

UNCLASSIFIED

**Annual Budget
Submission**

FY 1985

MALAWI

BEST AVAILABLE



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FY 1985 ANNUAL BUDGET SUBMISSION

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* Preprinted Table IV not received by USAID/Malawi as of May 18.
Therefore, Table IV will be submitted separately.

USAID/MALAWI ACTION PLAN

In the accepted Malawi CDSS, it was noted that the policy and program implications for Malawi over the next five years are quite clear. The required increases in production and employment have to be achieved through: (a) techniques which increase land productivity and the demand for labor (e.g., irrigation, use of hybrids, agriculture and business credit, fertilizer, etc.); (b) higher-valued, more labor-intensive, smallholder crops for export; (c) a lowering of the population growth rate; (d) diversification of the estate sector; (e) and establishment of reliable transport links to sea ports.

USAID plans to assist the GOM in addressing the aforementioned needs (except for diversification of the estate sector) through inter-related projects focused on the smallholder and on small to middle level entrepreneurs engaged in agrobusinesses or businesses in support of agriculture. All USAID/Malawi projects generally support agriculture development under the following categories:

Food Grain and Animal Protein Production

- Agricultural Research and Extension (612-0215) - for adaptive research and extension related to increased smallholder agricultural production and smallholder crops for export.
- Commercial Fisheries Development (612-0217) - for research and training to maintain the level of animal protein in the Malawian diet.

Business and Transportation in Support of Agriculture

- Indigenous Private Enterprise Project (612-0214)- to provide credit, training and technical assistance needed to expand or start agrobusinesses and other businesses in support of agriculture development.
- Rural Entrepreneurial Training and Advisory Support (612-0219)- to provide training and advisory support to promising small rural retailers and producers who service smallholders.
- Commercial Transportation Support Project (612-0218) - to establish indigenous trucking firms capable of eventually carrying most of Malawi's major export crops (tobacco, tea, sugar) and imports (agricultural inputs, coal, petroleum, etc.).
- Energy Resources Project (612-0216)- to undertake research to spur private sector investment and interest in substituting Malawi's low-grade indigenous coal for fuelwood in tobacco curing and to establish coal testing facilities to insure that imported coal for industrial use is of the specified quality.

Health/Population Services Meeting Needs of Rural Inhabitants

- Health Institutions project (612-0211) - to increase quantity and quality of health and family planning services available to rural inhabitants.

Manpower Training in Support of Agriculture

With funds made available from Agricultural Research and Extension (612-0215), Polytechnic Institute (612-0201), AMDP and AFGRAD projects, provide training needed in key areas which are in support of agriculture development.

The FY 85 CDSS presents a strategy designed to achieve the following long-range goals:

Agriculture

- Double agricultural production by year 2000.
- Increase in volume of agricultural exports by 4% per annum through 1990.

Private Sector

- Double number of small to middle level entrepreneurs by 1990.
- Reduce dependence on foreign truckers from nearly 100% in 1984 to 10% or less in 1990.

Health/Population

- Reduce population growth rate from 3.2% to at least 2.5% per annum by 1995.
- Reduce infant mortality rate from 150 per 1000 live births to 120 per 1000 live births by 1990.
- Provide safe water for 100% of the population by 1995.

Training

- Double in-country capacity to train engineers by 1988.
- Increase in-country capacity to train Malawians at Masters level in agriculture subjects from nearly nil in 1983 to nearly 100% in 1995.

Consistent with the African Bureau Strategy, the USAID/Malawi CDSS strategy emphasizes technology transfer and institutional development in all the major sectors of the program (agriculture, private enterprise, health/population and training), private enterprise development, a policy dialogue framework in the achievement of overall program objectives, and the reduction of infant and maternal morbidity and mortality rate as well as a reduction in the population growth rate. To achieve the long-range objectives in the CDSS, the Mission has set forth the following program goals and means for FY 84 and FY 85:

-Maintain food self-sufficiency (food grains as well as animal protein). Food Production in Malawi has been increasing at a faster rate than the population growth rate. However, this is not expected to continue. Malawi's smallholder agricultural pricing, research, extension and inputs delivery systems must be strengthened if agricultural production is to increase to meet domestic demand as well as generate food grains for export. Given Malawi's productive capacity and the traditionally food deficit countries surrounding Malawi, food grain exports could be a significant foreign exchange earner.

Recognized potential as well as our past experience and former evaluations lead us to the following food production objectives:

A) In FY 84, the approval and implementation of an agricultural project (612-0215) which combines both research and extension. (In the FY 84 ABS, projects in both research and extension were listed - Agricultural Research Phase II - 612-0202.1 and Agricultural Extension and Training 612-0212. In an effort to facilitate the integration of research and extension and to reduce the Mission's project monitoring workload, one larger research and extension project, rather than two smaller research and extension projects, will be initiated.)

B) In FY 1984, establish a national agricultural council for research and extension policy review and implementation;

C) By the end of FY 85, adaptive research programs in operation in agriculture, fisheries and agroforestry which are fully integrated from the national to the field levels;

D) By the end of FY 85, establish linkages between Malawi research institutions and international agricultural research institutions, including IRRI, CYMMIT, IITA, and ICRISAT; and

E) By mid FY 85, Mission will have had several policy dialogue sessions with GOM on agricultural pricing policies and an improved policy review and implementation mechanism will be in place.

-Increase level of private sector involvement in the development of Malawi. The factors impeding rapid private sector development in Malawi are the lack of access to foreign technical expertise, lack of access to new technology, lack of credit and lack of business expertise. These constraints were confirmed in the 1982 PPC/E report on Malawi's private sector¹ and in USAID/Malawi discussions with public and private individuals. In response to the clearly identified needs of Malawi's private sector, USAID/Malawi has designed various projects which squarely attack the constraints to accelerated private sector development.

¹ J. Wolgin, et.al. "The Private Sector and the Economic Development of Malawi", November, 1982.

New private sector projects (not listed in either the FY 84 ABS or FY 84 CP) were designed which are responsive to the directions in the AID Private Enterprise Policy Paper. Four projects are to be started in FY 83 and one in FY 84. The five new project initiatives are: Indigenous Private Enterprise project* (612-0214), Commercial Transportation Support project (612-0218), Rural Entrepreneurial Training and Advisory Support project* (612-0219), Commercial Fisheries Development project (612-0217), and Energy Resources Development project (612-0216). The planned private sector development objectives in FY 84 and 85 are:

A) In FY 84, establish a revolving fund within the Malawi Union of Savings and Credit Cooperatives to provide credit to smallholder groups interested in starting agrobusinesses;

B) In FY 84, establish a revolving fund in the Investment and Development Bank of Malawi to provide credit to promising small to middle level entrepreneurs;

C) By mid FY 85, a substantially enhanced institutional capacity to train rural retailers and producers as well as small to middle level entrepreneurs;

D) By end of FY 85, more than five private owner/operator trucking firms in business, substantially reducing Malawi's dependence on Zambia, Zimbabwe, Botswana, and South Africa truckers;

E) By end of FY 85, substantially increased contact between U.S. and Malawian private investors; and

F) By end of FY 85, a more efficient and productive fishing industry will begin to develop.

- Reduce population growth rate and reduce infant and maternal morbidity and mortality. Malawi's population growth rate and its infant mortality rates are among the highest in Africa. One of the factors influencing this is the high infant death rate. Thus, an aggressive family planning program must be launched in conjunction with an MCH and medical/paramedical training program. This is a core element in USAID's health/population strategy.

The planned health/population objectives for FY 84 and FY 85 are:

A) By end of FY 84, a population control policy paper published by the GOM;

B) By end of FY 85, a nationwide family planning program in operation;

C) By end of FY 85, an enhanced paramedical and community nurses training program in place;

* PVO projects.

D) By middle of FY 85, a substantially improved MCH program in place; and

E) By end of FY 85, 15% of Malawi's population will be served by gravity-fed water supply systems.

- Increase quantity and quality of training needed to meet manpower needs in public and private sectors of the economy. USAID has played a significant role in meeting Malawi's manpower needs over the past 20 years. In the 1960's, USAID provided assistance to construct the facilities at the Bunda and Zomba campuses of the University of Malawi. In the early 1980's, further assistance provided to the Polytechnic Institute will lead to the establishment of a degree program in engineering. During 1975-1982, about 120 participants were sent to the U.S. for graduate and post graduate degree training under the Bunda, Polytechnic, Agricultural Research, African Manpower Development (AMDP), and African Graduate Degree (AFGRAD) projects. JHPIEGO and other centrally-funded training programs have also played a key role in Malawi's development. U.S. trained personnel are found throughout the private and public sectors and the consensus of the GOM is that the quality of AID-funded training has been high and it has been relevant. Therefore, AID should continue to play a major role in project and non-project funded participant training over the next several years.

The planned training objectives for FY 84 and FY 85 are as follows:

A) In early FY 85, a degree level program in engineering will be in operation at the Polytechnic Institute;

B) By end of FY 85, medical and paramedical training institutions will be substantially upgraded; and

C) By end of FY 84, a participant training strategy will be completed which rationalizes and targets training assistance for all U.S. Agencies working in Malawi (AID, STATE, USIS, and IMET).

The management steps to be taken vis-a-vis workforce levels required to carry out this Action Plan are described in detail in the Table V - Narrative. Other management steps to be taken during FY 84/85 to improve program management are: increase the number of PVOs responsible for management of the USAID portfolio of projects from zero to three; increase the level of donor coordination; establish a word processing and automated data management system in USAID/Malawi; with assistance from RFMC/Nairobi, establish an improved project financial reporting system; with assistance from AID/W, improve the office filing system; and increase the level of services provided by the Regional Health Development Officer/Mbabane. The latter is contingent upon the assignment of one IDI (Health) to assist the RHDO in carrying out his regional responsibilities. Assistance received from REDSO/Nairobi and the Regional Engineer/Lusaka should remain at current levels.

FY 1985 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)
 COUNTRY/OFFICE MALAWI

	FY 1983	FY 1984		FY 1985	PLANNING PERIOD			
	ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989
Agriculture, Rural & Nutrition Dev.								
Total	1,030	10,000	935	7,500	11,000	7,365	9,635	11,000
Grants	1,030	10,000	935	7,500	11,000	7,365	9,635	11,000
Loans	-	-	-	-	-	-	-	-
Population								
Total	900	-	1,000	1,000	2,500	1,200	2,000	2,000
Grants	900	-	1,000	1,000	2,500	1,200	2,000	2,000
Loans	-	-	-	-	-	-	-	-
(Cent.Pro. Commod.)	-	-	(500)	-	(1,000)	(1,200)	(2,000)	(2,000)
Health								
Total	1,731	-	500	1,000	1,500	2,635	7,365	-
Grants	1,731	-	500	1,000	1,500	2,635	7,365	-
Loans	-	-	-	-	-	-	-	-
Education								
Total	2,234	-	500	-	-	6,000	-	-
Grants	2,234	-	500	-	-	6,000	-	-
Loans	-	-	-	-	-	-	-	-
Sel.Dev.ACT.								
Total	7,535	-	9,565	2,500	5,000	-	-	8,000
Grants	7,533	-	9,565	2,500	5,000	-	-	8,000
Loans	-	-	-	-	-	-	-	-
Functional								
Subtotal	13,430	-	12,500	12,000	20,000	17,200	19,000	21,000
Grants	13,430	-	12,500	12,000	20,000	17,000	19,000	21,000
Loans	-	-	-	-	-	-	-	-
(Disaster)								
Total								
Grants								
Loans								
DA ACCOUNTS								
Total	13,430	10,000	12,500	12,000	20,000	17,200	19,000	21,000
Grants	13,430	10,000	12,500	12,000	20,000	17,200	19,000	21,000
Loans	-	-	-	-	-	-	-	-
(Of which PVO's)	(3,430)				(5,000)			
DA								
Total								
Grants								
Loans								
PL 480 Title I (Title III)								
PL 480 Title II Housing Guaranties					10,000		20,000	
Total Personnel								
USDH Workyears	3.6	5	6	7	7	7	7	7
INDH Workyears	4	4	4	5	5	6	6	6

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1983 to FY 1985 (\$ thousands)Country/Office Malawi

<u>APPROPRIATION ACCOUNT</u>		<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
<u>Agriculture Rural Development & Nutrition</u>			935	7,500
612-0215 Agricultural Research and Extension	G		935*	5,000*
612-0217 Commercial Fisheries Development	G		-	2,500*
612-0220 Rural Development Linkage (PVO)	G	(1,030) ^a		
<u>Population</u>		900	500	1,000
612-0211 Health Institutions Development	G	900*	500*	1,000*
<u>Health</u>		1,731	500	1,000
612-0207 Self-Help Rural Water Supply	G	731	-	-
612-0211 Health Institutions Development	G	1,000*	500*	1,000*
<u>Education</u>		2,234	500	
612-0201 Polytechnic Expansion	G	2,234*	500	
<u>Selected Development Activities</u>		5,135	9,565	2,500
612-0214 Indigenous Private Enterprise (PVO)	G	2,000*	2,000*	2,500
612-0216 Energy Resources Development	G	635*	1,365*	-
612-0218 Commercial Transportation	G	2,500*	6,200	-
612-0219 Rural Entrepreneurial Training (PVO)	G	(2,400) ^a		
Total All DA Appropriation Accounts		10,000	12,000	12,000

a/ Non-add figure for centrally-funded PVO projects.

* Indicates mortgage

NEW PROJECT NARRATIVES - BACKGROUND NOTE

The FY 85 ABS guidance states that project narratives should be done for all new FY 85 projects, all new FY 84 projects not included in the 1984 CP and FY 84 projects substantially changed from CP descriptions. There have been significant changes in the Malawi program since the FY 84 Congressional Presentation was submitted to Congress. These occurred because the Government of Malawi requested USAID to defer the Agricultural Research and Extension Project (612-0215) since the detailed 20 year master plan for research and extension had not yet been completed. USAID and the GOM identified other priority projects which AID could move forward for FY 83 funding. These priority projects, which are all responsive to the Administration's new policy initiatives, were not identified in the FY 83 or FY 84 ABSs or CPs. Therefore, in the interest of good management and to give the reader of this ABS an accurate picture of USAID/Malawi's long range plans and budget requirements, it was decided that all the new FY 83 projects should be included in the Table IV new project narratives section.

TABLE IV NARRATIVE

HEALTH INSTITUTIONS DEVELOPMENT - 612-0211

FY 83	\$ 1,900 (G)
FY 84	\$ 1,000 (C)
FY 85	\$ 2,000 (G)

LOP Funding	\$ 7,900 (G)
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Appropriation Account - Health/Population

Project Purpose:

To strengthen Malawi's primary health care system - which will include a substantial family planning component - primarily by upgrading in-country training capabilities for medical and paramedical personnel, providing technical assistance for research, planning and management, and by providing contraceptive supplies.

Problem(s):

The single largest obstacle to an improvement of incomes and living standards for the majority of Malawians is the continued rapid expansion of population. Malawi's population growth rate (3.2%) ranks among the highest in the world and its population density (176 persons per square mile in 1982) is one of the highest in Africa. The average number of births per woman is seven, and though the infant mortality rate has been declining, the life expectancy at birth remains low at 44.2 years (1980). The infant mortality rate at 150 per 1000 (1981) is among the highest in the world. Between 25 and 35% of Malawi children die before reaching five. Without a rapid reduction in the population growth rate and an improvement in health services, advances made under other AID-financed projects will be negated.

Means of Dealing with Problem(s):

The provision of adequate health care and family planning education for the growing population has increasingly become one of the GOM's most important goals. A significant step was taken in 1973 when health services were organized under a Fifteen Year Health Plan (1973-1988) which centers on improving the quality of training provided to health personnel and low-cost construction of basic facilities to supplement district and other hospitals. The health services physical infrastructure in Malawi is now near being adequate with 46 hospitals and 533 basic health facilities. In addition, special clinics, known as Under Five Health Clinics, have been

organized to specifically meet the needs of young children. A total of 9,000 such clinics are in operation. At present, the GOM provides about 60% of the country's health care and voluntary agencies provide the remaining 40%. The total number of practicing health personnel at present is 6,000. This number is not sufficient to adequately staff all health facilities nor are they adequately trained or equipped. Therefore, this project is designed to substantially enhance Malawi's health training capabilities.

The primary emphasis will be on primary health care and family planning training for paramedical and medical personnel. Necessary equipment and family planning supplies will also be provided under the project. It is anticipated that one or two traditionally black U.S. health training institutions will provide the technical expertise needed to assist the GOM in further development of a population policy, in preparing health policy options papers for review by the Ministry of Health, and in overall project implementation. The World Bank is also planning to provide assistance in the implementation of a health/population project and thus, the U.S. institutions will have to work closely with World Bank personnel.

This project is fully consistent with AID Population (September, 1982) and Health (December, 1982) Policy Papers in that the project will not emphasize commodities or infrastructure but will involve improved efficiencies due to higher quality and quantity of health personnel, possible introduction of fees for services, research and field testing of alternative low-cost health approaches, and possible increased U.S. private sector participation in the manufacture, processing and packaging of drugs in Malawi.

Relationship to the CDSS:

One of the six long range objectives identified in the FY 85 CDSS is to assist the GOM in the formulation of a population control policy and in the design and implementation of a nationwide primary health care/population program. This is a critical element in our overall strategy in that failure to reduce to the population growth rate will negate gains made in other sectors.

Host Country Entities:

The primary implementing entity will be the Ministry of Health and voluntary organizations working in close cooperation with the Ministry of Health.

Major Issues:

Although substantial progress had been made by AID and the World Bank on the subject of population control, it is still a sensitive issue in some circles. During the design of the project, special

care should be taken to insure that no misunderstandings develop which could impede implementation of the project.

Target Group:

It is difficult at this time to identify the exact numbers of people who will benefit from the project. Initial estimates reveal that at least half the population of Malawi (3 million people) will eventually benefit from improved health services resulting from training or retraining of health personnel and the provision of family planning services.

Means of Dealing with Problem(s):

Malawi already has laid much of the policy foundation necessary to generate parallel development of the small business and agricultural sectors. Furthermore, the institutions needed to carry forth this work exist, namely the Malawi Union of Savings and Credit Cooperatives (MUSCCO) to address the credit and technical assistance needs of farmers in designing and implementing agro-business projects and the Investment and Development Bank of Malawi to address the credit and technology needs of small to middle level industries and businesses. AID funds will be used to establish revolving funds in both institutions and to provide training and technical assistance to participating entrepreneurs.

The AID Private Enterprise Policy Paper (May, 1982) and the World Bank's 1981 blueprint for accelerated development in Africa give high priority to the promotion of indigenous industry founded on an agriculturally-oriented national development strategy. Malawi, in word and deed, has followed this course long before it became fashionable in Africa to assign any importance to the private sector. However, without this project's injection of revolving loan capital and the application of technical advice to assure effective use of smallholder and small-business credit, one of Africa's few successful free-enterprise development models could prove shortlived.

Relationship to the CDSS:

This project directly relates to the FY 85 CDSS goal "to increase the overall level of private business participation in the development of Malawi and to increase the profitability of small to middle level entrepreneurs."

Host Country Entities:

The primary host country entities will be the Malawi Union of Savings and Credit Cooperatives (MUSCCO) and Indefund, a division of the Investment and Development Bank of Malawi, to support loans to entrepreneurs to prepare sound agro and other business development proposals for funding under MUSCCO or Indefund medium-loan facility, and to improve the economy through joint ventures with U.S. firms, technical assistance and technology transfers.

Major Issues:

The success of this project will depend upon further improvements in Malawi's transportation links to sea ports. USAID is proposing a separate Commercial Transportation project to ameliorate Malawi's transport problems.

Investment missions to the U.S. from other African countries have not as a rule been successful. Therefore, the investment missions proposed under this project must be thoroughly researched, U.S. contacts must be identified prior to any travel, the U.S. visits must be well planned and coordinated, and there must be follow-up.

Target Group:

By the end of the project, it is anticipated that the Malawian economy will have begun to overcome its isolation from external markets and sources of support; that the domestic market economy will be stronger and able to provide its growing population with a wider range of goods and services; and that this, in turn, will encourage smallholders to increase their agricultural productivity, incomes, savings and spending. The project will directly benefit about 20,000 smallholders who obtain credit through MUSCCO and Indefund; about 85 entrepreneurs who start or expand productive enterprises and the additional 1600 employees they hire; and the nation as a whole, which will enjoy greater food security, availability of essential goods and consumer items, and the generalized advantages of increased monetarized economic activity, particularly in the rural areas.

TABLE IV NARRATIVEENERGY RESOURCES DEVELOPMENT - 612-0216

FY 83	\$ 635 (G)
FY 84	\$1,365 (G)
FY 85	0

LOP Funding \$2,000 (G)

Appropriation Account: Special Development Activities

Project Purpose:

To develop and strengthen Malawi's long-range energy analysis planning capabilities, to establish a coal analysis capability in country to undertake qualitative analyses of imported coal as well as quantitative and qualitative analyses of potential coal resources in Malawi, and to conduct research on possibility of substituting indigenous low-grade coal for fuelwood in tobacco curing.

Problem(s):

Fuelwood provides more than 90% of Malawi's energy requirements. Half of that 90% is used for tobacco curing. Tobacco generates about 50% of Malawi's export earnings. Petroleum products, all of which are imported, provide 4% of Malawi's energy needs but cost 23% of export earnings. Petroleum is used primarily by the transport sector to export agriculturally produced commodities and to import agricultural inputs (fertilizer, machinery, etc.) needed to generate increased export products. Ethanol, which is produced locally, provides about 1% of the total energy requirement. Coal provides about 2-3% of Malawi's energy requirements and at this time is used primarily in the manufacturing sector.

The energy problem in Malawi is twofold-renewable energy resources (primarily fuelwood), which are mostly domestic, are being consumed at about a 30% faster rate annually than the replacement rate and the supply of conventional energy resources (primarily petroleum and coal), which are all imported at this time, is unreliable due to disruptions in the transportation system.

If Malawi is to achieve greater energy self-sufficiency, several steps must be undertaken. First, Malawi needs to improve its long-range energy analysis and planning capability. Second, Malawi must conserve its renewable energy resources as well as conduct research on how to improve efficiencies in the use of fuelwood in tobacco curing and to attempt to substitute indigenous coal for fuelwood in tobacco curing. (Malawi has about a 200 year supply of low grade coal). Third, a coal analysis laboratory should be established to assess the quality of imported coal so that Malawi can insure that it gets what it pays for and quantitative and qualitative analyses of in-country coal reserves should be undertaken to determine if this resource can be exploited via labor-intensive mining methods. Coal

tests completed by the laboratory for the private sector will be on a fee paying basis.

Means to Address Problem:

The proposed project will include: an analysis and review of all energy activities to date; a policy dialogue effort to rationalize Malawi's energy development plans, technical assistance and training to develop an enhanced energy analysis and planning capability, the equipment necessary to establish a coal analysis laboratory and research on the possibility of mining Malawi's low grade coal using labor-intensive methods.

The energy rationalization and analysis process may be undertaken concurrently with the development of the coal analysis laboratory. Completion of both should occur at about the same time. At that juncture, quality analyses of imported coal will begin and mining feasibility studies will be undertaken on indigenous coal. If these studies prove that the use of indigenous low-grade coal would be economical then Malawi can immediately begin to substitute domestic coal for imported coal. Research will also be undertaken on the possibility of substituting indigenous coal for fuelwood in tobacco curing.

This project focuses on two of the special concerns identified by Congress - energy and environment. The conservation of imported energy resources and the exploitation of domestic coal will lead to greater energy self-sufficiency and substituting indigenous coal for fuelwood will impact favorably on the environment by saving Malawi's forests, thereby reducing soil erosion. The project is also consistent with the AID Private Enterprise Policy Paper (May, 1982) in that the private sector will pay for any services provided by the coal analysis laboratory and several small scale, private coal mining operations will be encouraged rather than a larger operation undertaken by a parastatal.

Relationship to the CDSS:

This project falls squarely within the strategy contained in the FY 85 CDSS. One of the 6 long-term goals identified under the AID strategy section is to assist Malawi in improving its conventional and non-conventional energy planning and analysis capabilities. The establishment of a coal analysis laboratory and undertaking an indigenous coal mining feasibility study directly contribute to the achievement of this goal.

Host Country Entities:

The primary implementing institution will be the Department of Geological Survey under the Ministry of Forestry and Natural Resources. The Department is well organized and has a dedicated staff. Although, the Department has in the past confined its work to geological surveys, the possibility of expanding the Department's overall energy analysis and policy recommendation capabilities for both the private and public sectors should be actively considered. Services provided to the private sector will be on a fee paying basis.

Major Issues:

At this time the responsibilities for energy analysis and planning are scattered among various GOM entities. The GOM should centralize and rationalize these responsibilities before the project is underway.

Target Group:

Initially the staff of the concerned GOM entities, private industry and several hundred Malawians involved in a potential labor-intensive coal mining operation would benefit. In the long-term, all Malawians would benefit from reduced energy costs, reliable domestic energy resources and foreign exchange savings.

TABLE IV NARRATIVECOMMERCIAL FISHERIES DEVELOPMENT 612-0217

FY 84	0
FY 85	\$2,500 (G)

LOP Funding \$5,000 (G)

Appropriation Account: Agriculture, Rural Development and Nutrition

Project Purpose:

To strengthen Malawi's fisheries research and planning capabilities, to increase the supply of fresh fish to markets throughout the country, to increase the incomes of small fishermen and to encourage expanded private sector participation in the chilling, processing and marketing of fish.

Problem(s):

Fish currently provide about 70% of the animal protein in the Malawian diet. Lake Malawi has been the traditional source of fish for most of the country but recent data suggests that the supply has leveled off and therefore, the future demand for fish will not be met unless improved methods for increasing fish production are immediately explored. Most of Malawi's fishermen are private entrepreneurs with very limited equipment (boat, fishing net, etc.). Personnel in the Fisheries Department point out that improved equipment and the provision of training could substantially improve the ability of fishermen to increase their catch. Furthermore, research and sophisticated data analysis could yield information on fish movements and new fishing techniques - which could further increase the annual catch from Lake Malawi.

SADCC has designated Malawi as the lead country for the development of fisheries. If Malawi is to meet its domestic market needs as well as play a major role in fisheries development in SADCC, it will have to substantially upgrade its fisheries research, planning and extension systems. The South African Government (RSA) has offered assistance in fisheries but the GOM is proceeding cautiously because it is believed that support from a combination of other sources and the RSA will be more palatable to SADCC members. The U.K. is also considering providing fisheries development assistance.

Means of Dealing with Problem(s):

The key areas identified for support are research, data analysis, and training. Research and sophisticated data analysis should yield information on the different fish species (more than 300 species), on fish movements and on new fishing techniques or new technology which could substantially increase the annual catch from Lake Malawi. One example of new promising technology is the introduction of ferro-cement boats in Karonga (on northern shore of Lake Malawi) via a project supported by Appropriate Technology International. These ferro-cement boats allow fishermen to fish longer and in deeper waters, thereby increasing their catch.

Upgrading the extension and training facilities of the Department of Fisheries could also have a significant impact. It has been demonstrated in the past that training fishermen in improved fishing techniques can substantially increase their catch. Credit requirements of fishermen will also be addressed even though funds for loans to fishermen may not be available under this project.

Other activities will include the procurement of data processing and other equipment, specialized training of fisheries personnel in the U.S. and provision of fish processing and cold storage equipment. The processing, chilling and marketing of fish will remain in the hands of private entrepreneurs.

This project is consistent with the AID Private Enterprise Policy Paper (May 1982) in that managerial and entrepreneurial skills in the fisheries sector will be developed and fishermen will have increased access to technology. By addressing the problem of insufficient supply and inappropriate distribution, the project will address major concerns presented in the AID Nutrition Policy Paper (May, 1982). By developing the country's human and institutional capabilities and through research on fisheries, the project will get at major concerns identified in the Food and Agricultural Development Policy Paper (May, 1982). It should also be noted that this project will foster the development of SADCC by providing support to the lead country for fisheries and implementation will be via a Title XII institution, encouraging a collaborative relationship in fisheries development among the GOM, USAID and a U.S. institution.

Relationship to CDSS:

The highest priority identified in the FY 85 CDSS is to assist Malawi in at least maintaining food self-sufficiency in food grains as well as animal protein and to increase the incomes and improve the

welfare of smallholders and fishermen. Providing assistance for fisheries development is an important element in achieving this goal since 70% of the animal protein consumed by Malawians is from fish.

Host Country Entities:

The Department of Fisheries in the Ministry of Forestry and Natural Resources will be the primary implementing agency. The Ministry of Trade and Industry may be involved in coordinating an appropriate private sector response for processing and marketing of fish. The Investment and Development Bank of Malawi and the Malawi Union of Credit Cooperatives will be encouraged to carefully examine the credit needs of fishermen and to consider the possibility of assisting groups of fishermen in expanding or upgrading fishing operations.

Major Issues:

Credit for fishermen has been a perennial problem due to their mobility. This issue must be carefully examined during project design and alternative ways of dealing with this problem will be identified.

Target Group:

The primary target group is some 2,000-3,000 Lake Malawi fishermen and several hundred small entrepreneurs handling the marketing of fish, ranging from one person travelling from house to house selling fish as well the more stationary marketers of fish. Increased cold storage facilities will increase the availability of fresh fish throughout the markets of the country, benefitting all Malawians. Expanded marketing facilities are also expected to generate increased employment opportunities.

TABLE IV NARRATIVECOMMERCIAL TRANSPORTATION PROJECT - 612-0218

FY 83	\$ 2,500 (G)
FY 84	\$ 6,200 (G)
FY 85	\$ 0
LOP Funding	\$ 8,700 (G)

Appropriation Account: Special Development Projects

Project Purpose:

The purpose of this project is to develop an indigenous private sector response capability to provide international road transport services for commercial goods by providing trucks to be sold to private owner/operators, technical assistance in area of transport planning for the Ministry of Transport and Communications and training of truck owner/operators.

Problem(s):

Growing insurgency actions in Mozambique affecting the rail transit corridor linking Malawi with the port of Beira have seriously interrupted, and for short periods, completely stopped operations. These insurgent actions have also interrupted the important road transit route between Malawi and Zimbabwe by way of Tete province in Mozambique. Furthermore, the poor physical condition of the rail line linking Malawi with the northern Mozambique port of Nacala has limited the volume of traffic which can be handled and precluded its effective use as an alternative to the Beira line.

Because of the situations noted above, Malawi has had only partial and sporadic use of three of its four transit routes. The interruption of the Beira corridor made it impossible to bring into the country the minimum level of supplies necessary to keep the economy functioning. The effects were especially serious with fertilizer which must be applied at the right time during the planting and growing seasons to be effective. Petroleum supplies were similarly effected as were imports of almost all essential materials. Exports of tea, tobacco and sugar were delayed. To make matters worse, Malawi does not have a fleet of large, long-haul trucks to carry exports and imports via alternative land routes and therefore, has to rely on Zambian, Zimbabwe, Botswana and South African truckers.

Because of this situation, two immediate financial problems arose: a severe negative cash flow in foreign exchange, and large short and long-term costs which must be absorbed by the economy. In the first case, receipts from overseas sales were slow in being received due to late deliveries. In the second case, there was a substantial outlay for additional transport expenses. The long-range adverse impact on agricultural development could be devastating unless Malawi acquires its own fleet of long-haul trucks and maintains reliable road links to South Africa via Zambia and Zimbabwe.

Means to Address Problem(s):

The project will involve financing of up to 30 Mack trucks after the project agreement is signed. Once the vehicles arrive in Malawi, they would be turned over to the GOM. The GOM, through an arrangement with a private Malawian agency, would provide the vehicles to the agency as share capital. This private agency would have responsibility for selling the Mack trucks to carefully selected owner/operators, while MALTRACO would be responsible for providing a preventive maintenance package and service contract to the owner/operators. Funds generated from sales will be placed in a revolving fund to purchase more trucks. The total number of additional trucks to be purchased by end of project via the revolving fund is 40. The objective here is to provide the up front seed money, technical assistance and training to get an operation started which will eventually receive funds for further growth on commercial terms.

This project evolved from extensive discussions between USAID/Malawi and all relevant GOM and private sector entities. It builds on the achievements of past AID assisted private sector efforts and benefits from the detailed analysis of private sector involvement in Malawi's development conducted in 1982 by AID's Bureau for Program and Policy Coordination. Malawi was one of four countries selected for special study, based on their strong growth performance, following the AID Administrator's request that the agency evaluate its past contributions to private sector development, with a deliberate accent on deriving lessons from successful experiences. The study concluded that Malawi's growth to date is no accident, but is the fruit of a sound, business-like approach to the economy. However, unless the emergency transport situation is resolved quickly, Malawi's free enterprise system may be in jeopardy. This project, by

providing the resources needed for a private sector response, gets at the core of the AID Private Enterprise Policy Paper (May, 1982), which is to foster democratic institutions and free market systems.

Relationship to the CDSS:

The proposed project addresses the private sector development priorities of USAID/Malawi -- namely, to accelerate expansion and development of small-to-medium scale Malawian enterprises, and to increase American private investment in the Malawian private sector. The project also focuses on USAID/Malawi's primary concern: developing the country's agricultural base and, collaterally, its export potential.

Host Country Entities:

The implementing entities will be the private truck holding agency and MALTRACO. The Ministry of Transport and Communications will be responsible for overall traffic planning and distribution and for negotiating transit transport agreements with Zambia, Zimbabwe and South Africa.

Major Issues:

The structure and the responsibilities of the agency tasked with selling the trucks to private owner/operators should be carefully examined. The GOM and USAID have agreed that the agency will not be a parastatal.

The continued operation of the revolving fund, once the number of trucks needed in Malawi have been purchased, should be discussed in detail and agreed upon.

Target Group:

The project will assist up to 70 private/owner operators who will require maintenance and repair services and petroleum products, which will generate at least an additional 100 jobs. Up to 7 Ministry of Transport and Communications personnel will be trained and their improved planning efforts will involve all trucking firms in Malawi-which in total could involve 2,000-3,000 people. The expanded Malawian private sector capability to handle international cargo will impact on all Malawians. One million small-holders will have a more steady supply of imported agricultural inputs. Increased foreign exchange earnings, resulting from reliable transport routes, will impact on all Malawians.

TABLE IV NARRATIVE
(NON-ADD CENTRALLY FUNDED PVO PROJECT)

RURAL ENTREPRENEURIAL TRAINING AND ADVISORY SUPPORT-612-0219

FY 83	\$ 2,400 (G)
FY 84	0
FY 85	0

LOP Funding \$ 2,400 (G)

Appropriation Account: Special Development Activities

Project Purpose:

To increase viability of small rural retail businesses and thereby increase incomes. This will be achieved by strengthening the capacity of the Malawi Traders Trust to identify new and potential entrepreneurs, to provide entrepreneurial skills training needed, to provide basic technical analysis and advice needed by rural entrepreneurs in formulating investment proposals, and to facilitate loan applications from rural traders to credit institutions.

Problem(s):

In the 1920's, the then British Protectorate of Nyasaland was experiencing a fairly rapid expansion of the colonial administration. This brought an increased demand for imported items and led to the introduction of the Asian trader. The Asians rapidly established a network of trading families throughout the rural areas and opened substantial import operations with major firms in Blantyre and Limbe.

After independence in 1964, the Malawi Government began to press for localization of the retail trade. The major foreign firms were sold to private Malawians or to parastatals organized by the GOM. Beginning in the early 1970s, the Asian traders were encouraged to transfer their rural operations to the urban areas of Blantyre, Limbe, Zomba and Lilongwe. In 1974, a localization policy was passed that effectively removed the Asians from the rural trade by March, 1978. This left a major vacuum in the rural areas inasmuch as the Malawians who took over the shops from the Asians often had neither the capital nor the entrepreneurial skills needed to operate viable businesses.

Means of Dealing with Problem(s):

The need to immediately provide entrepreneurial training and business advice to Malawians taking over businesses from Asian traders became evident. Therefore, in 1980, the GOM

established a pilot effort called the Development of Malawi Traders Trust (DEMATT) to provide training and business advice to Malawian traders. The Partnership-for-Productivity (PFP) was asked to provide technical assistance to DEMATT in view of its prior experience with similar programs in Kenya and elsewhere in Africa. AID support to PFP, via PACT, totalled nearly \$200,000. In June 1982, the DEMATT pilot phase was evaluated and the results were favorable. Therefore, PFP developed a phase II OPG proposal to build on the lessons learned to date and to substantially expand DEMATT's business training and advisory service. An added element in the phase II effort is a concentration on credit needs and assistance for traders submitting loan applications to credit institutions.

The project is consistent with the AID Private Enterprise Policy Paper (May 1982) in that rural trader managerial and entrepreneurial skills will be developed and access to institutional credit will be facilitated. The project is also in line with the Private and Voluntary Organization Policy Paper (Sept 1982) in that a PVO with an existing capacity to undertake entrepreneurial training programs in the field will be used for overall project coordination. The Congressional requirement to earmark 12% of AID funds for PVOs is another important consideration. Two Peace Corps Volunteers are currently working with DEMATT and as the program expands, additional volunteers will be assigned.

Relationship to the CDSS:

The project falls squarely within the FY 85 Malawi CDSS. This project will provide the training and technical assistance necessary to make "grass-roots" retail businesses viable; thereby increasing rural incomes, and demonstrating that when individuals have a personal stake in benefitting from their success they will contribute to development. They will establish a network of efficiently run retail businesses throughout Malawi and they will become leaders in their communities. The latter benefit was confirmed during the 1982 evaluation of the phase I pilot project.

Host Country Entities:

The primary implementing institution will be DEMATT, which is a semi-autonomous body under the Ministry of Trade and Industry. DEMATT will also work closely with the Malawi Union of Savings and Credit Cooperatives (MUSCCO) and the Investment and Development Bank of Malawi (Indefund) in securing credit for promising rural traders and producers. Revolving credit funds will be established in MUSCCO and Indefund with assistance provided via the Indigenous Private Enterprise project (612-0214).

Major Issues:

The need for DEMATT to eventually become a self-sustaining institution must be examined carefully. At this time, the capitalization of rural traders is so low that they cannot afford to pay for the services provided by DEMATT. However, this issue is central to the long-range viability of DEMATT and therefore, it will be examined during each of the evaluations planned for the project.

Target Group:

The major intended project beneficiaries are the small producers and traders located in Malawi's rural areas. DEMATT's goal is to assist 20,000 rural businessmen during this five year project. Also, by expanding these labor-intensive rural businesses, it is estimated that at least 1,000 new jobs will be created. Another aspect of the project is its secondary economic and social benefits. DEMATT assistance in solving rural trader transportation and inventory supply problems can mean further access by villagers to reasonably priced consumer commodities such as sugar, soap, beverages, salt. etc. and rural industry needs such as grease and oil for village grain millers.

TABLE IV NARRATIVE

(NON-ADD CENTRALLY FUNDED PVO PROJECT)

RURAL DEVELOPMENT LINKAGE PROJECT - 612-0220

FY 83	\$ 1,030 (G)
FY 84	0
FY 85	0

LOP Funding	\$ 1,030 (G)
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Appropriation Account: Agriculture, Rural Development and Nutrition.

PROJECT PURPOSE:

The project purpose is to develop the capacity of selected rural communities to assume an active role in needs assessment, problem analysis and management of integrated project activities, and to develop an integrated rural development model for use by the GOM in other areas of country. The purpose is to be achieved by developing infrastructure and services necessary to promote community health and sanitation, increasing opportunities for recreation and self-improvement, improving the learning environment, providing the population access to farm markets and commercial centers, and reinforcing horizontal and vertical linkages between rural communities and existing government services.

PROBLEM(S):

The development of smallholder agriculture is one of the fundamental priorities in GOM national development plans. To this end the GOM established the National Rural Development Program (NRDP) under the Ministry of Agriculture as the cornerstone of the nation's agricultural development policy. The NRDP is a comprehensive effort, supported by a number of donors, which is designed to foster economic growth in the rural areas of Malawi. Program efforts include: agricultural research leading to improved production techniques, seeds, fertilizers, services (e.g., extension, credit, etc.) and management practices, adapted for Malawian conditions; expansion of physical infrastructure, including roads, markets, water and social services facilities; expansion of formal and informal education activities in support of the agricultural sector; and expansion of credit facilities for smallholders. Although the physical infrastructure aspects of the program have usually been completed on schedule and within original cost estimates, the smallholder response has not always been encouraging. Crop yields have not increased significantly nor have incomes.

of Community Services and Local Government of the Office of President and Cabinet will also play an active role in the implementation of this project.

Relationship to CDSS:

The FY 85 Malawi CDSS stresses the need to restructure or streamline existing institutions, and to keep recurrent and other costs low. This project is designed to generate information on new low-cost approaches which will assist the GOM in increasing the effectiveness of the NRDP organization.

Major Issues:

No major issues are noted.

Target Group:

The primary target group is the population of Mzimba District, which is estimated to be more than 55,000 people. The majority of these people are smallholder families with 3-4 acres of land producing maize for subsistence as well as a small annual cash surplus through the cultivation of tobacco, groundnuts and pulses. Eventually, it is envisioned, that all Malawians will benefit from SCF/GOM proven development approaches which will be replicated in other areas of the country.

Because of its recognized expertise in community organization and development, the GOM asked Save the Children/U.S., in collaboration with Save the Children/Malawi, to visit certain key areas of the country to carefully examine past NRDP efforts, particularly vis-a-vis local participation. In general, SCF found that: the major physical facilities needed had been completed but that key elements were often missing (e.g., bridge, lack of farm to market road, etc.) which reduced overall impact; sufficient efforts were not made to involve local people in planning efforts; and training provided to local people was not adequate.

Means of Dealing with Problem(s):

SCF has submitted an unsolicited OPG project proposal designed to get at the heart of the problem. SCF identified Mzimba District as a fairly typical rural area for careful study and for implementation of community-based activities to test the effectiveness of various development approaches. During the first six months of project, SCF will execute an extensive baseline study and a needs assessment. Using this data, ten pilot village clusters will be identified for particular attention. The activities to be initiated will be tailored to each village cluster but could include any or all of the following: provision for improving access to credit, training in needed skills, improving access to agricultural inputs, and promotion of small businesses. Particular care will be taken to facilitate linkages to existing institutions for provision of needed services and to evaluate institutional and smallholder responses. As evaluations are completed, adjustments in project design will be made and successful development approaches will be brought to the attention of senior NRDP officials for possible replication in other parts of the country.

This project is consistent with the Private and Voluntary Organization Policy Paper (Sept. 1982) in that an existing U.S. PVO with a field response capability in community and integrated rural development will be used. The project will also contribute toward the Congressional requirement to earmark 12% of Agency funds for PVOs. SCF has indicated that it would like to explore the possibility of using Peace Corps Volunteers to facilitate the analysis of technical problems impeding development.

Host Country Entities:

The primary host country entity will be the National Rural Development Program of the Ministry of Agriculture. In view of the large self-help component and the heavy emphasis on rural community planning and implementation, the Department

TABLE V - FY 1985 PROPOSED PROGRAM RANKING				Country/Office		
RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
					INCR	CUM
1	612-0215 Agricultural Research and Extension	0	G	FN	5,000	5,000
2	612-0214 Indigenous Private Enterprise	0	G	SD	2,500	7,500
3	612-0211 Health Institutions Development	0	G	HE/PN	2,000	9,500
4	612-0217 Commerical Fisheries Development	N	G	FN	2,500	12,000

TABLE V - NARRATIVE

Agriculture is the primary focus of USAID/Malawi's strategy. Thus, the Agricultural Research and Extension project (612-0215) is ranked as the highest priority. The Commercial Transportation project (612-0218) is ranked second because this private sector initiative is needed to insure a steady flow of agriculturally-related imports and exports. A related objective of the Transportation project is to develop a sufficiently large fleet of heavy duty, long haul trucks so that Malawi does not have to be at the mercy of Zambian, Zimbabwean, Botswanan and South African truckers, thereby, reducing overall transport costs and saving foreign exchange. The Health Institutions project, which contains a substantial family planning component, is ranked third. It is considered to be of equal importance in relation to the other projects. In as much as Malawi has one of the highest population growth rates in the world, failure to reduce the growth rate will negate successes achieved with other projects. The last project on the program ranking is the Commercial Fisheries project. This project was ranked last because it is a new project - priority was given in the ranking to funding ongoing projects, thereby, reducing a potential mortgage problem.

The FY 85 ABS program ranking flows from the Mission Action Plan and from the FY 85 CDSS. Specifically, the Agricultural Research and Extension (612-0215) and Commercial Fisheries Development (612-0217) projects relate to the food-grain and animal protein self-sufficiency goal. The Commercial Transportation project (612-0218) directly relates to the Action Plan goal to increase the level of private sector involvement in Malawi's development. The Health Institutions Development project (612-0211) is in direct support of the goal to reduce Malawi's population growth rate and to reduce infant and maternal morbidity and mortality.

USAID/Malawi is currently authorized 5 DH positions - AID Representative, Program Officer, Management Officer, Agricultural Development Officer, and Project Development Officer. During FY 84 and FY 85, it is proposed that the American DH staff be increased by one DH Secretary and one IDI (Agriculture), respectively. FSN staff currently totals 8 - 2 DH Secretaries, 1 DH Voucher Examiner, 1 Contract Messenger/Janitor, 1 Administrative Officer, 1 DH Driver and 2 Contract Drivers. In FY 85, it is proposed that the FSN staff be increased by one DH Program Assistant. USAID currently has two PSC American dependent employees and plans to retain these positions.

With the aforementioned staff increases, USAID will be in a position to effectively manage its expanding portfolio if REDSO and other support services are available in the quantity and quality needed and if PVOs can assume project implementation responsibilities to the maximum extent legally permitted.

The resident staff projections presented in this ABS are based on certain assumptions. First, the Ambassador will not concur in any increases in American DH staff until the State Department acts on his request to provide a ceiling for a full time General Services Officer. We are assuming the State Department will act promptly on this request. Second, we are assuming that the level of program development and implementation support currently being provided by REDSO/Nairobi and the Regional Engineer/Lusaka will not change and support provided by the Regional Health Development Officer/Mbabane will increase. Any reduction in support from these sources would jeopardize our program. Third, the planned workforce levels are contingent upon effective management of three projects by three different PVOs as follows: Indigenous Private Enterprise 612-0214 (Africare); Rural Entrepreneurial Training and Advisory Support 612-0219* (Partnership for Productivity); and Rural Development Linkage 613-0220* (Save the Children). Fourth, the GOM has in the past used donor assistance very effectively and cases of misuse are very uncommon. We are assuming that the GOM's management of development projects will continue to improve, thereby reducing the amount of time USAID/Malawi has to spend on project monitoring.

* Centrally-funded

TABLE VI EVALUATION PLAN ISSUES NARRATIVE

The core element of the AID development strategy in Malawi is smallholder agriculture and the major portion of USAID's budget and staff resources are concentrated there. The other projects in the portfolio will support the agriculture projects. The proposed mix of projects, which are weighted toward research, technology transfer, institution building and manpower development, will be consistently pursued. The central hypothesis is that these projects will have a favorable impact on the smallholders. This hypothesis will be tested through regular project monitoring efforts and indepth evaluations. As information is generated regarding the efficiency and effectiveness of USAID projects and staff resources, the CDSS strategy will either be reaffirmed or modified in line with evaluation recommendations.

Careful scrutiny will be given to family planning and private enterprise development activities since we do not have a prior track record in these areas in Malawi. The family planning initiative will have to be undertaken at a measured pace in view of the cultural sensitivities associated with this subject. An early assessment will be critical in ascertaining that the proposed project approach is not having a negative impact. The private sector initiative is not sensitive but involves some "never tried before" high impact potential components which must be carefully monitored. Therefore, it will be necessary to ascertain that appropriate linkages are being established with the smallholder sector and that existing small indigenous enterprises are benefiting. The objective here is to encourage labor intensive industries which make maximum use of indigenous materials, technology and labor.

Key Hypotheses to be tested:

- A. Promotion of agricultural research, inputs delivery and extension activities will lead to economically sound and socially acceptable research as well as increased inputs delivery (including extension) for smallholders in satisfactory quantity and quality.
- B. Promotion of indigenous private enterprises will result in increased private sector income, in more productive non-farm employment for poor groups, will lead to increased export earnings, and will lead to increased demand for U.S. technology and goods.
- C. Government of Malawi's Manpower Development Program will increase the capacity of indigenous institutions to provide the quantity and quality of graduates needed for the country's rapidly expanding public and private sectors.

- D. The Government of Malawi will be able to significantly increase the supply of safe water via gravity-fed piped systems and this, in turn, will reduce the level of water-related diseases among villagers and lead to other non-health related benefits (irrigation, private business, etc.). The GOM will also be able to significantly increase the quantity and quality of health and family planning services available to rural inhabitants, thereby, reducing child and maternal mortality and reducing the number of births per mother.

These hypotheses relate to the four major program thrusts spelled out in the CDSS:

<u>Hypothesis</u>	<u>Program Element</u>	<u>Projects</u>
A	Food Grain and Animal Protein Production	Agricultural Research (612-0202) Malawi Union of Savings (612-0205) Agricultural Research and Extension (612-0215) Commercial Fisheries (612-0217)
B	Business and Transportation in Support of Agriculture	Indigenous Private Enterprise (612-0214) Energy Resources Development (612-0216) Commercial Transportation (612-0218) Rural Entrepreneurial Training (612-0219)
C	Health and Family Planning Services for Smallholders and other Rural Inhabitants	Self-Help Rural Water Supply (612-0207) Health Institutions (612-0211) JHPIEGO Project
D	Manpower Training in Support of Agriculture	Bunda Agricultural College (612-0054) Polytechnic Institute (612-0201) AMDP Project AFGRAD Project

The hypotheses cannot be tested in a vacuum and therefore, special attention will be given to the assumptions set forth in each project paper. The required Africa Bureau evaluation questions prepared by AFR/DP/PPE and broader social and economic considerations which impact on project implementation will also be a component of each evaluation.

TABLE VII - LIST OF PLANNED EVALUATIONS
FY 1985 ANNUAL BUDGET SUBMISSION

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start To AID/W (Qtr)	Start To AID/W (Qtr)	Start To AID/W (Qtr)				
Agriculture, Rural Deve- lopment and Nutrition								
Food Production and Man- power Sector Evaluation								
612-0202 - Agricultural Research	Jan. 83 for Ag. Res. only	3	4		The primary goal of the FY 85 CDSS is smallholder agricultural production. This evaluation will concentrate on the small- holder sector and will assess how each project has contributed or not contributed to the CDSS goal of food self-sufficiency and increased smallholder incomes. A sector approach is used here rather than a project approach in an effort to test the hypotheses under- lying the core element of the CDSS strategy and to facilitate the identification of any linkage problems among the various project components, i.e., research, extension, manpower development, etc. The main component of the sector evaluation will be the impact on smallholders vis-a-vis AID financed efforts in research, extension, credit, inputs delivery and training.	60	10	REDSO/EA TDY 15 days
612-0206 - Malawi Union of Savings								
612-0215 - Agricultural Research and Extension								
612-0217 - Commercial Fisheries								
612-0054 - Bunda Agri- cultural College								
612-0201 - Polytechnic Intitute								
AMDP								
AFGRAD								

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance	
	Last Eval Completed	Start To	Start To	Start To					
	(Mo./Yr.)	(Qtr) AID/W	(Qtr) AID/W	(Qtr) AID/W					
Private Sector Evaluation									
612-0214 - Indigenous Private Enter- prise		4	1 of 85		USAID support for private sector development in Malawi is relatively new. The design of the projects is believed to be sound. However, since certain elements of these projects involve "never tried before" activities, careful monitoring is required. Thus, this evaluation will assess the impact of all four AID- supported projects and will contain recommendations on how to improve the overall CDSS strategy as well as recommendations on how to improve project implementation.	PDS	50	10	AID/W TDY 15 days
612-0216 - Energy Resources									
612-0218 - Commercial Transportation									
612-0219 - Rural Entrepreneu- rial Training (PVO)									

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1985 ANNUAL BUDGET SUBMISSION

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance	
		Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)					
Health and Population Sector Evaluation										
612-0207 - Self-Help Rural Water	June 83 for water project only	1		1		The planned strategy is to approach health and family activities in an integrated manner. Therefore, health and family activities will be evaluated concurrently. Also, given the sensitivities surrounding the subject of family planning, it is necessary to get an early reading on any potential negative impacts.	Project 612- 0211)	30	10	REDSO/EA TDY Population Officer 15 days
612-0211 - Health Institutions JHPIEGO Project										RHDO/Mbabane DTY 15 days

ORGANIZATION USAID/MALAWI
(All OE is dollar funded)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				334.5	XXXXX
U.S. CITIZENS BASIC PAY	U101	110			180.5	4
PT/TEMP U.S. BASIC PAY	U102	112				0
DIFFERENTIAL PAY	U103	116			18.0	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126			8.0	4
RETIREMENT - U.S.	U107	120			12.6	XXXXX
LIVING ALLOWANCES	U108	128			2.7	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129			4.8	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129			4.3	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212			14.0	3
POST ASSIGNMENT - FREIGHT	U112	22			58.0	3
HOME LEAVE - TRAVEL	U113	212			11.0	2
HOME LEAVE - FREIGHT	U114	22			8.0	2
EDUCATION TRAVEL	U115	215			-	0
R AND R TRAVEL	U116	215			6.6	4
ALL OTHER CODE 215 TRAVEL	U117	215			6.0	4
<u>FOREIGN NATIONAL DH</u>	U200				13.2	XXXXX
BASIC PAY	U201	114			* 12.2	4
OVERTIME, HOLIDAY PAY	U202	115			* 1.0	4
ALL OTHER CODE 11 - FN	U203	119				XXXXX
ALL OTHER CODE 12 - FN	U204	129				XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300				32.9	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113			27.0	2.2
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113			5.9	1.4
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400				150.6	XXXXX
RENT	U401	235			* 28.0	1.25
UTILITIES	U402	235			* 11.2	XXXXX
RENOVATION AND MAINT.	U403	259			* 23.4	XXXXX
QUARTERS ALLOWANCE	U404	127			* 0.5	1.25
PURCHASES RES. FURN/EQUIP.	U405	311			22.0	XXXXX
TRANS./FREIGHT - CODE 311	U406	22			55.0	XXXXX
SECURITY GUARD SERVICES	U407	254			* 9.5	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254			0.5	XXXXX
REPRESENTATION ALLOWANCE	U409	252			0.5	XXXXX

ORGANIZATION USAID/MALAWI
(All OE is dollar funded)

EXPENSE CATEGORY	FUNCTION CODE	OBJECT CLASS	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
<u>OFFICE OPERATIONS</u>	U500				234.7	XXXXX
RENT	U501	234			* 14.0	XXXXX
UTILITIES	U502	234			* 3.0	XXXXX
BUILDING MAINT./RENOV.	U503	259			* 3.0	XXXXX
OFFICE FURN./EQUIP.	U504	310			* 36.0	XXXXX
VEHICLES	U505	312			* 15.0	XXXXX
OTHER EQUIPMENT	U506	319			20.0	XXXXX
TRANSPORTATION/FREIGHT	U507	22			-	XXXXX
COMMUNICATIONS	U508	230			* 21.0	XXXXX
SECURITY GUARD SERVICES	U509	254			-	XXXXX
PRINTING	U510	24			* 1.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210			45.9	13
SITE VISITS	U512	210			5.0	40
INFORMATION MEETINGS	U513	210			-	0
TRAINING ATTENDANCE	U514	210			9.0	3
CONFERENCE ATTENDANCE	U515	210			2.5	2
OTHER OPERATIONAL TRAVEL	U516	210			-	0
SUPPLIES AND MATERIALS	U517	26			20.0	XXXXX
FAAS	U518	257			-	XXXXX
CONSULTING SVCS - CONT.	U519	259			-	XXXXX
MGT./PROP. SVCS. - CONT.	U520	259			-	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259			* 1.0	XXXXX
ALL OTHER CODE 25	U522	259			* 38.3	XXXXX
TOTAL O.E. BUDGET					765.9	XXXXX
RECONCILIATION (U101, U103, U107 & U109)					215.9	XXXXX
OPERATING ALLOWANCE REQUEST					550.0	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1983)

* \$218.1
US \$1.00 = MK 1.11 (May 1, 83)

ORGANIZATION USAID/MALAWI
(All OE is dollar funded)

EXPENSE CATEGORY	FUNCTION CODE	OBJECT CLASS	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
<u>U.S. DIRECT HIRE</u>	U100				382.7	XXXXX
U.S. CITIZENS BASIC PAY	U101	110			269.8	6
PT/TEMP U.S. BASIC PAY	U102	112			-	0
DIFFERENTIAL PAY	U103	116			26.9	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119			-	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119			-	XXXXX
EDUCATION ALLOWANCES	U106	126			8.0	4
RETIREMENT - U.S.	U107	120			18.8	XXXXX
LIVING ALLOWANCES	U108	128			2.7	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129			7.6	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129			4.3	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212			4.5	1
POST ASSIGNMENT - FREIGHT	U112	22			21.0	1
HOME LEAVE - TRAVEL	U113	212			-	0
HOME LEAVE - FREIGHT	U114	22			-	0
EDUCATION TRAVEL	U115	215			-	0
R AND R TRAVEL	U116	215			13.1	6
ALL OTHER CODE 215 TRAVEL	U117	215			6.0	4
<u>FOREIGN NATIONAL DH</u>	U200				16.0	XXXXX
BASIC PAY	U201	114			* 14.5	4
OVERTIME, HOLIDAY PAY	U202	115			* 1.5	4
ALL OTHER CODE 11 - FN	U203	119			-	XXXXX
ALL OTHER CODE 12 - FN	U204	129			-	XXXXX
BENEFITS FORMER FN PERS.	U205	13			-	XXXXX
<u>CONTRACT PERSONNEL</u>	U300				78.4	XXXXX
PASA TECHNICIANS	U301	258			-	0
U.S. PSC - SALARY/BENEFITS	U302	113			45.0	2.5
ALL OTHER U.S. PSC COSTS	U303	255			25.0	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113			8.4	2
ALL OTHER F.N. PSC COSTS	U305	255			-	XXXXX
<u>HOUSING</u>	U400				137.0	XXXXX
RENT	U401	235			* 40.0	3
UTILITIES	U402	235			* 13.0	XXXXX
RENOVATION AND MAINT.	U403	259			* 9.5	XXXXX
QUARTERS ALLOWANCE	U404	127			* 1.0	3
PURCHASES RES. FURN/EQUIP.	U405	311			20.0	XXXXX
TRANS./FREIGHT - CODE 311	U406	22			38.0	XXXXX
SECURITY GUARD SERVICES	U407	254			* 13.5	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254			1.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252			1.0	XXXXX

ORGANIZATION USAID/MALAWI
(All OE is dollar funded)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500				298.7	XXXXX
RENT	U501	234			* 49.6	XXXXX
UTILITIES	U502	234			* 3.5	XXXXX
BUILDING MAINT./RENOV.	U503	259			* 4.5	XXXXX
OFFICE FURN./EQUIP.	U504	310			* 13.0	XXXXX
VEHICLES	U505	312			* 16.5	XXXXX
OTHER EQUIPMENT	U506	319			-	XXXXX
TRANSPORTATION/FREIGHT	U507	22			6.0	XXXXX
COMMUNICATIONS	U508	230			* 24.1	XXXXX
SECURITY GUARD SERVICES	U509	254			* 3.0	XXXXX
PRINTING	U510	24			* 1.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210			72.9	24
SITE VISITS	U512	210			* 13.0	60
INFORMATION MEETINGS	U513	210			10.1	8
TRAINING ATTENDANCE	U514	210			29.0	10
CONFERENCE ATTENDANCE	U515	210			4.5	6
OTHER OPERATIONAL TRAVEL	U516	210			-	0
SUPPLIES AND MATERIALS	U517	26			* 18.0	XXXXX
FAAS	U518	257			0	XXXXX
CONSULTING SVCS - CONT.	U519	259			0	XXXXX
MGT./PROF. SVCS. - CONT.	U520	259			0	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259			0	XXXXX
ALL OTHER CODE 25	U522	259			* 30.0	XXXXX
TOTAL O.E. BUDGET					912.8	XXXXX
RECONCILIATION (U101, U103, U107 & U109)					323.1	XXXXX
OPERATING ALLOWANCE REQUEST					589.7	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1983)

* \$269.2
US \$1.00 = MK 1.11

Estimated Wage Increases - FY 1983 to FY 1984
Estimated Price Increases - FY 1983 to FY 1984

10%
15%

ORGANIZATION USAID/Malawi
(All O.E. is dollar funded)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				453.3	XXXXX
U.S. CITIZENS BASIC PAY	U101	110			301.7	7
PT/TEMP U.S. BASIC PAY	U102	112			-	0
DIFFERENTIAL PAY	U103	116			30.1	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119			-	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119			-	XXXXX
EDUCATION ALLOWANCES	U106	126			8.0	5
RETIREMENT - U.S.	U107	120			21.1	XXXXX
LIVING ALLOWANCES	U108	128			2.7	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129			9.3	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129			4.3	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212			4.5	1
POST ASSIGNMENT - FREIGHT	U112	22			21.0	1
HOME LEAVE - TRAVEL	U113	212			22.0	4
HOME LEAVE - FREIGHT	U114	22			16.0	4
EDUCATION TRAVEL	U115	215			-	0
R AND R TRAVEL	U116	215			6.6	4
ALL OTHER CODE 215 TRAVEL	U117	215			6.0	
<u>FOREIGN NATIONAL DH</u>	U200				17.5	XXXXX
BASIC PAY	U201	114			*15.9	5
OVERTIME, HOLIDAY PAY	U202	115			* 1.6	5
ALL OTHER CODE 11 - FN	U203	119			-	XXXXX
ALL OTHER CODE 12 - FN	U204	129			-	XXXXX
BENEFITS FORMER FN PERS.	U205	13			-	XXXXX
<u>CONTRACT PERSONNEL</u>	U300				78.4	XXXXX
PASA TECHNICIANS	U301	258			-	0
U.S. PSC - SALARY/BENEFITS	U302	113			45.0	2.5
ALL OTHER U.S. PSC COSTS	U303	255			25.0	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113			8.4	2
ALL OTHER F.N. PSC COSTS	U305	255			-	XXXXX
<u>HOUSING</u>	U400				151.9	XXXXX
RENT	U401	235			*50.1	4
UTILITIES	U402	235			*14.3	XXXXX
RENOVATION AND MAINT.	U403	259			*10.9	XXXXX
QUARTERS ALLOWANCE	U404	127			* 1.1	4
PURCHASES RES. FURN/EQUIP.	U405	311			20.0	XXXXX
TRANS./FREIGHT - CODE 311	U406	22			38.0	XXXXX
SECURITY GUARD SERVICES	U407	254			*15.5	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254			1.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252			1.0	XXXXX

ORGANIZATION USAID/Malawi
 (All O.E. is dollar funded)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500				312.2	XXXXX
RENT	U501	234			*58.8	XXXXX
UTILITIES	U502	234			* 4.0	XXXXX
BUILDING MAINT./RENOV.	U503	259			* 5.1	XXXXX
OFFICE FURN./EQUIP.	U504	310			*13.0	XXXXX
VEHICLES	U505	312			-	XXXXX
OTHER EQUIPMENT	U506	319			-	XXXXX
TRANSPORTATION/FREIGHT	U507	22			* 6.9	XXXXX
COMMUNICATIONS	U508	230			*26.0	XXXXX
SECURITY GUARD SERVICES	U509	254			* 4.5	XXXXX
PRINTING	U510	24			* 1.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210			83.8	24
SITE VISITS	U512	210			*14.9	65
INFORMATION MEETINGS	U513	210			9.2	6
TRAINING ATTENDANCE	U514	210			24.1	9
CONFERENCE ATTENDANCE	U515	210			5.7	3
OTHER OPERATIONAL TRAVEL	U516	210			-	0
SUPPLIES AND MATERIALS	U517	26			*20.7	XXXXX
FAAS	U518	257			0	XXXXX
CONSULTING SVCS - CONT.	U519	259			0	XXXXX
MGT./PROF. SVCS. - CONT.	U520	259			0	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259			0	XXXXX
ALL OTHER CODE 25	U522	259			*34.5	XXXXX
TOTAL O.E. BUDGET					1,013.3	XXXXX
RECONCILIATION (U101, U103, U107, U109)					362.2	XXXXX
OPERATING ALLOWANCE REQUEST					651.1	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs
 Exchange rate used (as of May 1, 1983)

*\$298.8
US \$1.00 = MK 1.11

Estimated Wage Increases - FY 1984 to FY 1985
 Estimated Price Increases - FY 1984 to FY 1985

Estimated wage increases FY 84 to FY 85 10%
 Estimated price increases FY 84 to FY 85 15%

TABLE VIII - OPERATING EXPENSE NARRATIVESection A - Management Improvements

The increasingly heavy administrative burden on a fixed number of administrative personnel resulting from an expansion in the project portfolio, constant stream of TDY personnel and assignment of additional U.S. direct hires forced the mission into a decision to automate office operations in the latter half of FY 83. After exploring and discounting the possibility of sharing data processing equipment with other agencies at post and after conferring with data management TDY personnel, permission was sought from M/SER/DM to begin procurement of word processing equipment during the latter part of FY-83. Because of the rapidly changing technology in micro-computers and an unresolved difference between RFMC and SER/DM regarding standardization, it was determined that procurement of a micro-computer(s) could be delayed til early FY-84. It is believed that with the installation of word and data processing units, productivity can be maintained without significantly increasing administrative support personnel.

Because the mission does not have a resident controller, the Management Officer, the Voucher Examiner, and Administrative Assistant will require on-going training and cross-training in financial accounting procedures at RFMC in Nairobi. Conversely, RFMC personnel must perform additional liaison trips to Lilongwe to reconcile accounting and O.E. records. A manpower saving objective in this area will be to have the Voucher Examiner handle not only O.E. accounting but also project accounting as well. If this arrangement proves to be impractical the mission will consider employment of a TCN or PSC to augment this critical area.

Another factor imposing a heavy workload on USAID Administrative personnel results from the inability of the U.S. Embassy to provide the necessary level of general support in areas such as procurement, maintenance, transportation, travel and warehousing. This results from Embassy personnel constraints imposed by the Department and an inability to obtain additional ceilings despite an increase in total mission size. A JAO does not

currently exist nor would a JAO be operable without additional ceilings being made available by either State or AID to staff such an operation. Given the geographic separation of the principal agencies at post, it is also questionable that a JAO could provide a more effective service than is presently being experienced with semi-autonomous administrative support operations. In the event a JAO becomes a reality, there would appear to be no immediate personnel savings due to an essential need to augment the minimal number of personnel within both the Embassy and USAID that are currently performing these diverse functions.

In addition, there will be an increase in the number of AID direct contractors requiring administrative support at wide-ranging locations. Whereas previously, direct-AID contracts were executed at the Washington level, the Regional Contracting Officer will now undertake to execute contracts for the mission. This should permit a clearer definition of previously undefined support, available privileges, etc. It is anticipated that additional direct AID contractors will increase the annual FAAS charges to AID for medical and pouch services.

Section B - Justification for Funding Charges

FY 83 to FY 84:

U100 - during the latter part of FY-83, two additional USDH project personnel plus dependents will be assigned to the Mission resulting in an above 10% increase for FY-84. A USDH secretary is expected to be assigned in FY-84.

U200 - the wage increase for FNDH is estimated at 10%.

U300 - four PSC contractors hired in FY-83 were not on-board the entire year. Salary projections for FY-84 are for the entire year and include one additional TCN PSC.

U500 - assignment of two additional USDH personnel in latter FY-83 plus USDH Secretary in FY-84 will require additional operational travel, logistical support costs, training, freight, etc.

FY 84 to FY 85:

U100 - The majority of the increase results from assignment of an IDI in FY-85 and anticipated home leave travel and freight for four USDH.

U200 - a wage increase for FNDH is again estimated at 10%.

U300 - no change

U400 - an IDI is expected to be assigned to the mission in FY-85 resulting in rental, utility and guard service increases.

U500 - the increase is less than 10%.

Section C - Trust Funds

The mission does not currently have trust funds. The prospect for obtaining such funds are not anticipated since we do not have any programs that generate local currency.

DATA PROCESSING NARRATIVE

The Mission has an urgent requirement for data processing equipment and has cabled a request to SER/DM for authority to purchase three Wang System five word processors in latter FY-83. An additional request was submitted for a micro-computer, the Wang Professional Computer being the preferred model. However, because this model has not been fully tested nor approved by SER/DM, the Mission is opting to delay by six months, the procurement of other micro-computer, in anticipation of approval of the Wang PC.

In addition to its superior performance relative to the Apple II or IBM PC, the Wang PC would be fully compatible with the Wang VS at RFMC/Nairobi, for purposes of data communications. This would provide timely on-line accounting and management data for this client post. If the Wang PC is not approved for use, the Mission expects to procure an Apple II or IBM PC.

Requirements for redundancy, service contracts, spares, operational supplies, etc. were solicited from SER/DM. The recommended configuration of equipment and cost, therefore, is still not firm, and approval has not yet been received to initiate procurement.

The equipment will be used for the following administrative purposes:

Maintain current inventory and value of mission non-expendable equipment, furniture, and vehicles; provide cumulative records of all office and residential utility bills, maintenance and supplies; provide procurement status of all outstanding Mission procurement actions; maintain vehicle supplies, service and dispatch data; management of records and files; forms inventory management; listing and update of all Mission reporting requirements to various AID/W offices; tracking of GTR's by serial No., date issued, amount and person; cataloging and indexing of all publications and books in USAID library; data base reference library for procurement; perform statistical analysis of records.

Micro-Computer uses for program/project needs include:

Project budget management, ABS submissions, quarterly reports on project implementation, extrapolation of data, CDSS statistics, GOM budget studies, long term projections of GDP relative to debt servicing, etc.

TABLE VIII(a)
OBLIGATIONS OF ADP SYSTEMS
(\$000)

49.

	-----Fiscal Year-----		
	1983	1984	1985
A. <u>Capital Investments</u>			
1. Purchase of ADP Equipment	-	8.0	-
2. Purchase of Software	-	1.0	-
Subtotal	0	9.0	0
B. <u>Personnel</u>			
1. Compensation, Benefits, Travel	-	-	-
2. Workyears	-	-	-
Subtotal	0	0	0
C. <u>Equipment Rental and Other</u>			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals	-	-	-
2. Supplies and Leased Software	-	-	-
Subtotal	0	0	0
D. <u>Commercial Services</u>			
1. ADP Service Bureau	-	-	-
2. Systems Analysis and Programming	-	-	-
3. ADPE Maintenance (If separate from item C.1.)	-	-	-
Subtotal	0	0	0
E. <u>Total Obligations (A-D)</u>	0	9.0	0
F. <u>Interagency Services</u>			
1. Payments	-	-	-
2. Offsetting Collections	-	-	-
Subtotal	0	0	0
G. <u>Grand Total (E+F)</u>	0	9.0	0
Amount included in <u>Mission allowance</u> for existing systems	-	-	-
Amount included in <u>Mission allowance</u> for new/expanded systems	-	9.0	-

TABLE VIII(b)
OBLIGATIONS FOR WP SYSTEMS
 (\$000)

50.

	-----Fiscal Year-----		
	1983	1984	1985
A. Capital Investments in W/P Equipment	11.0	-	-
B. W/P Equipment Rental and Supplies	3.0	5.0	5.0
C. Other W/P Costs	-	-	-
Total	14.0	5.0	5.0
 Amount included in <u>Mission allowance</u> for existing systems	 -	 -	 -
Amount included in <u>Mission allowance</u> for new/expanded systems	11.0	-	-

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
011	AID Representative	1	1	1	1
023	Program Officer	1	1	1	1
032	Management Officer	1	1	1	1
103	Agriculture Develop- ment Officer	0.3	1	1	1
940	Project Develop- ment Officer	0.3	1	1	1
050	Secretary	-	1	1	1
101	I.D.I. (AGR)	-	-	1	1
		<u>3.6</u>	<u>6</u>	<u>7 *</u>	<u>7*</u>

* FY 85 and FY 86 levels are above workyear planning levels provided in STATE 135210 by one position - IDI (Agriculture).

TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

52.

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
050	Secretary	1	-	-	-
040	Voucher examiner	1	1	1	1
070	Chauffer	1	1	1	1
072	Com/Records Clerk	1	1	1	1
024	Program Assistant	-	1	1	1
024	Program Assistant	-	-	1	1
		<hr/> 4	<hr/> 4	<hr/> 5 *	<hr/> 5 *

* FY 85 and FY 86 levels are above workyear planning levels provided in STATE 135210 by one position-a program assistant.

TABLE LISTING ALL AID
NON-BILATERAL FUNDED ACTIVITIES

TITLE: African Manpower Development Project
 NUMBER: 698-0433-18
 DATE STARTED: 1981
 TERMINAL DATE: 1985, Subject to renewal
 AID OFFICE WITH PRINCIPAL RESPONSIBILITY: USAID/Malawi
 LOP COST: Approximately \$1 million; \$200,000 Annually
 PRIORITY: High

TITLE: African Graduate Degree Project
 NUMBER: Contract No. AID/AFR-C-1292
 DATE STARTED: 1979,
 TERMINAL DATE: 1985, Subject to renewal
 AID OFFICE WITH PRINCIPAL RESPONSIBILITY: AFR/RA
 LOP COST: Approximately \$100,000 Annually
 PRIORITY: Medium

TITLE: FPIA Contraceptive Commodities
 NUMBER: N/A
 DATE STARTED: 1981
 TERMINAL DATE: 1983, Subject to renewal
 AID OFFICE WITH PRINCIPAL RESPONSIBILITY: ST/POP
 LOP COST: Estimated at \$150,000
 PRIORITY: High

TITLE: International Education in Reproductive Health (JHPIEGO)
 NUMBER: 932-0604
 DATE STARTED: 1979
 TERMINAL DATE: 1983, Subject to renewal
 AID OFFICE WITH PRINCIPAL RESPONSIBILITY: ST/POP
 LOP COST: Approximately \$175,000
 PRIORITY: High

TITLE: Malamulo Hospital Development (Seventh Day Adventist)
 NUMBER: Grant No. AID/ASHA No. 271
 DATE STARTED: 1980
 TERMINAL DATE: 1984
 AID OFFICE WITH PRINCIPAL RESPONSIBILITY: FVA/ASHA
 LOP COST: \$1.7 million
 PRIORITY: Medium

TITLE: Appropriate Technology (ATI)
 NUMBER: N/A
 DATE STARTED: 1979
 TERMINAL DATE: 1985
 AID OFFICE WITH PRINCIPAL RESPONSIBILITY: ST and AFR/RA
 LOP COST: \$250,000
 PRIORITY: High

Approximately 30 person days annually are devoted to backstopping above non-bilateral activities.

PDS BUDGET FOR FY84Agricultural, Rural Development and Nutrition

Amount (000)

PP for Commercial Fisheries Project (612-0217)	40
PID for Bunda Agricultural College Graduate - Project (612-0222)	40
Special Agricultural Policy Studies	30
Agriculture Sector Evaluation	60

Health

PID for Rural Water Supply and Small Hydropower Dev. Project (612-0222)	30
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Selected Development Activities

Private Sector Evaluation	50
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TOTAL	250
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Order of Priority for funding is as follows:

1. Commercial Fisheries project
2. Agricultural Policy Studies
3. Agricultural Sector Evaluation
4. Private Sector Evaluation
5. Bunda Agricultural College
6. Rural Water and Small Hydropower

PDS BUDGET FOR FY85Agriculture, Rural Development and Nutrition

	Amount (000)
PP for Bunda Agricultural College Graduate Project (612-0221)	40

Health

PP for Rural Water and Small Hydropower Dev. Project (612-0222)	40
Health/Population Sector Evaluation	30

Selected Development Activities

PID for Malawi - Tanzania Linkage Road (612-0224)	30
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TOTAL	140
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Order of Priority for Funding is as follows:

1. Health/Population Sector Evaluation
2. Bunda Agricultural College
3. Rural Water and Small Hydropower
4. Malawi-Tanzania Road