



Foreign and Commonwealth Office

London SW1A 2AH

19 November 1981

~~MOBBA~~ Yes
Content? Phil
MAF 207

Dear Mike,

Reply to House of Commons' Foreign Affairs Committee's Report
on Aid to Zimbabwe

I am writing to seek agreement to publication of the Government's reply to the above Report (HC 117).

// I enclose a note on the Report and the aid programme to which it relates. The proposed reply, which incorporates the Report's recommendations within the narrative, is annexed to this note. The Report, published on 30 September, concludes that Britain has a commendable record in providing aid to Zimbabwe. The reply accepts certain of the Report's recommendations - largely concerning practical measures to improve the flows of aid - and comments upon them all, correcting errors and misapprehensions as appropriate.

The Report was not controversial and attracted little publicity. The reply is likely to have a similar response. Indeed it is likely to be overshadowed by the publication of the Government's response to the Foreign Affairs Committee's two reports "The British North America Acts: the Role of Parliament" (HC 42 and 295) (ie the Canadian Constitution controversy) which is currently expected to appear in the first week of December. Accordingly we are asking HMSO to publish the reply as a Command Paper on 1 December, as early that week as is reasonable and as close as possible to the standard two months target for replies to Select Committee reports.

I am sending copies of this letter and enclosures to the Press Secretary, 10 Downing Street, and to the Private Secretaries to the Leader of the House of Commons, the Paymaster General, the Government Chief Whip in the House of Commons, the Chancellor of the Exchequer and the Secretary to the Cabinet.

/Subject to



Subject to any comments by the recipients, I should be grateful for your agreement, as soon as possible, to publication as proposed.

yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M A Pattison Esq
10 Downing Street

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c. B. Ingham

Zimbabwe

23 November 1981

REPLY TO HOUSE OF COMMONS' FOREIGN AFFAIRS
COMMITTEE'S REPORT ON AID TO ZIMBABWE

Thank you for your letter of 19 November.
I confirm that we have no objection to the
publication arrangements you propose.

M. A. PATTISON

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

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NOTE ON THE 6TH REPORT OF THE FOREIGN AFFAIRS COMMITTEE OF THE
HOUSE OF COMMONS SESSION 1980 - 81.

THE ROLE OF BRITISH AID IN THE ECONOMIC DEVELOPMENT OF ZIMBABWE

£75 million of British development aid was announced at the time of Zimbabwe's independence (18 April 1980) for commitment over a 3 year period. Further aid totalling £15 million was announced at the ZIMCORD Conference in March 1981. In addition the United Kingdom Government is providing some £8 million towards the cost of railway electrification and some £14 million to enable Zimbabwe students being financed by Britain at the time of independence to complete their existing courses.

The Sub Committee decided in July 1980 to investigate aid and development relating to Zimbabwe. It is one of an infrequent series of inquiries looking at the performance of British aid programmes in specific countries. In this case the general interest in Zimbabwe's progress since independence on 18 April 1980 was clearly relevant. As the report says:

"The present inquiry is different from those which preceded it in that there is no past programme to evaluate. Indeed, major decisions about the aid programme in Zimbabwe were still being taken during the course of our investigations. This was, rather, an inquiry which sought mainly to look forward and to "investigate the role of British aid in the economic development of Zimbabwe." At the same time Your Committee have been acutely conscious of the turbulent history of Zimbabwe, and have sought to examine the implications it has had for future possibilities of regional development in Southern Africa as a whole."

SIXTH REPORT FROM THE FOREIGN AFFAIRS COMMITTEE SESSION 1980/81
ZIMBABWE: THE ROLE OF BRITISH AID IN THE ECONOMIC DEVELOPMENT OF ZIMBABWE

Observations By the Secretary of State for Foreign & Commonwealth Affairs

(Marginal References are to the Relevant Paragraphs in the Select Committee Report)

1. The Government welcomes the Report published on 30 September and is grateful to the Committee for its detailed investigation.

The British Aid Programme

Para 65 2. The Government is pleased to note the Committee's conclusion that Britain has a commendable record in providing aid to Zimbabwe. However, the Government does not consider it appropriate to use the proposals made in 1977 as a yardstick for the measurement of the present programme. The Zimbabwe Development Fund initiative, which brought little response, lapsed with the rest of the Anglo-American plan: this was made clear during the course of the Lancaster House discussions. The fact that our aid programme to Zimbabwe is one of the biggest British aid programmes in Africa demonstrates in itself the importance which the Government attach to support to enable Zimbabwe to realise its potential in the early years of Independence and stand on its own feet.

Para 115 3. The Committee comments that Britain can hardly be expected to pledge more aid immediately but welcomes the assurance given by Lord Soames at the Donors Conference in March that we will consider how things look at the end of the present 3-year commitment period. The Committee adds that while it is obvious that the whole burden cannot fall to Britain we should continue to assist Zimbabwe well after the expiry of the present 3-year commitment period. Our own hope, and no doubt that of the Zimbabwe Government, is that Zimbabwe will not require long-term support in the form of aid from the international community. Indeed, it is our expectation that sound government and stability coupled with the international aid now available will go a very long way in putting the Zimbabwe economy on a sound and equitable

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footing. We shall monitor the developments and, in accordance with Lord Soames' statement, reconsider the position in 1983 when we shall look at Zimbabwe's progress, the overall limits of the British Aid Programme and the competing claims on its financial and manpower resources.

The International Response

4. We sought to play a full role both before and during the Donors Conference in encouraging Western donors to take part and to respond generously to Zimbabwe's requirements. As the Committee says the Conference was a success. At the closing session of the Conference the Minister of Economic Planning and Development said that the Zimbabwe Government was gratified with the results. The President said that from all indications the Conference had been a resounding success. It is true that the full sum required for projects in the area covered by the Conference agenda was not achieved but the Minister of Economic Planning and Development pointed out that many statements were made at the Conference which promised support but did not give figures. He said that the Zimbabwe Government estimated that when these statements had been followed up they would achieve the full target of Z\$1.2 billion.

5. Since the Conference aid donors have been working with the Zimbabwe Government to turn pledges into confirmed projects. Such action cannot be taken over night, even if assistance is provided in drawing up proposals. Nonetheless, we believe good progress is being made and that with continued efficiency in administration the Zimbabwe Government will be able to employ the aid available to it in the implementation of projects in priority areas for development during the 3-year plan period for which assistance was sought at the Donors Conference.

6. The Government made it clear at the Lancaster House Conference that it stood ready to assist in mobilising international aid for Zimbabwe if the Zimbabwe Government so wished. We have fulfilled that undertaking, and we believe that donors responded generously at the Zimcord Conference in March. The Zimbabwe Government has not indicated to us any dissatisfaction with the level of assistance being provided by particular donors nor has it asked for any UK support in seeking increases in particular aid donors' pledges. If it were to do so, however, we would consider what help we could usefully provide.

Land Resettlement

7. As the Committee records in its Report the documentation prepared for the Zimcord Conference shows that the Zimbabwe Government intends to tackle the problem of overcrowding in the former Tribal Trust Lands through a series of measures: dryland resettlement, the development of irrigated agriculture, urban growth centres in rural areas, the up-grading of the former Tribal Trust Lands through a series of Intensive Rural Development Areas (IRDAs) and the general expansion of employment opportunities in the country.

8. The Dryland Resettlement Programme has probably attracted the greatest attention, though the Donors Conference documentation indicates that the Zimbabwe Government intends to spend a greater sum on the development of irrigated agriculture during its 3-year plan period. Dryland Resettlement plans cover two programmes: the first is well under way and it is to this programme that the British Government is contributing £20 million. The second Resettlement Programme is due to start in 1982/83 and Lord Soames announced at the Donors Conference that the Government would provide an additional £10million for this programme. The Zimbabwe Government's policy is not to buy land for resettlement on a subsistence basis but to give settlers an income of about Z\$400 per annum above subsistence needs. As the Committee recognises, such a highly complex operation requires very careful planning, and the fact that the Zimbabwe Government is determined to make wise decisions has meant that the programme has had to proceed perhaps more slowly than was originally expected. We note that the Committee takes the view that very large-scale resettlement does not seem to be a practical possibility within the immediate future, and that although present plans may fall short of political expectations they are "substantial by any international standards".

9. The Zimbabwe Government has worked swiftly to get the Dryland Resettlement programme started and was able to establish the first settlers in time for the sowing season last Autumn. Since then detailed procedures have been carefully worked out and further individual schemes within the overall programme have been launched. There have inevitably been some teething problems but these are now being tackled as the programme moves towards the beginning of the second crop year.

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10. The EDF has committed itself to financing development costs under the first Resettlement Programme and a number of Governments are now engaged in discussing with the Zimbabwe Government their participation in particular projects. Some of these Governments have been prepared to meet the cost of land purchase but the money they can make available would be in the form of soft loans and the Zimbabwe Government has indicated that it is only prepared to accept grant money for this purpose.

Para 73

11. The Committee says that it was left in no doubt that there is a belief in Zimbabwe that Britain has a particular responsibility in the area of land resettlement, and that in successive talks and negotiations about independence British Government representatives accepted to some extent that the purchase of European land and the payment of compensation of farmers could be a British responsibility. The Government wishes to emphasise that at both the Lancaster House Conference and in discussions with the Zimbabwe Government since Independence it has been at pains to make it perfectly clear that while it recognises the importance of extending land ownership and is willing to help in this area the costs are beyond the capacity of any individual donor country. The Zimbabwe Government itself in the preface to the Zimcord Documentation said that its assessment of the resource requirements for post-war recovery and land resettlement and rural/agricultural development and technical assistance was that these were "enormous and well beyond the capacity of Zimbabwe and/or a single donor."

Para 15

Para 20

12. The Committee accepts that no specific sum for land resettlement was mentioned at the Lancaster House Conference and that no undertaking was made, but concludes that the 1977 Anglo-American plan led to expectations that land purchase and resettlement could have been interpreted to fall within the provisions of the proposed Zimbabwe Development Fund. As already stated, it was made clear at the Lancaster House Conference that the ZDF proposal lapsed with the 1977 Anglo-American initiative. Sums now available from aid donors are in excess of the target set by the Zimbabwe Government for the Zimcord Conference, and even though some of this money will be directed to areas other than those geared to reducing population pressure on the former Tribal Trust Lands such money will reduce the burden of the Zimbabwe Government and make it easier to find finance for resettlement and other schemes aimed at overcoming overcrowding problems and providing greater opportunities.

Para 64

Para 67

Para 112

13. The Committee concludes that Britain should continue to be fully associated with the Zimbabwe Government's plans for land transfer and recommends that the British Government should be prepared to make more funds available for land purchase as and when the Zimbabwe Government brings forward plans for further resettlement. We are already meeting half the costs of Zimbabwe's first Resettlement Programme and will contribute £10 million towards the further programme which has yet to be started; by any token these are substantial contributions. We cannot commit ourselves to do more: others must play a part either directly or indirectly, and indeed they are now doing so.

Para 118

Para 118

14. The Committee also recommends that the Government should try to persuade other Governments, and particularly the Government of the United States of America, to provide funds for land purchase. As mentioned in paragraph 10 above, some governments have shown readiness to help in this area and we hope that they and others will see what they can do to provide grants for land purchase.

Para 119

15. The Government cannot accept the Committee's recommendations that together with the Government of Zimbabwe we should look at the possibility of devoting more of the funds allocated to resettlement to land purchase alone, leaving other donors to cover development costs. The present arrangement is agreed with the Zimbabwe Government and is working well. For all resettlement projects where we agree to provide finance we have an involvement both in land purchase and in initial development. If we were only involved in land purchase we could not expect to have the same voice on development matters where we believe we have a useful contribution to make. While at present therefore we have a balanced involvement in individual projects, under the Committee's proposal we would not be involved in what the Committee calls the very complex operation of planning and implementing resettlement, which is essential to the success of the individual schemes, the overall programme, and the well-being of the settlers. In these circumstances we think it right to continue to participate as we are doing at present.

Para 72

Para 120

16. The Committee's allied recommendation is that we should relax the requirement that British funds spent on land should be met with an equal financial provision from the Zimbabwe Government. In fact, we are not insisting that the other half of land purchase costs should be met in full by the Zimbabwe Government, and we are content for this to be covered in part, or indeed in total by other donors. However, the British Government attaches importance to the present arrangement under which the UK contribution is balanced between land purchase costs and development costs. As already stated the concept of sharing in both operations has found favour with the Zimbabwe Government.

The Commonwealth Development Corporation and Agricultural Expertise

Para 117

17. The Government notes the Committee's recommendation that high priority in allocation of resources be given to the existing expertise at the disposal of the UK Government, particularly in the CDC, for the development of large scale and smallholder agricultural schemes.

18. The Government agrees that the CDC provides a valuable source of expertise in the priority area of agricultural development and particularly smallholder settlement. The extent to which this expertise can be made available in Zimbabwe will depend, among other things, on the overall level of resources available to the Corporation and the scope it sees there for suitable investment opportunities; but the Government hopes that, within the resources available to it, the Corporation will be able to play a full and constructive part in agricultural development in Zimbabwe.

19. More generally, should the Zimbabwe Government request advice, or assistance through the provision of expertise, in either the development of large scale or small scale agricultural schemes we should be very willing to see how we could help.

Technical Cooperation

20. The Government recognises Zimbabwe's short term needs for assistance in the form of technical and professional personnel until the country is able to increase the output of its training institutions. We believe that Britain is well placed to help in this area and with

the agreement of the Zimbabwe Government we have earmarked some £12m of the £75m UK aid pledge made at the time of independence for the provision of technical cooperation personnel and consultancies. The Government cannot accept the Committee's statement that

Para 121

Britain's contribution in this field is small and a matter for concern; nor that there is a need for an increased proportion of British

Para 63

aid to be spent on technical cooperation. It seems from Table 5 of the Committee's report that their view on this point stems from a misinterpretation of the intended allocation of the £75 million aid pledge: Annex A to this paper provides clarification. A substantial programme is getting under way and we have now agreed to provide over 50 long term technical cooperation officers as well as short term visits and consultancies. We are very willing to consider other requests that the Zimbabwe Government may wish to put to us. In looking at such requests we shall be anxious to ensure that posts are in areas of clear importance to Zimbabwe's economic development and that there is a training role so that Zimbabweans are able to take over when our technical cooperation personnel complete their assignments.

Public Administration

Para 122

21. The Government recognises the importance to Zimbabwe of sound public administration. One of the first British advisory missions requested at the time of independence was concerned with the development of the public service, and we have made it clear since then that this is an area where we are willing to help if invited to do so by the Zimbabwe Government. We also stand ready to assist the Zimbabwe Government in the preparation of projects and applications for funds to present to aid donors.

Assistance in the Field of Education

Para 112

22. We acknowledge that assistance in the field of Education could make a major contribution to Zimbabwe's development. As the Committee has noted the Zimbabwe Government itself is already engaged in recruiting teachers from abroad and indeed is obtaining teachers from Britain without the need for recourse to aid resources.

Para 89

23. The Committee comments that the overall provision for education in the aid pledge by Britain to Zimbabwe remains small and is a matter for concern. However of the £12 million allocated for reconstruction some £1.5 million is allocated to school rebuilding and to this must be added the £23 million for training awards for Zimbabweans:-

£14 million for completion of pre-Independence courses
£2 million for those completing intermediate courses in 1980 and going on to higher level studies
£5 million for those completing intermediate courses in 1981 and going on to higher level studies
£2 million for completely new training awards since Independence.

The Government cannot accept that these are small sums.

Para 82

24. The number of Zimbabwean students at present being financed under the UK aid programme is 1,500 this is made up as follows:-

385 continuing on UK courses commenced before Independence
513 students at the University of Zimbabwe
186 students in third countries
147 students who completed intermediate courses in 1980 and who have proceeded to higher level courses
220 students who completed intermediate courses in 1981 and who are currently being found places on higher level courses
49 new training awards where training has commenced since Independence.

The training allocation for Zimbabwe has been the largest of all our training allocations.

Para 88

25. On the question of money for higher level studies for those of the 869 students who completed their intermediate courses this year the Committee notes with satisfaction the announcement by Lord Soames of the provision of an additional £5 million but the Committee adds that this falls far short of the sum estimated to be necessary for financing all these students. The Government would point out that not all of these students have been able to obtain adequate qualifications to go on to higher level studies, that certain of these students would not wish to pursue courses to which the Zimbabwe Government would accord

priority, and that the Zimbabwe Government has been told that if it accords the provision of finance sufficient priority further money can be made available from within the remaining unallocated balance of the £75 million Independence aid pledge.

Library Development and the British Council

Paras 92 & 123 26. The British Council has now appointed a Librarian to its Office in Salisbury to be supported by four locally-engaged staff. The Council intends to develop its library facilities including works of reference, films and textbooks with particular attention to material for secondary school students at O and A levels. The Council proposes to make available from its own resources £12,000 in 1981/82 for the purchase of books and £3,500 annually for periodicals. ODA has increased substantially, to £50,000, the amount of money available under the Books Presentation Programme in 1981/82 for the supply of books to various institutions in Zimbabwe and hopes to be able to increase the allocation in the following year.

27. The report by the Library Specialist who visited Zimbabwe during 1981 under British Council auspices has been presented to the Zimbabwe authorities. Decisions on the implementation of recommendations in the report are for the Zimbabwe Government. Any proposals that maybe put to ODA for assistance to national library development in Zimbabwe will be considered.

The British Voluntary Agencies

Para 95

28. The Government share the Committee's admiration for the work of the British voluntary agencies in Zimbabwe and recognise that they played an important role under the Rhodesian regime, and have a continuing role particularly in assisting in re-establishing facilities in the rural areas. Like the Committee, we are pleased that the British voluntary agencies are fully aware of the need to work closely with the Zimbabwe Government.

Para 128

29. An evaluation of the ODA co-financing scheme with the British voluntary organisations is at present taking place. The team undertaking this are visiting projects overseas and also holding discussions with voluntary

organisations in the UK. In considering any revision of the administrative details of the scheme it will be necessary for the team to bear in mind the need to ensure that public money is adequately accounted for.

Para 129

30. The £500,000 made available for co-financing voluntary organisation projects in Zimbabwe was in addition to ODAs global co-financing scheme. As this special fund has been fully utilised agencies seeking support for projects in Zimbabwe will now have to apply under the global scheme which, in common with all parts of the Aid Programme, is under financial constraints. Alternatively, it is open to the Government of Zimbabwe to seek UK Government support from the overall aid already pledged for Zimbabwe.

Volunteers

31. The Committee is anxious, that further time should not be lost in setting up a volunteer programme. It suggests as an emergency measure the sharing of the franchise between two volunteer agencies.

The Catholic Institute for International Relations, the society to which the British Volunteer Programme has allocated responsibility for Zimbabwe, now has a co-ordinator in the field and three volunteers are in post. Other positions are being filled and funds are expected to be available for the modest and selective programme being planned by CIIR and the Zimbabwe authorities in education, health and some technical areas.

Para 101

32. The extent and the adequacy of the programme identified by CIIR will be examined by the British Volunteer Programme Committee shortly, when they consider the report they commissioned by the society's investigator. Any need for a sharing of the franchise can then be considered. While the Government of Zimbabwe has not yet adopted a final policy on the extent of the use of volunteers, in education it is looking to the BVP to provide volunteer teachers for the new Rural Secondary Schools, and other selected schools, in technical and vocational subjects; it is expecting to fill gaps in general teaching by its own recruitment and its intensive training programme, with manpower help from the Australian Government, and the Canadian volunteer programme. Should a scheme for

for using volunteers for general classroom teaching eventually materialise, it would compete with other claims on limited resources available for the Volunteer Programme as a whole.

Paras 102-104
and 130

33. In noting that Zimbabwe is at present suffering from a shortage of skilled technical personnel and artisans in many areas, and particularly in the public sector, the Committee says that it considers there might be an unconventional role here for volunteers. It recommends that we should initiate discussions with the Zimbabwe Government, the appropriate professional organisations, trade unions in both countries and the British Volunteer Programme with a view to exploring Zimbabwe's needs and wishes in this area.

34. The Government will be discussing this proposal with the British Volunteer Programme in the first instance. Many volunteers are, in fact, recruited for their technical skills, but the scheme the Committee has in mind could be an extensive one and any role which the volunteer programme could play would have to be highly selective.

35. Depending on the outcome of the discussions with the British Volunteer Programme and others the question will be followed up with the Zimbabwe Government to whom we would indicate what could be done if this type of assistance was welcomed.

Ratification of Zimbabwe's accession to Lome II

Para 131

36. The Government has consistently urged its European Community partners to ratify quickly the agreement on the accession of Zimbabwe to the Second Lome Convention. However the constitutional requirements of some Member States result in lengthy ratification procedures. Those Member States which have not yet ratified the agreement have undertaken to do so by the end of 1981. The Community as a whole will then be able to conclude the agreement, thus bringing it into force.

European Investment Bank Operations in Zimbabwe

Para 132

37. The Government agrees that financial profitability should not be given undue weight in choosing projects for EIB support. However the Bank's normal selection criteria go much wider than this. Financing decisions are based on sound economic appraisal and take account of

the individual development circumstances of each recipient. In Article 22 Committee discussions the UK has consistently been concerned to ensure that EIB projects should make the maximum possible contribution to the economic and social development of recipients, and the Government will continue to pursue this policy in its dealings with the EIB. The UK would prefer subsidised EIB loans to ACP countries to be made in the first instance to the government of the recipient country, to be on-lent by the government to the ultimate borrower at an appropriate rate of interest. This view, however, runs counter to EIB policies and was not accepted during the negotiation of the Second Lome Convention. If requested by the Government of Zimbabwe the UK would consider providing technical cooperation for the identification and appraisal of projects for submission to the EIB.

Move of BDDSA to Salisbury

Paras 106
and 124

38. We agree in principle that BDDSA should move from Lilongwe to Salisbury, subject to the availability of funds for the financing of the move. Financial pressures, however, and the competing demands for new works overseas have required a careful and detailed examination of the BDDSA proposal. This is now complete and, subject to final consideration of the details and the agreement of the Zimbabwe authorities, the aim is to start moving the Division early next year.

British High Commission Accommodation in Salisbury

Para 107-
125

39. Since the Foreign Affairs Committee's visit there have been staff reductions and a consequent redistribution of accommodation. This will continue to be kept under review bearing in mind the Committee's recommendations.

Local Language Ability

Paras 109,
126 and 127

40. The Government does not consider that it is essential for UK-based High Commission staff to be fluent in the two main local languages. However as the High Commissioner stated in his evidence to the Committee some of his staff have been learning one of the local languages, and there is a locally engaged member of the staff in the aid section with fluency in one of the main languages and a good knowledge of the other.

41. We do not see a need for the appointment of one or two persons fluent in Shona and Sindebele to assist the High Commission and the Development Division in its involvement with the land resettlement programmes as resettlement work on the ground is carried out by the Zimbabwe Government, and the main involvement of the High Commission and the Development Division is with central Zimbabwe Ministries and the interministerial committee which controls the programme (whose proceedings are conducted in English).

British Independence Aid Pledge of £75 million

<u>Allocations</u>	£ thousands
Refugees	1,000
Post War Reconstruction	12,000
Land Resettlement Programme	20,000
Programme Loan	10,000
Joint funding with the Voluntary agencies	500
British Contribution to the European Development Fund in respect of Zimbabwe	2,000
Technical Cooperation	12,000
Training awards	4,000
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	61,500