

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 83

MALAWI

BEST AVAILABLE

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ANNUAL BUDGET SUBMISSION

USAID/MALAWI

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FY-1983 ANNUAL BUDGET SUBMISSION

Table of Contents

		<u>Page</u>
Table I	Long Range Plan and Narrative.....	1
Table III	Project Obligations by Appropriation Account: FY-1981-1983.....	5
Table IIIA	PDS Obligations by Appropriation Account: FY-1981-1983.....	6
Table IV	Project Budget Data.....	7
	New Project Narratives.....	
	a) Family Health and Spacing 612-0211 (FY-82).....	8
	b) Rural Sector Grant 612-0208 (FY-82).....	10
	c) Renewable Energy 612-0210 (FY-83).....	12
	d) Anticipated PVO Project.....	15
Table V	Proposed Program Ranking.....	17
	Proposed Program Ranking Narrative.....	18
	Workforce and Operating Expenses.....	
	A. Table VIII - Operating Expense Summary.....	20
	B. Table IX - Overseas Workforce Requirements Schedule.....	22
Annex	REDSO and Mbabane Workforce Support Requirements.....	23
	P.L. 480.....	24

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

Country/Office: Malawi

DEVELOPMENT ASSISTANCE	FY-1981 EST	FY-1982 EST	FY-1983 REQUEST			PLANNING PERIOD				
			MIN	CURR	AAPL	1984	1985	1986	1987	
Agriculture, Rural Development & Nutrition										
Grants	2,926	2,852	1,000	1,000	1,000	6,700	10,400	17,100	16,000	
Loans										
Population										
Grants		700	700	700	700	2,000	2,600		3,000	
Loans										
of which centrally procured commodities										
Health										
Grants	700	800	3,800	3,800	3,800					
Loans										
Education										
Grants	1,380	3,634	3,900	3,900	3,900	3,000	3,000	1,900	3,000	
Selected Dev. Activities										
Grants			600	600	600	2,300	2,000	3,000	2,000	
Loans										
SUBTOTAL FUNC ACCOUNTS										
Grants	5,006	7,986	10,000	10,000	10,000	14,000	18,000	22,000	24,000	
Loans										
Other DA ACCTS. (Specity)										
Grants										
Loans										
TOTAL DA ACCTS.										
Grants	5,006	7,986	10,000	10,000	10,000	14,000	18,000	22,000	24,000	
Loans										
<u>Economic Support Fund</u>										
Grants										
Loans										
TOTAL DA AND ESF	5,006	7,986	10,000	10,000	10,000	14,000	18,000	22,000	24,000	
480 (non add)	(2,400)									
Title I										
(of which Title III)										
Title II										
Housing Guaranties (non-add)	-0-									
TOTAL PERSONNEL										
USDH (workyears)	2.8	3	4	4	4	5	5	5	5	
FNDH (workyears)	3.8	4	5	5	5	6	6	6	6	
Part-time (workyears)U.S.	.8	.8	.8	.8	.8	.8	.8	.8	.8	

TABLE I NARRATIVEBackground

Malawi's economy depends on imports for virtually all manufactures and petroleum. Nearly all exports (primarily tobacco, tea, sugar and groundnuts) are agriculturally-based and subject to wide price fluctuations on the world market. Malawi's geographic location is a marked disadvantage. It is landlocked. Its overland transport routes to less than efficient ports are limited and costly. Resource endowment consists mainly of land and a relatively homogeneous and stable labor force. Its population density and growth rates rank among the highest in Africa. Adult literacy is 25%. Health and life expectancy are nearly average for sub-Saharan Africa.

Despite these impediments, there has been favorable economic performance. Malawi's output grew by 25% during the period 1970 through early 1979. Gross domestic savings grew from 5.3% in 1964 to 60.2% in 1979, and up until late 1979 the economy exhibited resilience against setbacks. Beginning in late 1979, however, Malawi's creditable growth rate was overshadowed by a succession of serious transitory events. There was a drought; tobacco export prices fell; and the negative effects of international inflation hit the economy head-on.

The fiscal year budget proposed herein, if properly implemented, will help avoid some of the negative determinants of the current economic setting. The CDSS macro-economic analysis provides details of the information summarized above and suggests appropriate interventions. Although sector strategies as presented in the FY-1982 and 1983 Country Development Statements have not been defined to full satisfaction, the concept of integration of elements essential to increasing agricultural production (synonymous with rural development in the Malawian context) has been recognized as the most practical approach to assisting the development process in Malawi. The program for fiscal year 1983, therefore, is an appropriately integrated, agriculturally focused unit of work and is in concert with the intended outcome for U.S. assistance to Malawi as proposed in the CDSS.

Discussion

The FY-83 budget proposal is designed to strengthen Malawi's institutional capacity (See FY-82 CDSS for details). The permanence and spread effect of outcome are key considerations. Through collaboration with the Peace Corps, the U.S. private sector, U.S. private agencies and other donors, we intend to increase institutional capacity and train appropriately skilled manpower for these institutions (See page 47 of FY-82 CDSS). As presently envisaged, Peace Corps and PVOs will be most useful in the Health and Agriculture Sectors. U.S. Private Sector involvement, though small at the present time, is essential to achieving the Government's wish to expand industrial development. In the context of the USAID proposed program, we look forward to extensive help from the U.S.

Private Sector in improving and expanding agri-business in Malawi.

The relative newness of USAID/Malawi gives some advantages. We can closely monitor the project portfolio to prevent long-term project mortgaging and can keep pipelines within reasonable limits. Personnel increases can be realistically linked to demonstrated implementation needs. Within the context of an active policy dialogue at the highest levels in the Government, we can collaborate in identifying new initiatives and can pace the start-up of these initiatives to avoid exceeding USAID's and the Government's capacity to effectively implement the AID Bilateral Assistance Program.

Evidence of USAID/Malawi's productive policy dialogue with the Government is the recent breakthrough in the population and energy sectors. Since, and even before Independence, the Government has shunned the subject of population growth. Our efforts over the past 18 months led to an unprecedented request to bring to Malawi an AID-funded presentation which examines the future impact of unchecked population growth of Malawi's development. Of equal importance was our success in convincing the Government that collaboration among donors in the Energy Sector would bring about greater returns. Subsequently, the Malawi Government requested that AID and the World Bank collaborate on an energy survey. Prior to this request donors were reportedly discouraged from collaboration.

Malawi's development policies are geared to the adoption of a free enterprise system to provide access to opportunities to earn, sustain and increase individual income coupled with a demonstrated effort to provide social services on an equitable basis. Given the status of the economic structure at the time of Independence, accomplishments have been difficult but remarkably steady until recently. The meager resources have not allowed for cushioning against unplanned events, consequently disturbances and disruptions in the economy are not easily absorbed. This year, as was the case last year, Malawi faced startling financial problems caused by the decline in production of principal cash and staple crops and a rise in consumption expenditures. These two negatives resulted in a reduction in Government money for planned development through the forced diversion of programmed funds for unearmarked purposes.

The necessity to divert funds to meet emergencies prompted USAID to increase the 1982 approved planning level by the allowable 10% for the start-up of a project to provide local financing of selected rural development activities now in danger of termination because of the Government's inability to carry on without external help. We will also request use of a small amount of Southern Africa Regional funds to prevent stoppage of road maintenance. The request to finance locally funded activities is included in the appropriate tables of this ABS. The request for regional road maintenance funds requires a one-time investment in the near future and a long-term bilateral program to start in fiscal year 1985.

It is unlikely that Malawi will request food aid between now and 1983. We expect a bumper crop from this year's harvest and the new 180,000 MT capacity grain silos near Lilongwe (construction of which is near completion), should be sufficient to store enough staple grain to ward against an unforeseen drought or a flood in the future.

As for personnel, it is evident from the workyears projection in Table I that there is need for four (4) U.S. Direct Hire, one (1) Part-Time Hire and five (5) Foreign National Direct Hires. This is only one Foreign National above the personnel planning levels identified in STATE 114722. This slot would be filled by a Foreign National Agriculturalist to work with the U.S. Direct Hire Agriculturalist.

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1981 to FY 1983
 (\$ thousands)

Country/Office Malawi

APPROPRIATION ACCOUNT	FY 1981	FY 1982	FISCAL YEAR 1983		
			MINIMUM	CURRENT	AAPL
<u>Agricultural Rural Development and Nutrition</u>					
Agricultural Research 612-0202	2,700	2,152			
Malawi Union of Savings 612-0205	226				
Rural Sector Grant 612-0208		700	1,000	1,000	1,000
<u>Population</u>					
Family Health and Spacing 612-0211		700	700	700	700
<u>Health</u>					
Self-Help Rural Water 612-0207	700	800	3,800	3,800	3,800
<u>Education</u>					
Polytechnic Expansion 612-0201	1,380	2,734	2,700	2,700	2,700
Manpower Development 612-0206		900	1,200	1,200	1,200
<u>Selected Development Activities</u>					
Alternative Renewable Energy 612-0210			600	600	600
SUB-TOTAL-FUNCTIONAL ACCOUNTS	5,006	7,986	10,000	10,000	10,000
<u>Other Programs</u>					
TOTAL-ALL DA APPROPRIATION ACCOUNTS	5,006	7,986	10,000	10,000	10,000
Economic Support Fund					
TOTAL ESF					
TOTAL-DA AND ESF	5,006	7,986	10,000	10,000	10,000

TABLE III (A) PDS OBLIGATIONS BY APPROPRIATION ACCOUNT

FY-1981 to FY-1983

(\$ thousands)

Country/Office: Malawi

APPROPRIATION ACCOUNT	TYPE OF ASSISTANCE	FISCAL YEAR 1983				
		FY-81	FY-82	MINIMUM CURRENT AAPL		
<u>Agriculture, Rural Development and Nutrition</u>						
Rural Sector Grant (612-0208)	Assist in PID/PP design		100			
<u>Population</u>						
Family Health and Spacing (612-0211)	Pre-project feasibility studies and PID/PP design and development assistance		150			
<u>Health</u>						
<u>Education</u>						
Manpower Development (612-0206)	PP design and development assistance	100				
<u>Selected Development Activities</u>						
Renewable Energy (612-0210)	PID/PP design and development assistance		50	100	100	100
TOTAL		100	300	100	100	100

TABLE IV NEW PROJECT NARRATIVE

Family Health and Spacing - 612-0211 - FY-82-Population

Purpose: Assist in changing the social environment to provide a favorable ratio between population growth rate and development accomplishments.

Description of the Problem

Malawi's population growth rate ranks among the highest in the world and its population density is among the highest in Africa. The fertility rate in Malawi averages seven births per woman. Between 25 and 35% of Malawian children die before reaching their fifth birthday. Mortality has been declining. Average life expectancy rose from 33 years in 1950-55 to 45 years in 1975 while the death rate per 1,000 population fell from 30 to 21. Presently, the population growth rate is estimated to be 2.9% or slightly more. The growth rate will increase as mortality rates decline.

Malawi has 7.4 million of its 8.6 million acres of arable land under cultivation, an average of 4.6 persons per 4 acre holding. There is currently enough arable land to accommodate an additional 293,000 smallholder families. Should growth continue at the rate of 2.9% per year, Malawi would need land for an additional 1.8 million smallholders, or 6 million additional acres of arable land by the year 2010. Geographically, expansion of this magnitude is simply not possible. Malawi is now cultivating near the extended limits of its arable land. Should the population continue to grow at the current rate, economic and social disequilibrium would become chronic and not just transitory as we believe it to be at this time.

Proposed Means of Dealing with the Problem

A presentation entitled "The Effects of Population Factors on Social and Economic Development." prepared by the Resources for the Awareness of Population Impacts on Development (RAPID) of the Futures Group is being viewed in Malawi by Ministers, Economic Planners, Medical Officials, and Rural Development Workers. After five days of observation of the different audiences at the presentations, we believe it is now realistic to plan for the implementation of a family health and child spacing program that will have the commitment of the Government.

Host Country Entities Involved

The Government invited the following to review the RAPID presentation:

- All Ministers
- All Principal Secretaries

- All Government Economists and Planners
- Doctors, Nurses and Health Planners in Lilongwe, Zomba, and Blantyre
- All Statisticians
- University Staff
- Selected staff from Regional Offices.

Considering the cross section of the group, we cannot identify with certainty which unit would have primary implementation responsibility. Our sense is that the Ministry of Health and the Office of the President and Cabinet will share jointly primary responsibility.

Major Issues

Clearly, cultural acceptance of a population program looms as a probable major issue. Considering that the mandate to look at the problem has come from the Head of State, we believe any objections will be handled with minimum cultural conflict.

Schedule for Project Development

It is likely that USAID will need to provide planning technical assistance before reaching the stage of PID/PP preparation. We have, therefore, included in the FY-82 budget, funds to carry out studies to facilitate selection of the appropriate approach. Following the studies we should be able to prepare the PID in November/December, 1981 and the Project Paper in March/April, 1982. Obligation should be possible by the fourth quarter of FY-1982.

Major Outputs

- A functional population policy
- Cultural tolerance for planned family spacing
- Decrease in morbidity/mortality among mothers and children

Proposed Funding (U.S. \$000)

<u>FY-82</u>	<u>FY-83</u>	<u>LOP</u>
700	700	6000

TABLE IV NEW PROJECT NARRATIVERural Sector Grant - 612-0208 - FY-1982 Agriculture, Rural
Development

Purpose: To reinforce Malawi's effort to accelerate self-sustaining growth in the smallholder sector.

Description of the Problem

The key to more rapid growth in Malawi is to increase productivity and incomes in the agricultural sector. To do so requires a variety of interventions. Malawi's agriculture sector has performed well in spite of the limited availability of improved technology. Agricultural inputs, farm roads, markets, credit facilities and extension services are grossly inadequate. The inadequacies are particularly prevalent in the Northern and Central Regions of the country.

Malawi's agricultural development policy has sustained remunerative price incentives for some smallholder crops and the Government has provided about as much support in adaptive research, extension service and transport facilities as its limited resources will permit. The development of smallholder agriculture, nonetheless, still lags behind potential. The lag is not attributable to undue emphasis on specialization in export agriculture, neither has a rush to industrialization been the cause. The problem, simply put, is the absence of money sufficient to increase the speed of transition to appropriate science-based smallholder agriculture production. Better husbandry is needed, especially improved inputs management, cropping (increased intensity as well as introduction of intercropping) and tillage measures. Greater use of irrigation, fertilizers, pesticides and improved seeds are essential.

The agriculture sector declined 1% in real terms in the 1979/1980 growing season according to the Malawi Government's Economic Report-1981. Much of the decline was caused by a major drought in the Southern Region. Inability in prior years to appropriately store surpluses increased the shortage caused by drought.

Proposed Means of Dealing with the Problem

The plan of action would be fourfold: a) provide agricultural inputs, small equipment and hand tools to smallholders; b) assist the extension service to broaden the application of appropriate technology tailored to smallholders; c) finance the maintenance of key farm-to-market roads until the Rural Roads Project begins in FY-1985; and d) assist in improving the system of distributing agricultural inputs and collecting outputs.

Host Country Entities Involved

Recurrent costs for such activities have thus far been the sole responsibility of the Government. There is a well established conduit for managing the resources provided through this grant - The National Rural Development Program (NRDP) - Ministry of Agriculture Development Divisions (ADD). These are sub-divided into 40 Rural Development Area (RDA) and sub-divided further into 180 Extension Planning Areas (EPA). Grant funds, therefore, would reach the lowest 20% of the population through an already well functioning institutional network.

Major Issues

There are no major issues at this time.

Schedule for Project Development

The PID should be prepared by the end of September, 1981, and the Project Paper completed by November. Obligation of first year funds should be possible during the second quarter of fiscal year 1982.

Major Outputs

- Increase smallholder production and smallholder income.
- Greater availability and increased use of critical inputs (tools, fertilizer, extension service, etc.) by smallholder.
- Improved agricultural input distribution system.

Proposed Funds (U.S. \$000)

<u>FY-82</u>	<u>FY-83</u>	<u>LOP</u>
700	1000	9000

TABLE IV NEW PROJECT NARRATIVERenewable Energy - 612-0210 - FY-1983 - Selected DevelopmentActivities

Purpose: Assist Malawi to reduce its dependence on oil imports

Description of the Problem

Now that energy is no longer cheap, it ranks in importance with the classical factors of production - land, labor and capital - and its cost of supply must be given due weight by economic planners. Malawi's economy is vulnerable. The increasingly rapid transition from cheap to high cost energy over the past eight years has contributed heavily to the budgetary crunch presently imposed on Malawi. If U.S. development targets and goals for the Malawian smallholder and the poor are to be met, it is essential that we assist the Government to find less costly substitutes for imported energy.

The price of oil is now more than five times what it was in 1972. At the same time, development efforts have greatly increased Malawi's energy needs. Development has become energy intensive, and Malawi's energy demands are growing at a rate unfavorable to the growth of its gross national product. Should these conditions continue unabated, Malawi is not likely to maintain its admirable record of economic and social progress.

Actually, the possibility of economic stagnation is real if the reattainment of a favorable ratio between gross national product and balance of payments is not sought quickly. Price inflation is a principal cause of the unfavorable ratio. The inflationary cost of imported energy is the largest component of the price inflation factor.

The absence of a national comprehensive energy policy for suppliers and users of all sources of energy causes price inflation to be less manageable. Present practice is that each energy supplier (electric company, fuel distributors, etc.) determines its respective consumer price on an ad hoc basis without considering the response to a price change in the consumer cost of one type of energy upon the usage of another type of energy. Example: escalation in cost of electricity to the consumer results in undesirable increase in the use of wood.

Equally important is energy conservation. Some conservation measures are being practiced. Malawi long ago established "Plant A Tree Day." Public response is good. There are also "tree plantations" for the production of firewood. There is, however, no universal statute or recognized prohibition that discourages unfavorable encroachment upon forests during price inflationary periods as an alternative of last resort when people are faced with increasingly limited and expensive energy supplies.

Proposed Means of Dealing with the Problem

We understand that the budget request for energy assistance will not meet total needs. We intend our inputs to address energy as its use is required by the smallholder and the poor. We propose to:

- assist in identifying local sources of renewable energy;
- help Malawi make the transition to a mix of energy sources that will sustain the Agriculture Sector;
- identify means of using each source of energy so as to increase the value of energy output from a given volume of resources; and
- promote policies designed to increase the efficiency of management of energy consumption.

Host Country Entities Involved

A Department of Energy, located in the Office of the President and Cabinet was established in January 1981. The Department's Director is currently in training at Brookhaven Institute, State University of New York. A member of the Department's staff is currently at the University of Florida, attending the workshop in Alternative Energy Technology.

Prior to the Department's establishment the World Bank began implementation of a \$16 million Wood Energy Project. The project has been in implementation since September 1980. The Fuelwood Unit will join the Department of Energy within the coming months. The purpose of the Wood Energy project is to survey the use of wood energy in urban and rural areas; design, test, and promote an appropriate wood energy system; and recommend efficient ways of transition from traditional wood energy uses to more appropriate wood consumption practices.

The Government is most interested in improving energy availability in rural areas. The Government has asked for help in determining the practicability of geothermal, biomass, alcohol, wind, water and solar energy for rural consumption.

The private sector and the Government are keen to know about the efficiency and cost of an ethanol production unit under construction at the Dwangwa Sugar Estate. Progress is not far enough along for a useful assessment at this time. Data from this unit will provide information on the degree of complementarity and substitutability of biogas as a source of alternative fuel for the Agriculture Sector.

Major Issues

Issues to be addressed during project development concern technical choices and social acceptability. Project development should avoid "gimmicks" that demonstrate the state of the art but instead should produce practical solutions that are replicable extensively. We must assure that the trade-offs in a change of energy mix are economically beneficial. The technological change should be acceptable to and affordable by the farmer and the households of the poor. The question of whether emphasis on conservation of contemporary and traditional sources of energy is more practical than looking for alternatives should be among the first of considerations during project planning. On the social side, the issue of acceptability of change should be addressed at the time the Project Paper is written.

The Target Group

The complexity of the benefits of a project of this dimension cloud the ability to define with much clarity the true target group. The project will be designed with the small farmer and the poor households as the primary target group. Project success may well bring direct benefits to groups other than small farmers and the poor of a proportion greater than that received by the primary target group.

Schedule for Project Development

The PID should be prepared by April 1982. The Project Paper should be completed by September 1982. Obligation should be possible during first quarter fiscal year 1983.

Major Outputs

- Sources of renewable energy in use by farmers and other households identified.
- An efficient mix of energy sources established
- Conservation measures established.
- An energy policy statement formulated and published.

Proposed Funding (U.S.\$000)

<u>FY-82</u>	<u>FY-83</u>	<u>LOP</u>
-0-	600	10,000

TABLE IV PVO PROJECT NARRATIVEAnticipated PVO Project

Four Private Agencies have informed USAID of intent to present proposals for consideration before the end of FY-1982. The Agencies are:

- International Center for Health Sciences
School of Graduate Studies and Research
Meharry Medical College
- Traders' Trust (Partnership for Productivity)
- Seventh Day Adventists
- Save The Children Fund.

International Center for Health Sciences, Meharry

The most recently prepared proposal was submitted to A.I.D. Washington in approximately February, 1981. It is a project for training primary health care workers over a five year period. The draft was prepared in December, 1980 during a visit to Malawi of the Director of the Center. Ministry of Health officials collaborated in the preparation of the draft.

The final proposal has not been sent to USAID nor to the Government of Malawi. We do not know the status of the proposal nor do we have information about the dollar value.

Traders' Trust (Partnership for Productivity)

The Traders' Trust is an indigeneous organization set up to teach business management skills to small shop owners. The Malawi Development Corporation negotiated the project with Partnership For Productivity in the United States in 1978. A PFP Program Director arrived in Malawi in December 1978, funded by PACT and the project has been started. We understand that the Government will ask the U.S. and the EEC to fund the next phase of implementation. We are uncertain of the dollar value.

Seventh Day Adventists

The Seventh Day Adventists have an interest in implementing a Health Education Extension Project. The draft is in preparation. We have no idea of the time period of implementation nor the dollar value of the intended activity.

Save The Children (American)

The Director of Save The Children (U.S.) visited Malawi in January 1981, to express an interest in undertaking development activities in Malawi. Aside from health activities now privately funded by Save The Children, the Director expressed an interest in assisting with the establishment of the Rural Growth Centers, an entity of the National Rural Development Program. Nothing of specificity is as yet identified.

We mention these only as PVO project possibilities. The Meharry and Traders' Trust proposals are in the final stages of preparation, however, they have not yet been approved by the Government.

We have listed the above project proposals as projected possibilities only with the purpose to alert AID/Washington that USAID/Malawi may have need for PVO funds in FY-82 and 83.

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1983 PROPOSED PROGRAM RANKING											
RANK	DECISION PACKAGES/PROGRAM ACTIVITY	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Workmonths)			Country/Office Malawi	
					INCR	CUM	INCR	CUM	INCR		CUM
							USDH	FNDH			
	<u>Decision Package AAPL</u>										
	<u>Pipeline Projects</u>					(3,776)		8	8	6	6
	<u>New and Continuing Projects</u>										
1	612-0201 Polytechnic Expansion	0	G	ED	2,700			5	13		
2	612-0206 Manpower Development	0	G	ED	1,200			10	23		
3	612-0207 Self-Help Rural Water	0	G	HE	3,800			8	31		
4	612-0208 Rural Sector Grant	0	G	ARD	1,000			5	36	6	12
5	612-0210 Renewable Energy	N	G	SD	600			10	46		
6	612-0211 Family Health & Spacing	0	G	POP	700			12	58		
7	Basic Workforce										
	Total AAPL Package and Related Workforce					10,000		50		48	60
								50*			60**

* Includes one part-time employee or .8 year = 57.6 rounded to 58

** Exceeds planning level by one.
Represents one Foreign National
Agriculture Officer

TABLE V NARRATIVEThe Decision Package

There is no minimum or current budget proposed in this submission. We understand that the absence of a current budget at least, does not conform with the guidelines. A three tiered budget assumes a set of conditions that do not exist within the limits placed on the Malawi budget. Between the FY-83 AAPL -- \$10 million -- and the FY-82 proposed budget level there is a difference of \$2 million. A \$2 million differential does not allow good programming options especially if we are to control mortgaging and confine the budget to AAPL levels.

A minimum package could be arranged by moving the Renewable Energy project to FY-84. To do so would be more form than substance. A good deal of A.I.D.-funded groundwork is now underway through an energy inventory. Given current progress, it seems sensible to plan for the start-up of a bilateral project in FY-83 at the latest. We intend to continue using Central Funds for ongoing pre-project activities during FY-82.

Integration of the budget with the CDSS and Ranking

Gains in development outputs should be equitably distributed among the population so as to sustain social, economic and political stability. In the short-run, requirements can be met through foreign assistance. In the long-term the country must acquire the technological ability and the human resources to manage its own growth and development. The FY-1982 and FY-1983 CDSSs define the way to assist Malawi to manage the institutions essential to its primary development sector - agriculture/rural development, and thus reduce its dependence on external resources.

We have ranked our budget package in numerical order because the newness of USAID/Malawi (less than 2 years) provided the unique opportunity to start with a well focused program. We have not found it necessary, thus far, to curtail projects peripheral to our strategy nor to view one as more strategically important than the other. The six projects together form the nucleus of our effort to produce an integrated program to benefit, specifically, the agriculture/ rural development sector.

Workforce Levels

Our workforce requirements exceed the personnel planning levels in STATE 114722 by one Foreign Service National because of the need for an increased "on the ground" capability for USAID to implement and monitor the expanded project portfolio proposed in the ABS. We will, however, continue to rely heavily on REDSO/Nairobi for engineering, project design, procurement, and contract support services and RLA/Mbabane for legal support services. It is anticipated that AID/W Direct Hire and PD & S funded technical assistance will also be required for project design and evaluation services which may not be available from REDSO.

Country/Office Malawi

Page 1

TABLE VIII
OPERATING EXPENSE SUMMARY

	FY 1980		FY 1981		FY 1982				
	(\$000's) Related Workyear	Unit Cost	(\$000's) Related Workyear	Unit Cost	(\$000's) Related Workyear	Unit Cost			
<u>COST SUMMARIES</u>									
US Direct Hire (1)	90.0	1.5	60.0	246.1	3.6	68.4	330.1	4.8	68.8
FN Direct Hire	6.0	1.7	3.5	13.0	4.0	3.3	21.5	5.0	4.3
US Contract Pers.	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
FN Contract Pers.	-0-	-0-	-0-	6.2	1.0	6.2	10.6	1.5	7.1
Housing Expense (2)	61.0	2.0	31.0	26.5	3.0	8.8	75.1	4.0	18.8
Office Operations	101.0	xx	xx	102.5	xx	xx	125.8	xx	xx
Total Budget	457.0	xxx	xxx	394.3	xx	xx	563.1	xx	xx
Mission Allotment	194.0	xxx	xxx	229.8	xx	xx	376.7	xx	xx
FAAS	3.0	xxx	xxx	10.1	xx	xx	13.6	xx	xx
Trust Fund		xxx	xxx		xx	xx		xx	xx

(1) Includes one U.S. Part-time, fractional work year.

(2) FY-80 Unit Cost is due to initial start up costs
FY-82 Unit Cost is due to additional USDH.

TABLE VIII

COST SUMMARIES	FY 1983		MIN Unit Cost	FY 1983		CURRENT		FY 1983 AAPI	
	(\$000's)	Related Workyear		(000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	363.1	4.8	75.6	363.1	4.8	75.6	363.1	4.8	75.6
FN Direct Hire	25.5	5.0	4.8	23.5	5.0	4.8	23.5	5.0	4.8
US Contract Pers.	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
FN Contract Pers.	11.2	1.5	7.5	11.2	1.5	7.5	11.2	1.5	7.5
Housing Expense	44.0	4.0	11.0	44.0	4.0	11.0	44.0	4.0	11.0
Office Operations	138.4	xx	xx	138.4	xx	xx	138.4	xx	xx
Total Budget	580.2	xx	xx	580.2	xx	xx	580.2	xx	xx
Mission Allotment	375.2	xx	xx	372.2	xx	xx	372.2	xx	xx
FAAS	15.0	xx	xx	15.0	xx	xx	15.0	xx	xx
Trust Fund	-0-	xx	xx	-0-	xx	xx	-0-	xx	xx

AGENCY FOR INTERNATIONAL DEVELOPMENT
OVERSEAS WORKFORCE REQUIREMENTS
IN WORKMONTHS

BUREAU: BUREAU FOR AFRICA

04/15/81

DECISION UNIT: MALAWI

-----FY 1983-----

ABOVE

US/ FN	FUNC	ITEM	FN	SKILL	POSITION NUMBER AND TITLE	LEVEL	PERS CAT	MOR/ SMC	FY 81	FY 82	AT MIN	AT CURR	AT AAPL	AT PLAN	FY 84	FY 85
236	U	10	011		21005 AID REPRESENTATIVE	S	-	30	12	12	12	12	12	-	12	12
1312	F	10	050		SECRETARY	F	-	40	12	12	12	12	12	-	12	12
1313	F	20	024		PROGRAM ASSISTANT	M	-	40	12	12	12	12	12	-	12	12
	F	10	050		SECRETARY	E	-	32	10	10	10	10	10	-	10	10
268	U	30	091		GENERAL DEVELOPMENT OFFICER	M	-	40	12	12	12	12	12	-	12	12
	U	40	103		AGRICULTURAL DEVELOPMENT OFFICER	H	-	40	12	12	12	12	12	-	12	12
	F	40	103		PROJECT OFFICER - AGRICULTURE	M	-	40	12	12	12	12	12	-	12	12
1058	U	50	032		MANAGEMENT OFFICER	M	-	40	12	12	12	12	12	-	12	12
1314	F	50	040		FINANCIAL ASSISTANT	M	-	40	12	12	12	12	12	-	12	12
1315	F	60	990		DRIVER/MESSENGER	F	-	40	12	12	12	12	12	-	12	12
					TOTAL FOR DECUNIT			94	106	106	106	106	106		118	118

TABLE IV (A) - REDSO AND MBABANE WORKFORCE SUPPORT
REQUIREMENTS

USAID/Malawi will require increased support from REDSO/EA and Mbabane during FY-82 and FY-83 as the project portfolio expands from five on-going projects in FY-81 to eight active projects in FY-83*. Most of the requested support will consist of engineering, legal, project design, and evaluation services. Four out of the eight projects in the FY-83 portfolio will have major construction and equipment components, requiring substantial REDSO support. Also, substantial assistance will be required in the design of the Rural Sector, Family Health and Spacing, Manpower Development and Renewable Energy projects. Mbabane assistance will also be sought in the areas of health, education, and economic analysis at the project level as well as the program level (e.g., sector strategies and CDSS strategy). AID/W direct-hire and PDS-funded technical assistance will be used whenever REDSO or Mbabane staff are not available or when a request for assistance is highly specialized.

* Bunda College PACD is FY-82 and this is only project in portfolio to be completed during the FY-81 - FY-83 period covered in Table III.

TABLE IV NARRATIVEP. L. 480 Narrative

There is no request for bilateral P.L. 480 assistance in this budget.