

UNCLASSIFIED

Annual Budget Submission

FY 1985

INDIAN OCEAN STATES

MADAGASCAR

BEST AVAILABLE

JUNE 1983



Agency for International Development
Washington, D.C. 20523

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MADAGASCAR
ANNUAL BUDGET SUBMISSION
FY 1985

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I. BACKGROUND

A. U.S. Interests in Madagascar

The United States has important strategic and economic interests in the Indian Ocean in general and in Madagascar in particular. Madagascar is the size of Texas and has a population of nearly ten million. It is rich in agricultural and mineral resources, including chrome, iron ore, and possibly, petroleum. Diego Suarez, located at the north-eastern tip of the island, is the best deep water harbor in the Indian Ocean.

In the past, U.S. assistance to Madagascar has been directed toward maintaining a visible U.S. presence and toward promoting political stability. Given these goals, the governments centralist approach to economic development and the humanitarian needs of the population, a modest program consisting of PL 480 Title I and /II commodities clearly represented the most appropriate U.S. intervention during the 1970's and early 1980's. With a shift in the Government's economic philosophy towards a more free market orientation that begun with the President's budget speech of January 1982, it now seems possible to begin to structure a more development related program for the country utilizing ESF and, perhaps, DA resources. Such a program would support not only the strategic and political interests of the U.S., but also make a significant contribution to the longer term economic welfare of Madagascar's people.

B. Economic Update

Since 1970, Madagascar's development has been sluggish and erratic. Up to 1978, there was virtually no growth in real GDP, and, with an average population growth of about 2.8 percent per annum, per capital real income dropped about 30 percent over the 8-year period. This lack of growth applied to all sectors of the economy. Agricultural output actually declined, yields were stagnant or declining for major crops, and food imports, especially rice (which was formerly exported), had to increase to meet domestic requirements. The manufacturing sector showed only a slight expansion; it remained heavily dependent on imported inputs and operated at low levels of capacity utilization. The transportation infrastructure, especially road and rail facilities, suffered serious deterioration during this period.

In 1978, the present Government adopted a new economic policy with a large expansion of public sector investment which relied, to a great extent, on external sources for its financing. The economic and financial developments since 1979 reflect the serious disequilibrium caused by this policy. In 1979, real GDP increased by about 10 percent, with increased economic activity in all sectors, particularly in manufacturing and services. Imports grew rapidly, particularly capital goods, but export earnings stagnated and led to a sharp increase in the external resource gap. By 1980, the volume of investment had declined somewhat, imports had been reduced, and real GDP remained at the previous year's level.

In 1981, the increasingly tight, and now critical, external payments situation dominated the economic horizon. Imports had to be cut back sharply and serious shortages of inputs and raw materials occurred. Poor weather conditions and growing scarcities of inputs contributed to a continuing decline in the agricultural sector. The manufacturing sector also suffered serious shortages in supplies of imported raw materials and spare parts, and the level of output in 1981 was estimated to be below that of any year since 1970. General inflation, which had been between 14 and 18 percent in the two previous years, increased to over 30 percent, and real GDP was estimated to have declined by approximately 9 percent.

In January, 1982, the President made a speech which demonstrated a keen awareness that the country's economic problems were caused by inadequate planning and poor management of investment resources. The President stated that the principal investment objectives were to rehabilitate and ensure a better utilization of the existing capital stock rather than to undertake new projects. Highest priority was to be given to investment in productive sectors. Institutional and administrative reforms were to be made to assure coordinated management of investment planning and implementation.

A key element in the Government's efforts to address its economic and financial problems will be its success in securing external resources. In May, 1982, the Malagasy franc was devalued by 13 per cent against the French Franc and tied to a new basket of currencies, and an additional adjustment of 6 per cent was made in January 1983. Several steps were taken in response to IMF suggestions. Among these were quarterly adjustments of the exchange rate, increases in the producer price of rice by 28 per cent, and substantial increases in consumer prices for flour and rice. Petrol prices were also increased and cost of living increases were limited to 4

percent. These measures helped to demonstrate the GDRM's seriousness in addressing its problems. In July 1982, the IMF agreed on a standby of SDR 55 million. The creditor nations agreed to a debt rescheduling to address the huge burden of \$1.5 billion in outstanding debt, about double the Government's budget for 1982. A five-year moratorium was called on most commercial debt and up to 2 1/2 years was given for rescheduling public credits.

Following several months of successful implementation of the 1982 standby agreement with the IMF, a meeting of the Consultative Group for Madagascar was held in Paris, under IBRD auspices, in April of 1983. The purpose of this meeting was to mobilize donor support to close 1983's external resource gap (now estimated by the IMF as amounting to \$54 million) and to consider the structural reforms which will be required over the medium term in order to improve the performance of the agricultural, transport and industrial sectors.

At the Consultative Group meeting, in anticipated continuation of IMF and other donor support, the GDRM indicated a willingness to support and enhance the policy reforms undertaken in connection with the 1982 stabilization exercise. Specifically, it pledged a further reduction in deficits with respect to the budget and balance of payments and a reduced rate of inflation coupled with more realistic interest rates. It also pledged to take certain steps to revive the productive capacity of the economy. These include reorganization of public sector enterprises, an enhanced role for the private sector, more equitable and flexible prices for producers (both agricultural and industrial) and increased incentives for exporters.

The GDRM also put forward, for the donors consideration, a Public Investment Program for the years 1983-1985. The program gives particular emphasis to the productive needs of the economy. Agriculture is to receive 28 percent of the total, followed by transport and communications with 26 percent, industry with 21 percent and mining, energy and water with 16 percent. The social and administrative sectors will receive only 9 percent of total program resources. Emphasis in project selection under the program will be given to food self sufficiency, rehabilitation and improved utilization of existing capacity and foreign exchange earnings/savings potential.

II. U.S. ASSISTANCE ACTION PLAN

A. Levels and Types of Assistance

The improved economic climate, the successful implementation of the 1982 stabilization exercise and the new policy measures announced by the GDRM at the Consultative Group meeting collectively provide a basis for a shift in AID strategy from that proposed in the FY 1984 ABS. Specifically, it now seems appropriate to move beyond a modest PL 480 Title I and II program, supplemented by limited amounts of AMDP resources, and towards a larger program more oriented to Madagascar's longer term economic development.

1. Commodity Import Program: The need of the Madagascar economy for quick disbursing balance of payments support to close the external resource gap and to rehabilitate existing productive capacity, the long time lag inherent in the design and implementation of AID financed technical assistance activities and the need, at least initially, to minimize demands upon GDRM and AID's human resources all strongly suggest that the first step towards this larger program should take the form of a commodity import program grant. Accordingly, REDSO is proposing a \$5 million ESF financed commodity import program for FY 1984 to be followed, assuming that the momentum of policy reform and economic liberalization is sustained, by another \$8 million program in FY 1985.

Such assistance, as both the IMF and the IBRD have recognized, is clearly appropriate to the needs of Madagascar's economy. Shortages of imported fertilizers, pesticides, seeds, agricultural equipment/spares and equipment/materials for irrigation rehabilitation have had a severe impact upon agricultural production, particularly with respect to rice. Half the motor vehicle fleet in the country is believed to be deadlined due to a lack of spare parts, and this certainly has had a severe impact upon that portion of production which is either marketed domestically or exported. Shortages of imported raw materials and spares have also impacted upon the industrial sector, reducing its capacity to provide the basic consumer goods which constitute important incentives to agricultural producers. CIP assistance could provide critical support to the GDRM efforts to enhance the productivity of already existing investments and have an immediate impact upon the economic welfare of Madagascar's population.

In addition to having an immediate impact upon economic activity, CIP resources would also provide considerable support for additional policy reform. This is particularly true with

respect to removal of subsidies for agricultural and other inputs and for an expanded role for the private sector of the economy, both critical to Madagascar's future economic development. The foreign exchange provided and the local currencies generated could also be programmed to enhance the impact of the rehabilitation program.

2. PL 480 Title I. As a follow-on to US drought emergency assistance in the southern region, the Embassy, in August 1981, negotiated a \$5.0, 12,000 ton Title I rice agreement with the GDRM. This agreement recognized Madagascar's serious food production problems and supported self-help projects to redress this difficulty which has created a severe drain on already scarce foreign exchange. The FY 1981 Agreement, after satisfactory compliance was demonstrated, was replicated in FY 1982 with another \$5.0 million agreement for the importation of 16,000 MT of rice. The GDRM has taken measures to deposit and disburse local currency generations to meet its expressed policy to increase indigenous rice production. A proposal to program \$8.0 million for FY 1983 (\$7.0, rice; \$1 vegoil) further acknowledges the GDRM's relatively satisfactory performance in attaining major self-help objectives. For both FY 1984 and 1985, PL 480 Title I levels of \$5.0 million per year are planned. These levels are based on the assumption that CIPs of \$5.0 million and \$8.0 million for FY 1984 and 1985 respectively will be approved.

After FY 1985, the degree of effectiveness of agro-economic reforms should be measurable within the context of more favorable cereal supply and demand balances. To the degree that a positive cereal balance can be demonstrated, an appropriate adjustment of Title I should be anticipated.

3. PL 480 Title II. After two decades of comparatively stable and trouble free operation of traditional voluntary agency programming utilizing PL 480 Title II commodities, Catholic Relief Services has established a pattern of commodity utilization that has remained consistently level since 1981. This pattern will not be disturbed in FY 1984 or 1985. Using the current FY 1983 (ISC Approved Trends, April 1980) level as a benchmark (62,200 recipients, 3,230 MT \$1.1 million), FY 1984 is scheduled for 3400 MT, \$1.2 mill. 62,200 recipients as is FY 1985. The only significant CRS initiative on the horizon is the possibility of CRS/M proposing an Outreach Grant in FY 1983 and 1984. However, this will probably not result in any significant change in programming levels through FY 1985.

In early CY 1983, FVA/FFP encouraged the participation of a second US based volag in Madagascar's development projects. Seveth Day Adventists World Services (SAWS) is negotiating with the GDRM and AID/W to institute health, nutrition and education projects throughout the island. As of May, 1983, this is still being formulated. For ABS purposes in FY 1985, the levels assume authorization/implementation.

4. Other Funding: PD&S funding of \$50,000 is required in both FY 1984 and 1985. To support the strategy development effort as described in section B below, and to prepare the PID and PP for the FY 1986 DA project, a total of \$100,000 will be required for the two year period. AMDP funding of \$100,000 and \$125,000 is requested for FY 1984 and 1985 respectively. The training will be for the improvement of technical and management skills in agriculture and road repair and maintenance. A key criteria for the selection of training programs will be their complementarity with ongoing self help and CIP supported activities.

B. Strategy Development - FY 1984-1985

The rapid evolution of the economic policy framework in Madagascar clearly calls for a fresh look at what would constitute an appropriate longer term U.S. response to Madagascar's development needs. As a first step in developing an assistance strategy for Madagascar, it is proposed that a three person reconnaissance team visit Madagascar in July, 1983. This team, composed primarily of economists, would undertake an analysis of macro-economic problems and prospects, examine the impact of recent reforms and identify possible opportunities for assistance in priority sectors. The results of this analysis would also provide background information necessary for the design and implementation of the FY 1984 CIP.

Following the visit of the reconnaissance team, a five person strategy development team will visit Madagascar in early FY 1984. This team will consist of an economist, a sector analysis specialist, an agriculturalist, an engineer and a project officer. A supply management specialist may also be included as a member of the team if this seems appropriate to the development of the CIP for FY 1984. Out of the work of this team will come a preliminary CDS for Madagascar. It is expected that this will be completed by late January 1984.

Over the remainder of FY 1984 and FY 1985 smaller specialist teams will visit Madagascar in connection with the design and implementation of FY 1984-1985 CIPs, refinement of the draft

CDSS (to be completed by the end of FY 1984) and preparation of PIDs and PPs for the technical assistance projects to be implemented in FY 1986.

C. Staffing Requirements FY 1984-85

Design and implementation of the CIPs for FY 1984-85, replication and implementation of ongoing PL 480 programs, and longer term strategy development and project design will be primarily the responsibility of REDSO/ESA. In the activities to date, the Embassy staff in Antananarivo has played an important role. Although the Embassy gives the highest priority to AID assistance, the expansion of the program has now made it impossible for it to devote the necessary time to the day to day planning and implementation. Therefore, REDSO/ESA has proposed, and the Embassy fully supports, the initial hiring of a local contract administrative officer who will relieve the Embassy Commercial Officer of much of the day to day work of monitoring PL 480 local currency self help projects and planning the program development effort. Funds to pay the administrative officer have been earmarked by REDSO and the person will be hired as soon as possible. The Embassy staff will continue to be heavily involved in program development until such time as an AID Affairs Officer is brought on board sometime in mid to late FY 1984. Both the Embassy and REDSO believe that the continued expansion of the Madagascar program necessitates a direct hire AID presence in the country. AID can not continue to count on Embassy implementation and planning support, and, although REDSO support is likely to increase, there are limits to such expansion. Successful implementation and planning of the proposed program suggests that an AID Officer be present in country.

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 TABLE 1 - LONG RANGE PLAN BY APPROPRIATION ACCOUNT \$000
 COUNTRY/OFFICE MADAGASCAR

	FY 1983	FY 1984		FY 1985	PLANNING PERIOD			
	ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989
Development Assistance	-	-	-	-	5,000	8,000	8,000	8,000
Economic Support Fund Grants	-	-	5,000	8,000	7,000	7,000	7,000	7,000
Total DA & ESF	-	-	5,000	8,000	12,000	15,000	15,000	15,000
PL 480 (non-add)								
Title I	8,000	-	5,000	5,000	5,000	5,000	5,000	5,000
(of which Title III)	0	0	0	0	0	0	0	0
Title II CRS/SAWS	1,100 ⁽¹⁾	2,200 ⁽²⁾	2,300	2,400	2,400	2,400	2,500	2,500
Title II WFP	29 ⁽¹⁾	-	500	500	500	500	500	500

Notes:

(1) Actual, as of April 1983

(2) Presumes food/grant of 1.0 million to SAWS. Pending as of May 1983.

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

Country/Office Madagascar

<u>Appropriation Account</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
1. Economic Support Fund			
a. CIP I		5,000	
b. CIP II			8,000
2. PD&S (non-add)	-	50	50
3. AMDP (non-add)	90	100	125

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TABLE IV PROJECT BUDGET DATA										Country/Office XXXXXXXXXX MADAGASCAR			
PROJECT NUMBER	Title	Obligation Date		Life of Project Cost	Cum Pipeline As Of 9/30/82	Estimated U.S. Dollar Cost (\$000)				FY OBLIGATIONS			
		Initial	Final			FY 1983 OBL	FY 1983 EXP	FY 1984 OBL	FY 1984 EXP	1985 AAPL	FY FUNDED TO MO/YR	1986 FUTURE YEARS	
0001	CIP I (ESF)	84	84	5000/5000	-	-	-	5000	5000	-	9/84	-	-
0002	CIP II (ESF)	85	85	8000/8000	-	-	-	-	-	8000	9/85	-	-

COMMODITY IMPORT PROGRAM (CIP II), FY 1985,
ESF: \$8,000,000 (GRANT)

Purpose: To provide balance of payment and budgetary support to the Government of the Democratic Republic of Malagasy (GDRM) through a Commodity Import Program to provide critical agricultural inputs, spares/equipment for the transport sector and raw materials and spares for key portions of the industrial sector.

Background/Problem: Agriculture dominates Madagascar's economy. The sector employs about 85% of the population, supplies most inputs for industry, accounts for the largest share of earnings from overseas, and produces most food for the population. The recent poor performance of the sector is therefore a subject of great concern. Agricultural production has grown slowly over the past decade, in marked contrast to relatively rapid growth in the 1960s; the average annual growth rate is estimated at less than 2% since 1970. The current economic crisis is both an underlying cause and a result of the poor performance of the agricultural sector; recent production declines are increasingly explained by problems of foreign exchange shortages, the deterioration of transportation infrastructure, disruptions in traditional trading circuits, and the scarcity of consumer goods in rural areas.

PL 480 Self Help activities financed by local currency generations are supporting the supply and use of fertilizers and agricultural implements by strengthening the in country distribution system. This includes rural road rehabilitation and repair. Additionally the local funds are financing the repair and rehabilitation of canals, irrigation and water control systems. Although these activities are proceeding they are limited to the provision of inputs which are locally available. In many cases the purchase of equipment, farm tools, and agricultural inputs that are only available outside of Madagascar can have dramatic impacts on agricultural production and marketing. The GDRM places high priority on improvements in input supply systems and provision of foreign exchange, particularly for fertilizers, and on measures to improve the efficiency of existing irrigation systems.

Commodity Import Program II: In order to assist the government in increasing agricultural production and, at the same time, support PL 480 local currency program initiatives, a \$8.0 million grant for the importation of the following commodities is proposed:

- (a) fertilizers;
- (b) farm tools and implements for small holder farmers
- (c) equipment and other imported inputs necessary to rehabilitate water control and irrigation systems;
- (d) equipment and spare parts needed for rural road rehabilitation and repair and the maintenance/renewal of Madagascar's vehicle fleet; and
- (e) equipment, and spares for key elements of the industrial sector.

Local currencies generated by the sale of commodities will provide a non-inflationary source of government financing. The funds will be placed in a local account and programmed by the GDRM with AID approval for food and export production support.

The direct beneficiaries of the program will be small holder farmers, who will have improved access to farm inputs and markets, rehabilitated irrigation infrastructure and increased supplies of fertilizer available for purchase. These farmers should increase productivity and earn higher incomes. The provisions of raw materials and spares for key elements of the industrial sector will also increase the availability of simple consumer goods, a key factor in the provision of farmer incentives.

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TABLE V - FY 1985 PROPOSED PROGRAM RANKING				Country/Office MADAGASCAR		
RANK	PROGRAM ACTIVITY	ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
	DESCRIPTION				INCR	CUM
1	PL 480 Title I	O	L	FFP	5,000	5,000
2	Economic Assistance	N	G	ESF	8,000	8,000
3	PL 480 Title II-CRS	O	G	FFP	1,300	1,300
4	PL 480 Title II-SAWS ⁽¹⁾	N	G	FFP	1,000	1,000
<p>Notes:</p> <p>(1) Assumes SAWS Start-up in FY 84. Combination of value of food, plus direct grant.</p>						

ORGANIZATION MADAGASCAR

<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 HJME</u>	U100		54.9			XXXXX
U.S. CITIZENS BASIC PAY	U101	110	10.0			1 for 3 mos.
PT/TEMP U.S. BASIC PAY	U102	112	-			
DIFFERENTIAL PAY	U103	116	2.5			XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-			XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-			XXXXX
EDUCATION ALLOWANCES	U106	126	15.0			
RETIREMENT - U.S.	U107	120	1.0			XXXXX
LIVING ALLOWANCES	U108	128	1.3			XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	0.3			XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	1.8			XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	8.0			2
POST ASSIGNMENT - FREIGHT	U112	22	15.0			2
HOME LEAVE - TRAVEL	U113	212	-			
HOME LEAVE - FREIGHT	U114	22	-			
EDUCATION TRAVEL	U115	215	-			
R AND R TRAVEL	U116	215	-			
ALL OTHER CODE 215 TRAVEL	U117	215	-			
<u>FOREIGN NATIONAL DH</u>	U200		2.7			XXXXX
BASIC PAY	U201	114	2.0			
OVERTIME, HOLIDAY PAY	U202	115	0.4			
ALL OTHER CODE 11 - FN	U203	119	-			XXXXX
ALL OTHER CODE 12 - FN	U204	129	0.3			XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300		1.0			XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	1.0			1 (3 mos.)
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		55.5			XXXXX
RENT	U401	235	6.0			1 (3 mos.)
UTILITIES	U402	235	1.0			XXXXX
RENOVATION AND MAINT.	U403	259	3.0			XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	25.0			XXXXX
TRANS./FREIGHT - CODE 311	U406	22	18.0			XXXXX
SECURITY GUARD SERVICES	U407	254	1.0			XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5			XXXXX

ORGANIZATION MADAGASCAR

EXPENSE CATEGORY	FUNCTION CODE	OBJECT CLASS	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
<u>OFFICE OPERATIONS</u>	U500		31.0			XXXXXX
RENT	U501	234	-			XXXXXX
UTILITIES	U502	234	-			XXXXXX
BUILDING MAINT./RENOV.	U503	259	-			XXXXXX
OFFICE FURN./EQUIP.	U504	310	5.0			XXXXXX
VEHICLES	U505	312	12.0			XXXXXX
OTHER EQUIPMENT	U506	319	-			XXXXXX
TRANSPORTATION/FREIGHT	U507	22	3.0			XXXXXX
COMMUNICATIONS	U508	230	1.3			XXXXXX
SECURITY GUARD SERVICES	U509	254	-			XXXXXX
PRINTING	U510	24	0.5			XXXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	-			
SITE VISITS	U512	210	1.0			
INFORMATION MEETINGS	U513	210	-			
TRAINING ATTENDANCE	U514	210	-			
CONFERENCE ATTENDANCE	U515	210	1.2			
OTHER OPERATIONAL TRAVEL	U516	210	2.0			
SUPPLIES AND MATERIALS	U517	26	?			XXXXXX
FAAS	U518	257	-			XXXXXX
CONSULTING SVCS - CONT.	U519	259	-			XXXXXX
MGT./PROF. SVCS. - CONT.	U520	259	-			XXXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259	-			XXXXXX
ALL OTHER CODE 25	U522	259	5.0			XXXXXX
TOTAL O.E. BUDGET			145.1			XXXXXX
RECONCILIATION			13.8			XXXXXX
OPERATING ALLOWANCE REQUEST			131.3			XXXXXX

OTHER INFORMATION:

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

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

ORGANIZATION

EXPENSE CATEGORY	FUNCTION CODE	OBJECT CLASS	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
<u>U.S. DIRECT HIRE</u>	U100		102.1			XXXXX
U.S. CITIZENS BASIC PAY	U101	110	52.5			1
PT/TEMP U.S. BASIC PAY	U102	112	-			
DIFFERENTIAL PAY	U103	116	13.1			XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	-			XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	-			XXXXX
EDUCATION ALLOWANCES	U106	126	15.0			1
RETIREMENT - U.S.	U107	120	4.0			XXXXX
LIVING ALLOWANCES	U108	128	5.0			XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	1.5			XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	-			XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	-			
POST ASSIGNMENT - FREIGHT	U112	22	-			
HOME LEAVE - TRAVEL	U113	212	-			
HOME LEAVE - FREIGHT	U114	22	-			
EDUCATION TRAVEL	U115	215	4.0			1
R AND R TRAVEL	U116	215	4.0			2
ALL OTHER CODE 215 TRAVEL	U117	215	3.0			
<u>FOREIGN NATIONAL DH</u>	U200		8.5			XXXXX
BASIC PAY	U201	114	7.0			1
OVERTIME, HOLIDAY PAY	U202	115	1.0			-
ALL OTHER CODE 11 - FN	U203	119	-			XXXXX
ALL OTHER CODE 12 - FN	U204	129	0.5			XXXXX
BENEFITS FORMER FN PERS.	U205	13	-			XXXXX
<u>CONTRACT PERSONNEL</u>	U300		3.0			XXXXX
PASA TECHNICIANS	U301	258	-			
U.S. PSC - SALARY/BENEFITS	U302	113	-			
ALL OTHER U.S. PSC COSTS	U303	255	-			XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	3.0			1
ALL OTHER F.N. PSC COSTS	U305	255	-			XXXXX
<u>HOUSING</u>	U400		31.0			XXXXX
RENT	U401	235	18.0			1
UTILITIES	U402	235	4.0			XXXXX
RENOVATION AND MAINT.	U403	259	1.0			XXXXX
QUARTERS ALLOWANCE	U404	127	-			
PURCHASES RES. FURN/EQUIP.	U405	311	-			XXXXX
TRANS./FREIGHT - CODE 311	U406	22	-			XXXXX
SECURITY GUARD SERVICES	U407	254	3.0			XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	-			XXXXX
REPRESENTATION ALLOWANCE	U409	252	5.0			XXXXX

ORGANIZATION MADAGASCAR

<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		36.5			XXXXX
RENT	U501	234	-			XXXXX
UTILITIES	U502	234	-			XXXXX
BUILDING MAINT./RENOV.	U503	259	-			XXXXX
OFFICE FURN./EQUIP.	U504	310	1.0			XXXXX
VEHICLES	U505	312	-			XXXXX
OTHER EQUIPMENT	U506	319	-			XXXXX
TRANSPORTATION/FREIGHT	U507	22	-			XXXXX
COMMUNICATIONS	U508	230	3.0			XXXXX
SECURITY GUARD SERVICES	U509	254	-			XXXXX
PRINTING	U510	24	0.5			XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	-			
SITE VISITS	U512	210	3.0			
INFORMATION MEETINGS	U513	210	2.0			
TRAINING ATTENDANCE	U514	210	-			
CONFERENCE ATTENDANCE	U515	210	2.0			
OTHER OPERATIONAL TRAVEL	U516	210	3.0			
SUPPLIES AND MATERIALS	U517	26	2.0			XXXXX
FAAS	U518	257	?			XXXXX
CONSULTING SVCS - CONT.	U519	259	-			XXXXX
MGT./PROF. SVCS. - CONT.	U520	259	-			XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259	-			XXXXX
ALL OTHER CODE 25	U522	259	20.0			XXXXX
TOTAL O.E. BUDGET			181.1			XXXXX
RECONCILIATION			67.1			XXXXX
OPERATING ALLOWANCE REQUEST			114.0			XXXXX

OTHER INFORMATION:

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

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

<u>SKILL CODE</u>	<u>POSITION TITLE</u>	<u>WORKYEARS</u>			
		<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
01	AID Affairs Officer	0	0.3	1.0	1.0

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

<u>STAFF</u> <u>CODE</u>	<u>POSITION TITLE</u>	<u>WORKYEARS</u>			
		<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
05	Adm. Asst.	.3	1.0	1.0	1.0

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1983			Estimated FY 1984			Projected FY 1985		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1985 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1985 \$ MT
Title I Rice	7.0	25.0	0	4.0	13.0	0	4.0	13.0	
Vegoil	1.0	1.4	0	1.0	1.4	0	1.0	1.4	
	<u>8.0</u>			<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>		
Total									
Of which Title III									
None									
Total									

COMMENT: Assumption is that \$8.0 million scheduled as PL 480 Title I will be sustained after FY 84 by combination of 5.0 Title I and 3.0 CIP.

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TABLE XII

Country/Office Madagascar

PL 480 Title I/III*

Supply and Distribution
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1984</u>	<u>ESTIMATED FY 1985</u>
Commodity - Rice	0	0
Beginning Stocks	1,280.0	1,400.0
Production		
Imports		
Concessional	50.0	50.0
Non-Concessional	150.0	120.0
Consumption	1,480.0	1,570.0
Ending Stocks	0	0
<hr/>		
Commodity - Vegoil		
Beginning Stocks	0	0
Production	5.0	10.0
Imports		
Concessional	3.0	3.0
Non-Concessional	12.0	12.0
Consumption	20.0	20.0
Ending Stocks	0	0

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country MADAGASCAR

Sponsor's Name CRS

A. Maternal and Child Health.....Total Recipients 44,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>44,000</u>	<u>NFDM</u>	<u>1056</u>	<u>116.2</u>
<u>44,000</u>	<u>Vegoil</u>	<u>528</u>	<u>477.3</u>
<u>44,000</u>	<u>Rice</u>	<u>1056</u>	<u>401.3</u>
<u>Total MCH</u>			

B. School Feeding.....Total Recipients 14,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>14,000</u>	<u>NFDM</u>	<u>252</u>	<u>27.7</u>
<u>14,000</u>	<u>Vegoil</u>	<u>63</u>	<u>57.0</u>
<u>14,000</u>	<u>Rice</u>	<u>252</u>	<u>95.8</u>
<u>Total School Feeding</u>			

C. Other Child Feeding.....Total Recipients 2,600

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>2,600</u>	<u>NFDM</u>	<u>63</u>	<u>6.9</u>
<u>2,600</u>	<u>Vegoil</u>	<u>15</u>	<u>13.6</u>
<u>2,600</u>	<u>Rice</u>	<u>63</u>	<u>23.9</u>
<u>Total Other Child Feeding</u>			

D. Food for Work.....Total Recipients 1,600

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>1,600</u>	<u>Vegoil</u>	<u>4</u>	<u>3.6</u>
<u>1,600</u>	<u>Rice</u>	<u>18</u>	<u>6.8</u>
<u>Total Food for Work</u>			

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Other</u>			

II. Sponsor's Name SAWS - Program
details for FY 85,
Pending authorization/approval