have a careful evaluation of this pilot project with a view to effecting any necessary adjustments to the approach adopted in the hope that it could be massively replicated throughout the countryside.

Women's projects

143. In the past, African women were denied the possibility of contributing fully to the economic and social development of the country and faced dual discrimination as Africans and as women. In the rural areas the women have carried a disproportionate share of subsistence agriculture, as many of the men from the former tribal trust lands worked on European farms, in the mines, or drifted to the urban centres in search of employment. A measure of this distortion is the low proportion, only 6.8 per cent, which women made up of the working population in the non-agricultural sector. To a greater extent than in most countries, employed women were concentrated in nursing, teaching and domestic service.

144. Although the statistics on the urban population are inadequate, it is clear that a large number of African women are concentrated in an informal sector in the cities as hawkers and petty traders of handicrafts, food and beer. These urban

women lack any organized structures or programmes for their development. Even in the agricultural sector, the possibilities for women to participate fully were limited. Although women were the major food producers, they were not provided with training and the few agricultural extension workers who were engaged in the former tribal trust lands were generally men who did not work with women. The post-secondary agricultural training institute for Africans at Chibere was not open to women.

145. The Government of Zimbabwe has recognized the valuable role which women played, not only in the liberation struggle but also in the political movements and activities which led to independence. It is particularly anxious that this significant break with tradition not be reversed and that programmes be put in place as quickly as possible to allow women to play a vital role in resettlement and national reconstruction. This will necessarily involve the creation of institutions to ensure that women's economic skills can be upgraded and that they be provided with both the opportunities and the means to participate fully in the economic and political life of the country.

146. The Government, therefore, wishes to set up a national centre for Zimbabwe women linked to provincial centres outside the capital. The cost of constructing a national centre and four regional centres is estimated at \$Z 1.1 million.

147. The Government is also anxious to obtain immediate international assistance to allow local centres to begin functioning and to provide training for Zimbabwean women at the local level. Local centres would be designed to assist rural women in subsistence agricultural resettlement programmes, unemployed women in the urban areas and women involved in the informal sector, and women who are working as domestics. The cost of establishing local centres is estimated at \$Z 1.5 million.

8. Regional projects

148. Since 1965 it has not been possible to work out and design development projects with independent African countries in the region. The lack of co-ordinated development programmes and projects in the region has been particularly serious and has necessarily involved the various countries in the region undertaking investments and planning development projects without regard to the advantages and savings which would accrue from co-ordinated programmes. Further, some co-operative programmes which had been worked out in the period prior to 1965 were disrupted. These factors have been particularly serious with regard to animal health programmes, agricultural research, transport and communications, and exploratory work on river basin developments.

149. The majority-ruled countries in the southern African region are now formulating regional institutions and structures to allow regional development programmes to be designed and implemented. As a first step, the Governments have agreed to create a Transportation and Communications Commission for the region at Beira in Mozambique, and have requested each of the countries in the region to examine a major sector where regional co-operation might prove fruitful.

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150. Although the regional projects to which the Governments would wish to give priority have not yet all been identified, it is clear that there are a number of areas related to rehabilitation and reconstruction following the independence of Zimbabwe where regional projects are necessary. The mission has identified four such areas for which international assistance is urgently required. The details are shown in table 17 below. In total, \$8,758,600 is required.

Table 17

Regional projects

(in United States dollars)

(a) Foot and mouth disease programme (with Botswana)	2,173,600
(b) Exploratory work for Zambezi hydroelectric power projects (with Zambia)	3,160,000
(c) Microwave link - Bulawayo/Francistown (with Botswana)	2,370,000
(d) Lake Kariba development (with Zambia)	
Navigational aids (20 light beacons, visual landmarks, 200 new buoys)	505,000
Master plan for lake development (consultants)	550,000
	8,758,600

151. In addition to the above identified projects, there are three other areas for regional co-operation which should be examined urgently in order that appropriate development projects and programmes can be designed. One concerns the development and siting of a rain-fed agricultural research institute in the region, which would be of interest and value to Angola, Botswana, Mozambique, Zambia and Zimbabwe. A second possibility relates to the most appropriate use of the available facilities for the maintenance, repair and rehabilitation of steam locomotives. At the present time, Mozambique and Zimbabwe both suffer from shortages of skilled technicians required to keep the steam locomotives fleets operating. There may be possibilities for co-operation between these countries and possibly with Zambia in setting up a regional project for international assistance.

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152. A third area concerns hydroelectric power. Although a number of the river basins in the area need to have their over-all development planned in a regional context, the examination of the possibilities for hydroelectric power generation and transmission in the region is particularly urgent. Zimbabwe has relied on the import of electricity from Zambia. It is expected that the development of the Zambian economy will reduce the amount of power available for export.

153. Prior to the independence of Zimbabwe, a major programme was developed to supply Zimbabwe's electricity needs from a thermal plant at Wankie. The second stage of the Wankie plant which, when completed, would produce nearly 1,000 megawatts, would cost about \$Z 750 million. It is, however, possible that the full development of Cabora Bassa would produce power in excess of Mozambique's needs for the next decade and could be a less expensive source of power for Zimbabwe. This is an area which requires immediate study since the second stage of Wankie is presently being planned to commence in 1983.

B. Longer-term development needs

154. In the short period since independence, it has not been possible for the Government of Zimbabwe to draw up a longer-term development programme. It is, however, possible to identify certain sectors which require immediate attention. These are the formulation of an integrated rural development programme, a national education plan and a programme to deal with the problems in the urban centres.

155. One of the programmes with the highest priority, but one of the most difficult to work out in detail, is a programme for integrated rural development. This will necessarily involve a land reform programme, appropriate price and credit policies, the resettlement of people from overcrowded rural areas, and the establishment of commercial and service centres in the rural areas. Although a substantial amount of information is available, no programme has yet been formulated to reflect the policies of the independent Government of Zimbabwe. It is clear, however, that the development of the neglected rural areas in Zimbabwe, will involve enormous costs.

156. The urgency of making a beginning on the development of the rural areas was reflected in the budget for 1980/81. In total, more than \$Z 12 million was provided for land acquisition and rural development programmes. The Government of Zimbabwe has stressed the necessity of making additional land available for the rural poor, feeling that the widespread inequalities of income will only be overcome if the rural poor are provided with additional land with which to work. In his budget statement of 24 July 1980, the Minister of Finance pointed out that, although the Government would have wished to channel more funds in this direction, various constraints precluded the undertaking of a larger programme during 1980/81. The Minister appealed for additional international assistance for the rural development programme pointing out that there was a need for a massive injection of funds for development and land acquisition.

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157. In terms of education, the present education and training facilities are inadequate to cope with the demands which will be made on them. It is clear that the university will need to be expanded and new facilities established. Vocational training will require new facilities and staff. Even the normal primary and secondary educational system is inadequate and massive resources will be required for their expansion.

158. In spite of the shortage of resources and the other urgent claims on the new Government's finances, \$Z 8.5 million was provided for the education programme for 1980-1981. The funds will be used to expand teachers' training facilities, to extend a number of schools in the urban area and to construct 4 new secondary schools and 12 new primary schools.

159. With regard to vocational training, provision was made to extend all the technical colleges so that the enrolment could be increased by up to 50 per cent in the more urgently needed trades and vocations.

160. There are also critical problems in the urban centres. In the new circumstances, it can be expected that large numbers of dependants who were previously restricted to the rural areas will move to the urban centres to join the wage earner. This will compound the problems arising from the normal rural urban drift which may be high even by African standards given the time which must necessarily elapse before integrated rural development programmes can be implemented. At the present time, it is estimated that there is a backlog of more than 37,000 houses in the urban centres, and it would cost over \$Z 70 million merely to meet this backlog.

161. At the present time, it is difficult to provide any reasonable estimates of the longer-time development needs in these three high priority areas. However, it has been possible for the mission to identify a number of longer-term development projects relating to the expansion of the basic economic infrastructure of the country. Details of these projects are given in table 18.

Table 18

Longer-term development projects

(in millions of
 Zimbabwean dollars)

(a) Railways - purchase of 56 electric locomotives and conversion of 19 diesel electrics	75,550
- workshop equipment	40,000
- new yards, depots and stations	8,300
- new rail line	48,000
- rationalization, realignment and extensions	16,240
(b) Roads - road improvement	57,600
- repair of district roads	38,100
(c) Telecommunications - earth station	8,000
- gateway exchange	3,000
- extension of telephones to rural areas	17,000
(d) Civil Aviation - new terminal at Salisbury	60,100
- resiting Kariba runway	13,500
- new terminal at Bulawayo	16,400
- two new aircraft (737s)	30,000
(e) Development of Kariba South (300 megawatts)	100,000
Wankie phase II	750,000

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162. In transport, telecommunications and power, detailed projections of needs are regularly made and brought up to date because of the long lead time to implement projects to increase capacity. Further, the negotiation of international assistance for those kinds of projects tends to be a lengthy process. The listing of the longer-term development projects, therefore, is not necessarily a reflection of development priorities. The information is provided so that the examination of those massive investments can begin as soon as possible. The actual timing of the investments will need to be determined on the basis of resources available and the claims of other urgent programmes, particularly rural development, education, health and urban housing.

Appendix

LIST OF DEVELOPMENT PROJECTS

1. Agriculture and forestry

(a) Forestry extension/awareness programme

Aims at producing two or three forestry extension/training films for a five-year programme in order to promote timber, inter alia, as an export crop. The cost is estimated at \$119,000.

(b) Afforestation/reafforestation

Large-scale afforestation to establish exotic plantations on five forest reserves (Mtao, Fuller, Gwaai, Chesa and Mafungabysi) which will become a source for fuelwood and pole supplies. The cost is estimated at \$224,000.

(c) Afforestation nursery establishment and re-establishment

In 30 districts, as a support for national afforestation scheme. The cost, based on a five-year period, is estimated at \$2,960,000 - an equal amount would be required to re-establish nurseries affected by recent security situation. Total cost - \$5,920,000.

(d) Water and land development

A rolling five-year programme to stabilize agricultural production in dry areas, to provide core estates and settlement units of economic size to affect a larger number of people than can be accommodated on dry land settlement, in order to increase productivity and living standards. The estimated cost for phase I, which will take five years, stands at \$146,000.

(e) Settlement of newly-acquired land

The project aims at settlement of emergent farmers on suitable land in the commercial sector in order to alleviate land pressure problems and improve the opportunity and way of life of those selected.

(f) Planning study of the national food economy

With the purpose of assessing future levels of production and consumption by commodity as well as their location at an estimated cost of \$0.22 million for a period of six months.

(g) Food aid

The procurement and distribution of food for rehabilitation in the rural areas (maize, dried skim milk, vegetable oil and food) linked, if possible, with reconstruction efforts.

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(h) Ministry of Lands, Resettlement and Rural Development training programme

Training of Ministry personnel in co-operative farming management and administration at an estimated cost of \$280,300.

(i) Fencing for stock and cattle disease control

In rural areas, at an estimated cost of \$6 million for two years.

(j) Multinational co-operation in the control of animal diseases and improvement of livestock production

(k) Rural community development works: aided self-help

Establishment of a pilot scheme and upgrading of rural living. The cost is estimated at \$425,000 for two years.

(l) Ministry of Lands, Resettlement and Rural Development: workshop

With the aim of providing Government with experience from other African countries in settlement issues at an estimated cost of \$27,500.

(m) Integrated rural development

To create in identified geographical areas self-contained rural centres with basic and integrated services - electricity, roads, schools, health services etc. in order to redress the unbalanced development of the past. Phase I of the programme, which will take five years, is estimated at \$266,800.

(n) Urban development in rural areas

The long-term aim of the project is the creation in rural areas, of main towns, which do not currently exist, to serve as development centres. The immediate concern would be detailed contour mapping involving survey, engineering and management skills. Phase I of this programme will take five years and cost about \$25,620.

(o) Land settlement and resettlement regional workshop

Support for regional workshop bringing together participants from Zimbabwe, Botswana, Zambia, Kenya and the United Republic of Tanzania, to assist Government in planning of settlement programmes at an estimated cost of \$46,000.

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2. Industry

(a) Small-scale and rural-based industries: support services

This project includes advisory services with respect to planning and engineering at an estimated cost of \$562,000 for a period of two years.

(b) Diagnostic survey of the manufacturing sector

Estimated at a cost of \$154,800 for a period of four months.

(c) Manufacturing and mineral processing sectors: pre-investment and financial assistance

This includes financial assistance to several large-scale projects for which external loans of \$Z 250 million would be required, financial assistance to the Development Finance Corporation for small-scale industries' development estimated at \$Z 30 million for the next three years, and pre-investment assistance to the same Corporation estimated at \$Z 2 million.

(d) Establishment of multinational iron and steel complexes and related metallurgical industries

Based on iron and related deposits in the subregion.

(e) Institute of Mining Research

Assistance in purchasing equipment and upgrading facilities for research by post-graduate students.

(f) Airborne geophysical survey of Zimbabwe

Estimated at \$5 million for five years.

(g) Seismic and graphic survey

To investigate deposits of salt. Cost estimated at \$0.7 million for five years.

(h) National gravity survey

Commenced in 1976 but was abandoned. Cost estimated at \$1 million.

(i) Assistance to the Department of Metallurgy

Aimed at upgrading the equipment and providing advisory services at an estimated cost of \$1.5 million for a period of five years.

3. Energy

(a) Coal research laboratory

The establishment of such an institution, with inputs mainly of equipment, is estimated at \$0.8 million for five years.

(b) Survey of possible production of synthetic fuel from coal

Aims at preparatory advisory assistance for establishing a coal liquefaction plant estimated at \$20,000.

(c) Alternative technologies and unconventional energy sources

Including a preparatory assistance mission estimated at \$10,000, and a possible project of three years of up to \$0.5 million.

4. Water

(a) Ground water resources development

Advisory services, draining equipment and supplies for developing the use of ground water at a cost of several million dollars.

(b) Ground water research unit in the Department of Land Management, Faculty of Agriculture, University of Zimbabwe

(c) Irrigation technician training

Establishing six-months training courses for a period of five years at an estimated cost of \$1,204,000.

5. Housing

(a) Housing development - low income

Preparation of a crash national housing programme in three phases: the first being preparatory advisory assistance; the second, a housing study and pilot housing operations; and the third, the establishment of a national housing development programme. The two first phases are costed at \$0.99 million.

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6. External trade

(a) Inter-country projects

Participation in selected UNCTAD inter-country projects which would include assistance in trade policy and trade negotiations, utilization of the Generalized System of Preferences (GSP), economic co-operation among developing countries, development of trade with socialist countries and import procurement. Main costs would be covered by existing inter-country projects.

(b) Trade promotion

Technical assistance in the field of trade promotion which includes devising a strategy for trade promotion, identification of products for market development, study awards and strengthening of functional services for export and assessment of training needs and resources. The cost is estimated at \$150,000 per year.

(c) Inter-country economic co-operation

Assistance from the Organization of African Unity (OAU) to Zimbabwe in accordance with the Lagos Plan of Action, adopted by African heads of State and Governments in Lagos on 29 April 1980; this aims at promoting inter-country economic co-operation and the creation of an African economic community by the year 2000. The most important areas for this assistance concerns self-sufficiency in food, adequate physical and social infrastructure facilities, supply of energy and development of science and technology.

(d) Participation of Zimbabwe in the Preferential Trade Area (PTA) for eastern and southern African States

7. Posts and telecommunications

(a) Telecommunications

Six projects in the field of telecommunications. (Projects in the broadcasting fields will be formulated at a later stage.) The following list gives the different projects and an estimate of the corresponding external financial required:

	<u>Millions of dollars</u>
Planning of the telecommunication services	0.42
Microwave link Bulawayo-Victoria Falls	3.20
Training needs survey	2.00
Frequency management and control	0.12
Restoration of telecommunication facilities damaged during the war	2.80
Establishment of integrated Pan African Telecommunication Network	1.60

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(b) Postal facilities

Two projects: one concerning improvement of postal facilities in rural areas, the aim being to help posts and telecommunications to establish at least one post office for each rural community or village; the other project concerns postal manpower and training with emphasis on promoting low-level in-service employees to clerks (the Universal Postal Union will finance two short-term advisory missions - three months in 1980 and three months in 1981 - for these purposes). The other international inputs for equipment for postal agencies in rural areas are estimated at \$0.5 million.

8. Roads, railways and transportation

(a) Transit/transport assistance

Assistance in transit transport for Zimbabwe (RAF/77/017/Satellite B) with the aim of identifying transit transport bottlenecks for Zimbabwe traffic and proposing remedial measures at an estimated cost of \$1.13 million for two years.

(b) Transport by air

To provide urgently needed operational personnel to fill positions which are vacant and to cover the training of their Zimbabwean counterparts so as to ensure continued maintenance of international civil aviation safety standards. A three-year project is suggested at an estimated cost of \$864,000 for experts and \$240,000 for fellowships.

(c) Transport

Co-operation between neighbouring States in various fields of transport and communications.

9. Shipping

(a) Hydrographic survey and provision of adequate navigational aids in Lake Kariba

The aim is to undertake a hydrographic survey of the lake for the purpose of proper navigation and the development of associated economic activities for the area - fishing, water transport, development communities etc. A two-man feasibility study mission for one month is envisaged, at the initial stage, at an estimated cost of \$15,000.

(b) Development of national shipping policy and maritime administrative infrastructure

This project aims at reviewing the entire shipping policy and at determining a new trade and transportation policy for the country. It will take over 2 1/2 years with an estimated cost of \$250,000.

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10. Tourism

(a) Training of tourist industry staff

With the aim of creating a new school for hotel staff, tour operators, etc., at an initial cost of \$1.9 million.

11. Population and manpower

(a) Population census in 1981.

(b) Demographic sample survey regarding fertility and mortality levels and migration trends.

(c) Establishment of a population analysis unit.

(d) Teaching of economic demography.

(e) Population information education and communication.

(f) United Nations volunteers

A multisectoral project for assistance in strengthening the Ministry of Manpower Planning and Development through the provision of skilled technicians who will accommodate temporarily the Ministry's needs at an operational level within the Ministry or in other ministries as required. This will involve the use of about 15 volunteers at a cost of \$10,000 per volunteer annually. The total cost for the period 1980-1982 is estimated at \$325,000 and \$90,000 respectively.

(g) Labour and administration

Assistance in the following fields: emergency employment schemes, particularly labour intensive public works schemes in the rural areas; new policies in incomes and wages aiming at reducing the present gross inequalities; manpower survey; manpower planning and development; occupational safety and health; management development; vocational training; vocational rehabilitation; co-operative development; workers organization; labour legislation; and programming advice to the Ministry of Labour. Most of these activities would require further consultations before precise formulation and costing.

(h) Craft training for reconstruction

Which aims at training multipurpose operators in mechanics and building in rural areas at an estimated cost of \$2 million per year for eighth training centres.

(i) Development of middle-level management for industry

Including preparatory programme planning mission and providing a team of experts for training at an estimated cost of \$813,000.

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(j) Survey of industrial training facilities and training needs

Requiring three months consultancy at an estimated cost of \$36,000.

(k) Recruitment of polytechnic lecturers

To a maximum of 30, starting May 1981, at a cost of \$0.4 million.

(l) Assistance to the Mining Training Institute at Bulawayo

Costs still to be determined.

(m) Manpower development

Through co-ordinated programme of fellowships abroad and facilities for training and research at various subregional and regional institutes as well as through specialized seminars and workshops on public administration and management.

(n) Ministry of Mines and Energy Resources

Assistance in training of personnel which would include advisory services, equipment and fellowships at a total cost of \$1,176,000 for a period of five years.

(o) Health manpower development

Which has the aim of assisting in training manpower in the national health system, health teaching at the University of Zimbabwe and other institutions for doctors and paramedical staff. This would require provision of teachers and fellowships.

(p) Meteorology

Project on meteorological training in which 13 meteorologists would be trained in Nairobi and four instruments technicians in Cairo at an estimated cost of \$0.56 million.

12. Women

(a) Women's participation in the development process

Aims at establishing a national centre for Zimbabwean women and provincial centres in the rural areas. The international input including experts, fellowships, is estimated at \$1,000,200 (excluding buildings) for July 1980 to 31 December 1981.

(b) Women: economic role of rural Zimbabwean women in development

Aims at integrating women into national rural development schemes estimated at \$1.6 million for five years.

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(c) Women: integration of women in development

Aims at providing facilities for training, research and planning for women in order to involve them more efficaciously in the national development process.

13. Youth

(a) Policies and programmes advisory services

Which would provide consultants' services beginning July 1980 for four to six weeks.

(b) Youth centres for development

Creation of a national network of youth centres for development. Inputs in terms of experts, consultants' services, equipment and fellowships estimated at \$225,300 for the period 1 October 1980 through 31 December 1981.

(c) Youth community settler scheme

Would involve 200 young persons (eight communities) at a cost estimated at \$1,272,000 for two years starting 1980.

14. Planning and administration

(a) Planning, management and reorientation of the external sector

Would include advisory services in foreign trade planning, export credit insurance, technology policies, and trade facilitation, management of financial flows and external debt, a workshop in Salisbury on international trade issues. Total cost of \$306,000 for 18 months.

(b) Regional development planning, land use and investment

Location aims at establishing guidelines and control mechanisms for rehabilitation and reconstruction investments. The inputs of advisory services are estimated at \$1.5 million for two years.

(c) Zimbabwe Institute of Development Administration

Assistance would include experts and equipment for the establishment of the Institute at an estimated cost of \$885,900 for one year.

(d) Consultant services to the Ministry of Education and Culture

In educational administration and culture at a cost of \$12,000.

(e) Advisory services to the Government

Particularly in the fields of physical planning and human settlement, population and construction industries.

(f) Development planning

Urgent provision for three high-level advisers to be assigned to the Ministry of Economic Planning and Development for purposes of, inter alia, undertaking macro-economic analysis, design of economic policy and plan formulation, co-ordination of plan implementation activities and development financing. Short-term consultants will also be needed at various stages of the planning process. As the Ministry is still in the process of formation, supporting logistics such as vehicle and office equipment will be required. The project, which will last about three years, is estimated at \$985,000.

15. Science and technology

(a) National Council for Scientific Research and Development of Science and Technology Policy

Assistance to the Council for Scientific Research and Development of Science and Technology Policy.

(b) Clay research laboratory (establishment of)

Inputs, mainly equipment, estimated at \$0.4 million for five years.

(c) Isotope Laboratory

Equipment estimated at \$0.55 million.

(d) Department of Biological Science

Assistance to the University of Zimbabwe with inputs of equipment and personnel amounting to \$0.43 million for three years.

(e) Hostes-Nicolle Wildlife Research Station, Sengue River

To re-establish and expand the programme of research. The main inputs being fellowships at an estimated cost of \$0.1 million.

(f) Lake Kariba Limnological Research Station, Sinamwendo

Rehabilitation and rebuilding of this station and providing fellowships at a total cost of \$205,000 for a period of three years.

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(g) Industrial research services

Development aims at establishing a centre for industrial research, starting with a preparatory mission for two months.

(h) Property rights

Assistance in establishing appropriate infrastructure for the administration of intellectual property rights at an estimated cost of \$150,000 for three years.

(i) Association of standards

Assistance in the form of a preparatory mission by a standards and quality control expert estimated at \$5,000.

16. Education and training

(a) Training programme for primary school teachers

With a project manager for two years estimated at \$0.15 million.

(b) Primary school science education

With the aim of re-examining the curriculum by consultants at a cost of \$10,000.

(c) Educational materials development and production

Including materials in two languages - Shona and Ndebele. Estimated costs for advisory service \$12,000.

(d) Teachers colleges

Establishment of three, including pre-investment studies, buildings and equipment estimated at \$Z 9 million and technical assistance in the form of experts and volunteers, estimated at \$0.5 million.

(e) Consultancy services in educational facilities

Intended to provide architectural and school mapping expertise for proposed rural secondary schools estimated to cost \$15,000.

(f) Temporary teachers for secondary schools

Contribution to salaries and international travel for 100 teachers would require international inputs of \$684,200.

(g) Local languages in education

Envisages the creation of a Zimbabwe language centre. This project is based on one language educator each in Shona and Ndebele.

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(h) Training of planners at the University of Zimbabwe

Training of undergraduates, the first phase of which is a full feasibility study estimated at \$25,000.

(i) Training for geophysical exploration

The main input being equipment estimated at \$0.8 million for five years.

(j) Facilities at the University of Zimbabwe (improvement of)

With the purpose of constructing an examination hall, a hall of residence, a lecture theatre, computer facilities, and extension of the Library at a total capital cost of \$16 million.

(k) Agricultural education at the University of Zimbabwe

To provide practical farm training on a 100-acre farm attached to the University, at an estimated capital cost of \$1.5 million and an annual recurrent cost initially of \$0.18 million.

(l) Extending the agricultural course at the University of Zimbabwe

Changing the agricultural programme from three years to four years to include one year of practical work.

(m) Faculty of veterinary science at the University of Zimbabwe

Establishment at a capital cost of \$1.8 million and an annual recurrent cost of initially \$0.4 million, of the necessary facilities.

17. Mass media and communication

(a) Provincial information offices

To be established in order to extend radio, television, press and cinemas to rural areas at an estimated cost of \$0.72 million for a period of three years.

(b) Institute of mass communication

To provide the large number of trained personnel required for the expansion envisaged in the radio, television, film, press, public relations and field information services, and their utilization for development support, particularly in rural areas. Cost of experts, buildings and equipment estimated at \$2,348,000 for a period of five years.

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(c) Department of Information Production Services

Strengthening of production services by providing training fellowships and equipment to a total expenditure of \$0.75 million for a period of three years.

18. Health

(a) Disease prevention and control

Establishing a disease control programme, a mental health and an occupational health programme, especially for the rural population, with the assistance of consultants.

(b) Drugs

Assistance to bulk purchase of drugs and development of national pharmaceutical industry. Consultancy services would be required to prepare a national drug management policy.

(c) Food and nutrition programme

Collaboration in the food and nutrition programme, including a nutrition survey and development of a nutrition policy.

(d) Health planning and management

To provide the Government with a health development plan and to strengthen the planning unit in the Ministry of Health.

(e) Immunization programme

Provide immunization against the major infectious diseases, which includes provision of supplies and training of staff.

(f) Maternal and child health population policy

Policy aimed at reducing high infant and mother mortality.

(g) Primary health care

Development of primary health care aims at providing resources for training of staff and consultant services.

(h) Water supply and basic sanitary measures

Aims at establishing plans for providing the rural population with clean water through assistance of consultancy services.
