

UNCLASSIFIED

**Annual Budget
Submission**

FY 1989

MALAWI

BEST AVAILABLE

JUNE 1987



**Agency for International Development
Washington, D.C. 20523**

UNCLASSIFIED

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FY 1989 ANNUAL BUDGET SUBMISSION

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FY 1989 ANNUAL BUDGET SUBMISSION
TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION (\$000)

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 AAPL
DEVELOPMENT ASSISTANCE (DA)				
Agriculture, Rural Development and Nutrition				
612-0219 Management Assistance to Rural Traders		(800)	----	----
612-0214 Rural Enterprise & Agrobusiness Dev.	G	800	----	----
612-0215 Malawi Ag. Research and Extension	G	4755	----	----
612-0227 Parastatal Divestiture	G	700	----	----
612-0230 Human Resource & Institutional Dev.	G	2515	----	----
	Appropriation Total	7970	----	----
	Grants	7970	----	----
	Loans	----	----	----
Population Planning				
612-0211 Health Institutions Development	G	1500	----	----
	Appropriation Total	1500	----	----
	Grants	1500	----	----
	Loans	----	----	----
Health				
612-0230 Human Resource & Institutional Dev.	G	1309	----	----
	Appropriation Total	1309	----	----
	Grants	1309	----	----
	Loans	----	----	----
DEVELOPMENT FUND FOR AFRICA				
612-0214 Rural Enterprise & Agrobusiness Dev.	G	----	500	----
612-0215 Malawi Ag. Research and Extension	G	----	1500	----
612-0226 Multiple Assistance Schemes in Health	G	----	3500	2500
612-0229 CIP for Private Enterprise Dev.	G	----	----	4000
612-0230 Human Resources & Institutional Dev.	G	----	4500	3500
	Appropriation Total	----	10000	10000
	Grants	----	10000	10000
	Loans	----	----	----
ECONOMIC SUPPORT FUND				
	DA and ESF Account Total	10779	10000	10000
	Grants	10779	10000	10000
	Loans	----	----	----

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR AFRICA

612 - MALAWI

PROJECT NUMBER AND TITLE (PACD)	ESTIMATED U.S. DOLLAR COST (\$000)	MORTGAGE	OBLIG- END OF	FY 1988	FY 1989	SPECIAL
OBLIG	FY 86	PIPE-	LINE	ATTIONS	ATTIONS	CODES
G DATE	-TOTAL	COST-	THRU	FY 86	FY 87	% PVO
L INIT FIN	AUTH	PLAN	FY 86	ATTIONS	ATTIONS	
AGRICULTURE, RURAL DEV. AND NUTRITION						
6T20202 AGRICULTURAL RESEARCH (9/30/87)	9000	9000	452	-	452	0
G 79 82	9000	9000	452	-	452	0
6T20214 RURAL ENTERPRISES & AGRIBUSINESS DEVELOPMENT INSTITUTIONS (12/31/89)	5900	5100	3788	1500	1800	30
G 84 88*	6159	5900	3788	1500	1800	30
6T20215 MALAWI AGRICULTURAL RESEARCH & EXTENSION (9/30/92)	12500	7745	7727	4755	2700	0
G 85 88*	12500	7745	7727	4755	2700	0
6T20219 MANAGEMENT ASSISTANCE TO RURAL TRADERS (11/30/86)	2028	2828	1437	(800)	637	100
G 83 83	2828	2028	1437	(800)	637	100
6T20220 RURAL DEVELOPMENT LINKAGES (8/31/88)	1250	1250	581	-	331	100
G 83 84	1250	1250	581	-	331	100
6T20227 PARASTATAL DIVESTITURE (8/30/89)	15500	14800	14800	700	1600	0
G 86 87	15500	14800	14800	700	1600	0
6T20230 HUMAN RESOURCE AND INSTITUTIONAL DEVELOPMENT (9/30/95)	2515	-	2515	-	300	0
G 87 91*	2515	-	2515	-	300	0
APPROPRIATION						
TOTAL	49752	48693	40723	28785	7970	14650
GRANT	49752	48693	40723	28785	7970	14650
LOAN	-	-	-	-	-	-
POPULATION PLANNING						
6T20211 HEALTH INSTITUTIONS DEVELOPMENT (12/31/89)	4780	4780	3280	2432	1500	1000
G 84 87	4780	4780	3280	2432	1500	1000
APPROPRIATION						
TOTAL	4780	4780	3280	2432	1500	1000
GRANT	4780	4780	3280	2432	1500	1000
LOAN	-	-	-	-	-	-

* Future funding provided under Development Fund for Africa

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

612 - MALAWI

BUREAU FOR AFRICA

PROJECT NUMBER AND TITLE (PAID)	OBLIG G DATE	-TOTAL AUTH	COST-PLAN	OBLIG THRU FY 86	ESTIMATED U.S. DOLLAR COST (\$000)	MORTGAGE END OF FY 87	OBLIG-ATTIONS	EXPEND-ITURES	FY 1988	OBLIG-ATTIONS	EXPEND-ITURES	FY 1989	PROPOSED SUBCAT	SPECIAL CODES	APYO
HEALTH															
6120207 RURAL WATER (12/30/88)	G 80 83	6000	6000	6000	538	-	300	-	238	-	-	-	-	-	0
HEALTH INSTITUTIONS DEVELOPMENT (12/31/89)															
6120211 HEALTH INSTITUTIONS DEVELOPMENT (12/31/89)	G 84 87	4920	4920	4920	3920	-	1600	-	1900	-	-	-	-	-	0
HUMAN RESOURCE AND INSTITUTIONAL DEVELOPMENT (9/30/95)															
6120230 HUMAN RESOURCE AND INSTITUTIONAL DEVELOPMENT (9/30/95)	G 87 91*	1309	1309	-	-	-	1309	-	200	-	-	-	-	-	0
APPROPRIATION															
TOTAL		12229	12229	10920	4458	-	1309	-	1900	-	-	-	-	-	2338
GRANT		12229	12229	10920	4458	-	1309	-	1900	-	-	-	-	-	2338
LOAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-
EDUCATION AND HUMAN RESOURCES															
6120201 POLYTECHNIC INSTITUTE (12/31/87)															
6120201 POLYTECHNIC INSTITUTE (12/31/87)	G 80 83	8314	8314	8314	3330	-	2800	-	430	-	-	-	-	-	0
APPROPRIATION															
TOTAL		8314	8314	8314	3330	-	2800	-	430	-	-	-	-	-	430
GRANT		8314	8314	8314	3330	-	2800	-	430	-	-	-	-	-	430
LOAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-
SELECTED DEVELOPMENT ACTIVITIES															
6120218 COMMERCIAL TRANSPORT (2/28/88)															
6120218 COMMERCIAL TRANSPORT (2/28/88)	G 84 86	5000	5000	5000	4458	-	400	-	2500	-	-	-	-	-	0
APPROPRIATION															
TOTAL		5000	5000	5000	4458	-	400	-	2500	-	-	-	-	-	2500
GRANT		5000	5000	5000	4458	-	400	-	2500	-	-	-	-	-	2500
LOAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Future funding provided under Development Fund for Africa

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

612 - MALAWI

BUREAU FOR AFRICA

PROJECT NUMBER AND TITLE (PACD)	OBLIG G DATE	-TOTAL AUTH PLAN	OBLIG THRU FY 86	ESTIMATED U.S. DOLLAR COST (\$000)		MORTGAGE END OF FY 87	OBLIG- ATIONS	FY 1988- EXPEND- ITURES	FY 89-- PROPOSED SUBCAT	SPECIAL CODES	SPVO
				---FY 1987---	-----FY 1988-----						
DEVELOPMENT FUND FOR AFRICA											
6120214 RURAL ENTERPRISES & AGRIBUSINESS DEVELOPMENT INSTITUTIONS (12/31/89)	G 84 88	-	-	-	500	500	-	-	-	FNPE	PC PVO 30
6120215 MALAWI AGRICULTURAL RESEARCH & EXTENSION (9/30/92)	G 85 88	1500	1500	-	1500	1500	-	-	-	FNSA	PC MID RM FR 0
6120226 MULTIPLE ASSISTANCE SCHEMES IN HEALTH (FY 94)											
G 88 91	-	11000	-	-	-	-	3500	1500	2500	HEEN PNIL CSPV	PRZ CS 30
6120229 CIP FOR PRIVATE SECTOR DEVELOPMENT (FY 94)											
G 89 92	-	16000	-	-	-	-	-	-	4000	FNPE	0
6120230 HUMAN RESOURCES & INSTITUTIONAL DEVELOPMENT (9/30/95)											
G 87 91	14176	14176	-	-	14176	4500	800	3500	-	EHSP EHMA	0
APPROPRIATION											
TOTAL	15676	43176	-	-	16176	10000	2300	10000	-		
GRANT	15676	43176	-	-	16176	10000	2300	10000	-		
LOAN	-	-	-	-	-	-	-	-	-		
FUNCTIONAL ACCOUNT											
TOTAL	95751	122192	68237	43463	10779	13320	16176	10000	23218	10000	10000
GRANT	95751	122192	68237	43463	10779	13320	16176	10000	23218	10000	10000
LOAN	-	-	-	-	-	-	-	-	-	-	-
ECONOMIC SUPPORT FUND											
6120225 AEPRP: FERTILIZER SUBSIDY REMOVAL (3/31/89)	G 85 85	15000	15000	10892	-	4600	-	5800	-	ESCT	0

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

612 - MALAWI		BUREAU FOR AFRICA												
PROJECT NUMBER AND TITLE	OBLIG DATE L INIT FIN	-TOTAL AUTH	COST-PLAN	OBLIG THRU FY 86	ESTIMATED U.S. DOLLAR COST (\$000)	FY 86 PIPE LINE	FY 1987 OBLIG-ATTIONS	FY 1987 EXPEND-ITURES	MORTGAGE END OF FY 87	FY 1988 OBLIG-ATTIONS	FY 1988 EXPEND-ITURES	FY 89 PROPOSED SUBCAT	SPECIAL CODES	\$PYO
APPROPRIATION		15000	15000	15000	10892		4600				5800			
TOTAL GRANT LOAN		15000	15000	15000	10892		4600				5800			
COUNTRY TOTALS		110751	137192	83237	54355	10779	17920	16176	16176	10000	29018	10000		
TOTAL GRANT LOAN		110751	137192	83237	54355	10779	17920	16176	16176	10000	29018	10000		

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 1

FORESTRY

(\$ 000)

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 APPL
<u>Agriculture, Rural Development & Nutrition</u>					
612-0215 Malawi Ag. Research & Extension	G	1250	475.5	-	-
Appropriation Total		1250	475.5	-	-
<u>Development Fund for Africa</u>					
612-0215 Malawi Ag. Research & Extension	G	150	-	150	-
Appropriation Total		150	-	150	-
Country Total		1400	475.5	150	-

Note: 10% of MARE LOP categorised as forestry given its focus on agroforestry

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 2

INTEGRATED RESOURCE MANAGEMENT

(\$ 000)

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 APPL
<u>Agriculture, Rural Development & Nutrition</u>					
612-0215 Malawi Ag. Research & Extension	G	1250	475.5	-	-
Appropriation Total		1250	475.5	-	-
<u>Development Fund for Africa</u>					
612-0215 Malawi Ag. Research & Extension	G	150	-	150	-
Appropriation Total		150	-	150	-
Country Total		1400	475.5	150	-

Note: 10% of MARE LOP categorized as integrated resource management given its focus on soil management and intercropping.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 3

BIOLOGICAL DIVERSITY

(\$ 000)

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 APPL
<u>Agriculture, Rural Development & Nutrition</u>					
(unknown)* Lake Malawi Conservation	G	40	40	-	-
Appropriation Total		40	40	-	-
Country Total		40	40	-	-

* part of World Wildlife Fund's centrally-funded Wild Lands and Human Needs Project

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 4

CHILD SURVIVAL

(\$ 000)

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 APPL
<u>Health</u>					
612-0207 Rural Water ¹	G	1500	-	-	-
Other CS functions		(1500)	-	-	-
612-0230 Human Resources & Institutional Development	G	655	655	-	-
Other CS functions ²		(655)	(655)	-	-
698-0421 CCCD	G	1428	-	-	-
Immunization		(357)	-	-	-
Oral Rehydration Therapy		(714)	-	-	-
Other CS functions		(357)	-	-	-
Appropriation Total		3583	655	-	-
<u>Population</u>					
612-0211 Health Institutions Dev. ⁴	G	1600	500	-	-
High Risk Births		(1600)	(500)	-	-
Malawi-02 FPIA Child Spacing ³	G	100	-	100	-
High Risk Births		(100)	-	(100)	-
Appropriation Total		1700	500	100	-
<u>Development Fund for Africa</u>					
612-0226 Multiple Assistance Schemes in Health	G	5500	--	1750	1250
Other CS functions ⁵		(5500)	(--)	(1750)	(1250)
612-0230 Human Resources & Institutional Development	G	845	-	--	500
Other CS functions ²		(845)	-	(--)	(500)
Appropriation Total		6345	--	1750	1750

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 APPL
Child Survival (S & T)					
938-0508 Adventist Dev. & Relief Agency	G	355	-	-	-
Other CS functions		(355)	-	-	-
International Eye Foundation	G	440	-	-	-
Nutrition		(440)	-	-	-
Save the Children Federation	G	307	-	-	-
Other CS functions		(307)	-	-	-
Adventist Dev. & Relief Agency	G	250	-	250	-
Other CS functions		(250)	-	(250)	-
Vit.A Save the Children Federation	G	160	160	-	-
Nutrition		(160)	(160)	-	-
Adventist Dev. & Relief Agency	G	205	205	-	-
Nutrition		(205)	(205)	-	-
Appropriation Total		1717	365	250	-
Country Total		13345	1520	2100	1750
of which Immunization		(357)	-	-	-
Oral Rehydration Therapy		(714)	-	-	-
Nutrition		(805)	(365)	-	-
High Risk Births		(1700)	(500)	(100)	-
Other CS functions		(9769)	(655)	(2000)	(1750)

- 1 25% of total LOP attributed to decreasing incidence of water-borne diseases amongst children through potable water
- 2 50% of account LOP attributed to training and technical assistance to strengthen PHC and Child Spacing impacting on improved child mortality and morbidity
- 3 50% of total LOP
- 4 33% of account LOP
- 5 50% of total LOP supports a broad range of child survival activities, including: PHC with EPI and ORT; child spacing to reduce high risk births and infant mortality; potable water; and nutrition and sanitation education.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 5

AGRICULTURAL RESEARCH

(\$ 000)

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 APPL
<u>Agriculture, Rural Development & Nutrition</u>					
612-0215 Malawi Ag. Research & Extension	G	6250	2377.5	-	-
Appropriation Total		6250	2377.5	-	-
<u>Development Fund for Africa</u>					
612-0215 Malawi Ag. Research & Extension	G	750	-	750	-
Appropriation Total		750	-	750	-
Country Total		7000	2377.5	750	-

Note: 50% of the MARE LOP is supporting, through technical assistance and training, the development of technologies that will increase returns to land and labor for traditional crops (especially maize) and the identification of crops for diversifying production, in order to raise smallfarmer income and increase foreign exchange earnings. (The remainder of the project strengthens the Ministry of Agriculture's extension service and training unit).

AFRICA BUREAU TABLE 1
 FY 1989 ANNUAL BUDGET SUBMISSION

FUNCTIONAL ATTRIBUTION

<u>Project #</u>	<u>Project Name</u>	<u>Shadow Functional Acct.</u>	<u>FY 1988 Allocation</u>	<u>FY 1989 Allocation</u>
612-0214	Rural Enterprise & Agrobusiness Dev.	ARDN	500,000	-
612-0215	Malawi Ag. Research & Extension	ARDN	1,500,000	-
612-0226	Multiple Assistance Schemes in Health	POP	500,000	500,000
		Health	3,000,000	2,000,000
612-0229	CIP for Private Enterprise Development	ARDN	-	4,000,000
612-0230	Human Resources & Institutional Dev.	ARDN	3,000,000	1,000,000
		Health	-	1,000,000
		EHR	1,500,000	1,500,000
TOTAL OYB			10,000,000	10,000,000

Account Totals

-	ARDN	5,000,000
-	POP	500,000
-	Health	3,000,000
-	EHR	1,500,000

AFRICA BUREAU TABLE 2
FY 1989 ANNUAL BUDGET SUBMISSION

PIPELINE ANALYSIS AND MODIFICATION TO LOP AND PACD

Project#	Project Name	Total Cost	Auth	Plan	Oblig thru FY 86	FY 86		FY 87		FY 88		FY 89		Current PACD	Proposed PACD	Date of PP Amend.
						Pipeline	Oblig	Expend	Oblig	Expend	Oblig	Expend				
DEVELOPMENT ASSISTANCE																
612-0201	Polytechnic Institute	8314	8314	3330	8314	-	2800	-	430	-	100	-	12/30/87	9/30/89*	Oct 87	
612-0202	Agricultural Research	9000	9000	452	9000	-	452	-	-	-	-	-	9/30/87	-	-	
612-0207	Rural Water	6000	6000	538	6000	-	300	-	238	-	-	-	12/30/88	-	-	
612-0211	Health Institutions Dev. (TA)	8000	8000	4752	8000	1500	1800	-	2500	-	1952	-	7/30/89	-	-	
	Health Institutions Dev. (Cons)	1700	1700	1600	1700	-	800	-	400	-	400	-	12/31/89	-	-	
612-0214	Rural Enterprises & Agrobusiness Dev. Institutions	6159	6400	3788	5100	800**	1500	500	1800	-	488	-	12/31/89	-	Mar 88	
612-0215	Malawi Ag. Research & Extension	14000	14000	7727	7745	4755	2700	1500	3500	-	3527	-	9/30/92	-	-	
612-0218	Commercial Transport	5000	5000	4458	5000	-	400	-	2500	-	1250	-	2/28/88	12/31/89	Sep 87	
612-0219	Management Assistance to Rural Traders	2828	2028	1437	2828	(800)***	637	-	-	-	-	-	11/30/86	-	Jul 87	
	Rural Dev. Linkages	1250	1250	581	1250	-	331	-	250	-	-	-	8/31/88	-	-	
612-0226	Multiple Assistance Schemes in Health	-	11000	-	-	-	-	3500	1500	-	2000	-	FY 94	-	-	
612-0227	Parastatal Divestiture (BOP)	15000	15000	14800	14800	200	1500	-	8600	-	4900	-	8/19/89	-	-	
	Parastatal Divestiture (TA)	500	500	-	500	500	100	-	200	-	200	-	8/31/89	-	-	
612-0229	CIP for Private Sector Dev.	-	16000	-	-	-	-	-	-	-	4000	-	FY 94	-	-	
612-0230	Human Resources & Institutional Development	18000	18000	-	-	3824	-	4500	1300	-	3000	-	9/30/95	-	-	
ECONOMIC SUPPORT FUNDS																
612-0225	Fertilizer Subsidy Removal (BOP)	13100	13100	9100	13100	-	4000	-	5100	-	-	-	9/24/88	-	-	
	Fertilizer Subsidy Removal (TA)	1900	1900	1792	1900	-	600	-	700	-	492	-	3/31/89	-	-	

* extension to permit completion of long-term training

** Reobligation from defunct Management Assistance to Rural Traders (612-0219)

*** Deobligation

AFRICA BUREAU TABLE 3
FY 1989 ANNUAL BUDGET SUBMISSION

PVO ACTIVITIES

Project #	Project Name	PVO Name (US/Non US)	Functional Account	Span of PVO LOP	PVO LOP for Total Project and % of Total	FY-87 Obligations	FY-88 Obligations	FY-89 Obligations
612-0214	(B) Rural Enterprise & Agrobusiness Development Institutions (READI)	Africare (US) CUNA (US)	ARDN ARDN	85-88 85-88	1,475,000 (25) 370,000 (6)	-0- -0-	-0- -0-	-0- -0-
612-0220	(B) Rural Development Linkages	Save the Children Federation (US)	ARDN	83-88	1,250,000 (100)	-0-	-0-	-0-
612-0226	* (B) Multiple Assistance Schemes in Health	Private Hospital Ass. of Malawi (Non-US)	HE/POP	88-94	3,300,000 (30)	-0-	1,050,000	750,000
938-0508	(C) Child Survival Fund	ADRA (US)	HE	85-88	354,650 (100)	-0-	-0-	-0-
	(C) Child Survival Fund	Int'l Eye Found.(US)	HE	85-88	440,000 (100)	-0-	-0-	-0-
	(C) Child Survival Fund	Save the Children Federation (US)	HE	86-89	307,200 (100)	-0-	-0-	-0-
**	(C) Child Survival Fund	ADRA (US)	HE	88-91	250,000 (100)	-0-	250,000	-0-
**	(C) Vitamin A Program	Save the Children Federation (US)	HE	87-90	159,860 (100)	159,860	-0-	-0-
**	(C) Vitamin A Program	ADRA (US)	HE	87-90	204,952 (100)	204,952	-0-	-0-
Malawi-01	(C) Child Spacing Program	FPIA (US)	POP	84-87	430,200 (100)	-0-	-0-	-0-
Malawi-02**	(C) Child Spacing Program	FPIA (US)	POP	88-90	200,000 (100)	-0-	200,000	-0-
*	(C) Lake Malawi Conservation	World Wildlife (US)	ARDN	87-90	40,000 (100)	40,000**	-0-	-0-

(B) indicates bilateral; (R) indicates regional; (C) indicates centrally-funded

* proposed new activity

** proposed or anticipated follow-on/extension of on-going program

Privatization is a major activity in USAID/Malawi Portfolio.

Since independence, Malawi has had a strong free market orientation. To stimulate development of the country's agricultural and non-agricultural sectors in the absence of indigenous entrepreneurs and limited foreign investment, three major parastatal companies were established in the first decade after independence. These included the Agricultural Development and Marketing Corporation (ADMARC), the Malawi Development Corporation (MDC), and Press Holdings.

ADMARC played a major role in encouraging smallholder agriculture and associated agricultural industries. Over time, it became a major source of domestic investment in the overall economy. It also became an inefficient monopoly dominating export marketing and domestic prices.

In 1986, as a consequence of a number of converging events, the Government of Malawi concluded that it was necessary to embark on a program of divestiture of ADMARC's assets and activities. USAID/Malawi agreed to support this endeavor through a combined program of budgetary and technical assistance. An American CPA firm has been contracted for three years (total contract value up to dols \$750,000) to help the GOM and ADMARC devise a strategy for rationalization of ADMARC's portfolio, including divestiture of at least two-thirds of its investment holdings and transfer of any remaining assets into a separate holding company on a strictly commercial basis, and with maximum private sector participation. Under A.I.D.'s parastatal divestiture program, \$15.5 million is being released as divestiture progresses.

In addition to the Parastatal Divestiture Program (612-0227), A.I.D. is providing technical assistance under AEPRP I/Fertilizer Subsidy Removal Program (612-0225) to determine how private traders participation in agricultural produce marketing can be expanded. This will further shift ADMARC'S current responsibilities from the public sector to the private sector. It may also stimulate agricultural production and increase rural income as private traders buy produce from the smallholder at prices higher than ADMARC'S administratively set floor price. Experience with the program to date indicates that pressure on consumer prices may be reduced as the major milling company is able to purchase maize at prices lower than ADMARC.

AFRICA BUREAU TABLE 4
FY 1989 ANNUAL BUDGET SUBMISSION

PRIVATE SECTOR ACTIVITIES

<u>Project #</u>	<u>Project Name</u>	<u>Implementing Organization (US/Non US)</u>	<u>Shadow Functional Account</u>	<u>Private Sector LOP Span</u>	<u>Priv. Sect. LOP Total Project and % of Total</u>	<u>FY-87 Obligations</u>	<u>FY-88 Obligations</u>	<u>FY-89 Obligations</u>
612-0214	(B) READI	Host Country/ Africare (US) CUNA (US)	ARDN	84-89	6,400,000 (100)	800,000**	500,000	-0-
612-0218	(B) Commercial Transport	Host Country	SDA	84-88	4,500,000 (90)	-0-	-0-	-0-
612-0226	(B) Multiple Assistance Schemes in Health*	Host Country /PHAM (Non-US)	HE/POP	88-94	3,200,000 (30)	-0-	1,050,000	750,000
612-0227	(B) Parastatal Divestiture	Host Country/ Deloitte Haskins & Sells (US)	ARDN	86-89	15,500,000 (100)	700,000	-0-	-0-
612-0229	(B) CIP for Private Enterprise Dev.*	Host Country	ARDN	89-94	16,000,000 (100)	-0-	-0-	4,000,000
612-0230	(B) Human Resource and Institutional Development	Host Country/ US Contractor	ARDN/HE /EHR	87-95	3,600,000 (20)	765,000	900,000	700,000
S & T, PRE	(C) Entrepreneurship Workshop Research	Mgt. Systems Int'l (US)/ Host Country	?	86-88	? (100)	-0-	-0-	-0-
698-0424.12	(R) EIA Subproject: Energy for SME's	Host Country	SDA	85-88	150,000 (100)	-0-	-0-	-0-

NOTES: (B) indicates bilateral; (R) indicates regional; (C) indicates centrally-funded

* currently under design

** reobligation from defunct Management Assistance to Rural Traders (612-0219).

AFRICA BUREAU TABLE 5
FY 1989 ANNUAL BUDGET SUBMISSION

REGIONAL AND CENTRALLY FUNDED ACTIVITIES

Project #	Project Name	Organization Implementing (US/Non U.S.)	Shadow Functional Account	LOP (yrs)	LOP (\$000)	FY-87 Obligations	FY-88 Obligations	FY-89 Obligations
I. Directly Related to Mission Portfolio:								
S & T	Bean/Cowpea CRSP	Michigan St(US)	ARDN	83-88	?	-	-	-
690-0234	Blantyre-Mwanza Road	Host Country	ESF	84-87	700	200	-	-
690-0237	Northern Transport Corridor	Host Country	ESF	86-90	11,500	-	-	-
930-0096	Price Policy, Marketing & Nutrition	Harvard (US)	?	86-88	330	-	-	-
698-0433	AMDP	Host Country	Various	81-88	App. 1500	150	150	150
698-0421	CCCD	Host Country/	HE	84-88	1428	-	-	-
S & T	Health Communication/CCCD	CDC (US)	HE	86-88	?	-	-	-
Malawi-01	Child Spacing Program	FPIA (US)	POP	81-87	700	-	-	-
Malawi-02**	Child Spacing Program	FPIA (US)	POP	88-90	200	-	200	-
938-0508	Child Survival Fund	ADRA (US)	HE	85-88	355	-	-	-
	Child Survival Fund	IEF (US)	HE	85-88	440	-	-	-
	Child Survival Fund	SCF (US)	HE	86-89	307	-	-	-
**	Child Survival Fund	ADRA (US)	HE	88-91	250	-	250	250**
**	Vitamin A Program	SCF (US)	HE	87-90	160	-	-	-
**	Vitamin A Program	ADRA (US)	HE	87-90	205	204,952	-	-

II. Indirectly Related to Mission Portfolio:

AFR-C1292	AFGRAD	AAI (US)	EHR	79-87	App. 1000	App. 200	?	?
698-0506	Small Projects Assistance	Peace Corps(US)	ARDN	83-88	120	-	-	-
S & T, PRE	Entrepreneurship Workshop Research	MSI (US)	?	86-88	?	-	-	-
DPE-300-C	Demo. Data for Development	Westinghouse (US)	POP	84-87	App. 125	-	-	-
932-0604	Int'l Education in Reproductive Health	JHP/IEGO (US)	POP	79-87	App. 275	?	?	?

III. Not Related to Mission Portfolio:

698-9901	Ambassador's Special Self Help Fund	US Emb/H.C.	SDA	on-going: about \$90-120 annually	-	-	-	-
690-0215	Regional Fisheries Development	SADCC/H.C.	ESF	84-88	974	-	-	-
S & T	Schistosomiasis Research	Univ. MD (US)	?	86-88	?	-	-	-
S & T	* Lake Malawi Conservation	WWF (US)	ARDN	87-89	40	40	-	-

* Proposed new activity

** Proposed or anticipated follow-on/ extension of on-going program

AFRICA BUREAU TABLE 6
FY 1989 ANNUAL BUDGET SUBMISSION

Generations	LOCAL CURRENCY				(\$ 000)								
	Prog. Sup.	Projects	U.E.	T/F	Prog. Sup.	Projects	U.E.	T/F	Food Dist.	Emerg.	Uev. Prog	Other	TOTAL
Carry In													
612-0225 AEPRP I: Fertilizer Subsidy Removal	-0-												-0-
Current Year Generations													
612-0225 AEPRP I: Fertilizer Subsidy Removal	4000												5500
612-0227 AEPRP II: Parastatal Divestiture					1500								

Expenditures	FY 86 (Actual)	FY 87 (Est.)	FY 88 (Planned)	FY 89 (Pro.)	Notes on New Generations	FY 87	FY 88	FY 89
	Economic Support Funds	4000	4000	5100		-0-		4000
- Balance forward + new generations	(4000)	(4000)	(5100)	-0-	ESF			
- Public Development Activities	-	-	-	-	Fertilizer Subsidy Removal	4000	5100	-
- Private Sector Programs	-	-	-	-	UA			
- Public Sector Recurrent Budget	-	-	-	-	Parastatal Divestiture	1500	8600	4900
- A.I.D. Operating Expenses	-0-	-0-	-0-	-0-	WASH	-	3500	2500
- Unexpended Balance	-0-	-0-	-0-	-0-	Private Sector CIP	-	-	4000
Development Assistance					P.L. 480	5200	-	-
- Balance forward + new generations	-0-	1500	12100	13400	Sugar Quota Offset (4168)	5200	-	-
- Public Development Activities	-0-	(1485)	(9314)	(5951)				
- Private Sector Programs	-	-	(400)	(3470)				
- Public Sector Recurrent Budget	-	-	(300)	(400)				
- A.I.D. Operating Expenses	-	(15)	(86)	(79)				
- Unexpended Balance	-0-	-0-	2000	3500				
P.L. 480								
- Balance forward + new generations	-0-	5200	5200	2600				
- Public Development Activities	-	-	-	-				
- Private Sector Programs	-	-	-	-				
- Public Sector Recurrent Budget	-	-	(2600)	(2600)				
- A.I.D. Operating Expenses	-	-	-	-				
- Unexpended Balance	-0-	5200	2600	-0-				
TOTAL EXPENDITURES	4000	5500	17800	12500				
CARRY OVER TO NEXT FISCAL YEAR	-0-	5200	4600	3500				

FY 1989 ABS - NEW PROJECT NARRATIVE
CIP FOR PRIVATE ENTERPRISE DEVELOPMENT
(612-0229)

Introduction

Malawi's development strategy has been characterized by two main objectives, both of which have emphasized reliance on free market forces for development. The first has been the development of peasant and estate agriculture and the second the expansion of the non-agricultural economy. Agricultural growth was achieved by creating and maintaining an incentive environment which was conducive to the growth and expansion of agricultural production. Industrial and commercial development was accomplished by channelling domestic savings, the domestic and foreign exchange proceeds from the sale of agricultural commodities, and foreign investment into the economy.

In response to an economic crisis in the early 80's, the Government embarked on an extensive structural adjustment program with the support of the World Bank and IMF, later joined by AID. This program focuses on:

- decreasing the involvement and reliance on parastatal organizations in agriculture, industry and commerce;
- strengthening the management and operations of a smaller and better defined parastatal sector;
- removal of price controls and subsidies;
- containing and limiting the growth of the public sector;
- stimulating savings, investment and private sector development;
- diversification of agricultural production and increased participation of the private sector in agricultural marketing; and
- adjusting exchange rates and reforming the FX allocation system.

Although these reforms will have the overall effect of increasing the operation and function of free market forces in the economy and should stimulate the availability of capital resources for investment, they do not address directly and fully the growing problem of inadequate employment opportunities in Malawi.

Major Development Problems

The essential expansion of employment opportunities in the future, however, depends on the creation of jobs in the non-agricultural sector. Since most available arable land is already under cultivation, growth in agriculture will be a function of increased agricultural productivity and diversification. Even though this will expand agricultural income, it is unlikely to be accompanied by a major growth in on-farm employment. Employment growth will increasingly depend on directing resources into the development of small and medium scale enterprises (SME) through a reasonably wide geographic distribution of investments.

Between 1979 and 1982, a number of institutions were established to stimulate and promote SME development. These included the Investment and Development Bank (INDEBANK) and its subsidiary the Investment Development Fund (INDEFUND), the Small Enterprise Development Organization of Malawi (SEDOM), the Development of Malawian Traders' Trust (DEMATT) and the Malawi Union of Savings and Credit Cooperatives (MUSCCO). These institutions provide credit and business and technical advisory services to small and medium scale enterprises.

Each of these organizations suffers from a common set of problems. These are:

- inadequate sources of investment capital on favorable terms and conditions;
- relatively high administrative/operational cost per loan;
- limited geographic coverage or outreach to supply credit and business and technical advisory services;
- weak or thin managerial, administrative and financial staff; and
- unclear or poorly defined Government policy toward small and medium scale enterprise development.

Recognizing these problems, USAID/Malawi launched the Rural Enterprises and Agrobusiness Development Institutions Project (READI) in FY 1984.

READI was designed as a \$5.1 million four year pilot project whose experience and lessons would lay the foundation for broader AID and other donor support. In conjunction with our FY 87 Human Resources and Institutional Development (HRID) Project (612-0230), this proposed FY 1989 CIP for Private Enterprise Development will build on the READI foundation.

Relationship to USAID Strategy

This new program will focus on three elements of USAID's strategy. The first is increasing disposable income and employment opportunities. The potential for expanding on-farm employment is limited. Although increased agricultural productivity and diversification will prove to be an important engine of growth, it will not be a source of significant expansion in employment. Therefore, USAID's program in agriculture needs to be complemented by activities to promote off-farm employment generation. The second is expanding the availability of financial resources for development through an infusion of foreign exchange. This is critically important to the success of Malawi's structural adjustment program which depends on attracting additional foreign exchange resources to meet its resource gap. The third is USAID's efforts toward increased reliance on the private sector as a major source of economic growth. Both the foreign exchange and local currency generations from the program will be directed toward the private sector.

Program Purpose

This \$16 million six-year program has three purposes. The first is to increase the availability of foreign exchange resources to the private sector to stimulate investment and economic growth. The second is to promote the development and expansion of SME's to generate income and employment opportunities in rural and urban areas. The third is to stimulate intra-regional trade to establish a better basis for sustained growth within Malawi and the region.

The CIP mechanism, using AID Geographic Code 941 countries as eligible sources, will be utilized to supply the foreign exchange to the private sector. This mechanism was selected because of its dual impact and multiplier effect. First, foreign exchange will go to private sector importers of raw materials, equipment and supplies. Second, for the foreign exchange, the importers will be required to put up Malawi Kwacha resources. These local currency generations will be channelled back into the financing of SME development. Thus, this mechanism taps private sector liquidity, mostly among larger firms, to expand domestic capital resources for the expansion of smaller sized ones. The use of Code 941 countries as eligible sources for the CIP also will promote trade within the Southern and Eastern Africa region.

A recent sample survey conducted by a local CPA firm for USAID/Malawi concluded that there is great potential for such a program. On average, importers received only 46% of their total estimated foreign exchange requirements. They imported MK22 million (about US\$10 million) from Code 941 countries in 1986, which represented 11% of total imports of the sample. The amount that could potentially be imported from Code 941 countries was estimated at 42% of the total, or an almost 4 fold increase to \$40 million annually.

Program Description

Local currencies will be used to address five major constraints to SME development.

1. Expansion of Credit: The equivalent of US\$12 million will be made available to the private sector for loans through local intermediate credit institutions. While most will go toward small and medium scale businesses, some credit will be available for larger labor intensive enterprises.
2. Advisory Services: The equivalent of US\$2.5 million will support efficient and cost-recoverable business and technical advisory services.
3. Improved Administration and management: The equivalent of US\$1.5 million will be used to finance in-country training in finance, administration and management. Any requirements for foreign exchange to cover participant training and technical assistance will be met through the new FY 1987 HRID.

4. Broader Geographic Distribution of Credit and Advisory Services: At present it is more cost-effective to provide credit and advisory services to businesses located in or near the major urban centers of Malawi. Local currency resources from the above three areas will be utilized to develop more efficient and cost-recoverable ways of expanding credit and advisory services to more remote rural areas.
5. Improved Policy Environment: With the significant progress made in this area through the READI Project, there will be in place a clearly defined Government of Malawi policy for SME development. READI also will have identified more efficient and effective ways for the Government to on-lend resources to intermediate credit institutions. The program will continue to promote the advances achieved under the READI Project.

AID resources for financing this program will be made available according to the following obligation schedule:

FY 1989	\$ 4.0 million
FY 1990	\$ 4.0 million
FY 1991	\$ 4.0 million
FY 1992	\$ 4.0 million

Management responsibilities for this program will rest with Mission's Program Planning and Implementation Division. Since the program is a natural outgrowth of the READI Project and is designed to simplify USAID and Government of Malawi management and monitoring requirements, the program will not require any additional staff for implementation.

Design Schedule and Issues

The PID for this program will be completed in the third quarter of FY 1988. The PP will be finished and authorized during the first quarter of FY 1989. Initial obligation is anticipated in the second quarter of FY 1989, thereby permitting a smooth transition from the READI Project which concludes December 31, 1989.

There are four major issues which must be addressed during the design stage. The first is the amount of liquidity available in the private sector. Presently, the supply of foreign exchange resources for the private sector is considerably less than the demand for them. Furthermore, the absence of foreign exchange appears to be an important constraint on full utilization and expansion of industrial capacity. USAID proposes in the second quarter of FY 88 to undertake a study to determine more accurately the extent of liquidity and foreign exchange demand in the private sector.

The second issue is the use of AID's Geographic Code 941 for the CIP mechanism. The Mission has done a preliminary analysis of Malawi's imports from industrial and developing countries. Although the largest

sources of imports are from the United Kingdom and the Republic of South Africa, other major sources include Kenya, Zimbabwe and Zambia. The Mission plans to undertake a more comprehensive analysis of these disaggregated trade flows to identify specific product categories.

The third issue surrounds the procedures and criteria for making and monitoring foreign exchange allocations and the utilization of local currency. It is important that the CIP foreign exchange be allocated efficiently and utilized to expand or make fuller use of industrial capacity. Therefore, the criteria for allocation will attempt to emphasize the importation of intermediate goods which enhance Malawi's industrial capacity. With respect to local currency, procedures will be utilized to insure quick and efficient allocation of these resources for agreed program purposes.

The fourth issue concerns the rates at which local currency will be lent to the intermediate financial institutions and the intended beneficiary groups. Based on experience gained under the READI Project a decision may need to be made not to target new small and medium rural entrepreneurs given the high risk and associated administrative costs of such credit.

The Mission intends to negotiate with the Government of Malawi the establishment of a Trust Fund in the amount of 1 percent of the local currency generations. These funds will be used to meet some of the operational costs of the Mission.

The Mission expects the PAIP to be reviewed in AID/W and the PAAU to then be authorized in the field.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING

DECISION UNIT: 612 MALAWI

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	PROGRAM FUNDING (\$000)		
					APPROP	INCR	CUM
1.	0226	Multiple Assistance Schemes in Health	0	G	DFA	2,500	2,500
2.	0229	CIP for Private Enterprise Dev.	N	G	DFA	4,000	6,500
3.	0230	Human Resource & Institutional Development	0	G	DFA	3,500	10,000

LOCAL CURRENCY USE PLAN

USAID/Malawi is shifting to the use of non-project assistance to tackle the development problems upon which the Mission's strategy is focussed. The Mission has opted for this assistance mechanism for several reasons. First, there is a well established need for balance of payments assistance to Malawi to meet a severe foreign exchange resource gap. The Government of Malawi recently made an appeal to major donors for quick disbursing assistance to close the estimated \$70 million financing gap in 1987. Second, Malawi is a relative "good user" of aid resources and has a good track record of managing assistance programs. However, the GOM is already overburdened with too many projects that require an inordinate amount of management time by both the GOM and donors. Third, many of the development problems that USAID/Malawi's strategy aims to address can be eased with the use of local currency resources, much of which can be marshalled from the private sector. Consequently, the generation and utilization of local currency is an integral part of our strategy of employing non-project assistance mechanisms.

USAID/Malawi is currently implementing two African Economic Policy Reform Programs which provide for cash transfers based on the achievement of specific performance targets and the utilization of local currency generations for specific, mutually agreed-upon development activities.

The first, a \$13.1 million ESF-financed activity begun in late FY 85, is encouraging the phased elimination of fertilizer subsidies and the shift to more cost effective concentrated fertilizers. \$8.0 million was released in the first 18 months of the program. Local currencies are being used to expand the smallholder fertilizer supply and agricultural credit systems. A \$15.0 million DA-funded program was begun in late FY 86 to encourage the divestiture of ADMARC, one of the country's largest parastatal bodies. In the first six months of the program about \$1.0 million was transferred to the GOM. Local currencies are being used to purchase the national strategic grain reserve and, in turn, ease the commercial liquidity crisis caused by ADMARC's heavy indebtedness to the banking sector.

Two new quick disbursing, local currency generating programs are currently under design.

A sector program supporting multiple assistance schemes in health (612-0226) has been proposed for FY 88. Local currencies generated under this 6 year, \$11.0 million U.A.-financed program would be used to address three of the major development problems upon which the Mission's strategy is focussed. First, overall poor rural health standards and high population growth rates will be tackled by strengthening public and private sector provision of health care and MCH/Family Planning services, the provision of potable water, and community training in nutrition and sanitation. Second, insufficient technical capacities in the public and private sectors will be redressed by extensive in-service training of health and family planning personnel from both the public and private

sectors. Third, the sector program approach will provide critically needed foreign exchange while the local currencies will finance the necessary development investments. As well, the strengthening of private sector health and family planning service delivery capacities permits an expansion of rural service coverage without increasing the Government's recurrent cost burden.

In FY 1989, the Mission is planning a \$16.0 million, U.A.-financed Commodity Import Program for the private sector. In order to further stimulate private enterprise development, local currencies generated would be used to expand sources of credit for agrobusiness and SME's and support the development of effective, self-sustaining business advisory services. In so doing, this program will reinforce USAID's effort to: (1) increase off-farm employment opportunities and raise rural income, and (2) redress the critical shortage of both foreign and domestic financial resources. (See the New Project Narrative for more details).

Thus, the Mission believes that the program approach is well suited to the types of problems our strategy seeks to address. And, because local currency generations are critical to attaining our objectives, the Mission has and will continue to be deeply involved in the programming and monitoring of these resources. Each grant agreement requires that local currency equivalents of U.S. dollar disbursement be deposited in a special account; delineates anticipated uses of local currencies; requires regular reporting on status of account and uses of funds; and includes a repayment clause in the case of improper or undocumented use of Special Account funds. Mission personnel closely follow program implementation and use of funds. To date, all local currencies have been well managed. As the Mission embarks on more complex sector programs, such as Multiple Assistance Schemes in Health, we anticipate including the requirement for professional, external accounting and auditing services which would be financed from the local currency generations.

FY 1989 ANNUAL BUDGET SUBMISSION
 TABLE VI - EXPENDITURES OF LOCAL CURRENCY GENERATIONS
 (ALL IN THE U.S. DOLLAR EQUIVALENTS, AND IN \$ MILLIONS)

<u>Source/Purpose</u>	<u>1986</u> <u>Actual</u>	<u>1987</u> <u>Estimate</u>	<u>1988</u> <u>Planned</u>	<u>1989</u> <u>Proposed</u>
I. ECONOMIC SUPPORT FUND				
A. Public Development Activities				
1. Smallholder Fertilizer Revolving Fund and agricultural credit system				
-- AEPKP I: Fertilizer Subsidy Removal (612-0225)	4.0	4.0	5.1	----
B. Private Sector Programs	----	----	----	----
C. Public Sector Recurrent Budget	----	----	----	----
D. AID Operating Expenses (Trust Funds)	----	----	----	----
II. DEVELOPMENT ASSISTANCE				
A. Public Development Activities				
1. National Strategic Reserve				
-- AEPKP II: Parastatal Divestiture (612-0227)	----	1.485	8.514	4.851
2. Rural Piped Water Construction				
-- Multiple Assistance Schemes in Health (612-0226)	----	----	0.8	1.1
B. Private Sector Programs				
1. Facility expansion and in-service training for Private Hospital Association of Malawi				
-- Multiple Assistance Schemes in Health (612-0226)	----	----	0.4	0.5
2. Credit, business advisory services, and training for SME and agrobusinesses				
-- CIP for Private Enterprise Dev. (612-0229)	----	----	----	2.97
C. Public Sector Recurrent Budget				
1. In-service training of Health Personnel & Community Sanitation				
-- Multiple Assistance Schemes in Health (612-0226)	----	----	0.3	0.4
D. AID Operating Expenses (Trust Funds)*	----	-0.015	0.086	0.079

<u>Source/Purpose</u>	<u>1986</u> <u>Actual</u>	<u>1987</u> <u>Estimate</u>	<u>1988</u> <u>Planned</u>	<u>1989</u> <u>Proposed</u>
III. PL 480	----	----	----	----
A. Public Development Activities	----	----	----	----
B. Private Sector Programs	----	----	----	----
C. Public Sector Recurrent Budget	----	----	----	----
1. Pharmaceutical supplies for rural health care facilities; maintenance of rural secondary roads; support of smallholder agricultural intensification and diversification				
-- Sugar Quota Offset Program (Section 416(b))	----	----	2.6	2.6
D. AID Operating Expenses (Trust Funds)	----	----	----	----
TOTALS	4.0	5.5	17.8	12.5

Note: * Trust funds generated under Parastatal Divestiture (612-0227) and CIP for Private Enterprise Development (612-0229), beginning in FY 87 and FY 89, respectively.

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1989 ANNUAL BUDGET SUBMISSION
 COUNTRY: MALAWI

Project List (Project No. & Title)	Last Eval Completed Start (No./Fr.) (Qtr)	FY1988 Start To (Qtr) AID/M (Qtr)	FY 1989 Start To (Qtr) AID/M (Qtr)	Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral Assistance
<u>Agriculture, Rural Dev. and Nutrition</u>							
Agricultural Research and Extension (612-0215)	-	2	3	PACB: 9/30/92 Triennial Review: in-depth scientific review, to be conducted with IDA's National Agricultural Research Project, focussing on progress being made in the Commodity Research program to develop new, improved varieties. Results will feed into the mid-term evaluation.	Proj. 30	15	2 agronomists/plant breeders, probably from an IARC, for 30 days each (other team members to be fielded by IDA)
Agricultural Research and Extension (612-0215)	3/88	3	4	PACB: 9/30/92 Mid-term evaluation, to be done in concert with two IDA-financed ag. research and extension projects, will measure progress being made in strengthening Ministry of Agriculture's institutional capacity to develop, test and transfer improved technologies to smallholders. Specifically, it will evaluate the linkages between farmers/ adaptive research teams/commodity research teams. It will also examine the Ministry's planning and training functions. The evaluation will provide guidance for out-year programming of Bank/A.I.U. resources.	Proj. 50	20	Ag. Econ/team leader, trainer and extension spec., for 30 days each (other team members to be fielded by IDA)

Evaluation Officer: Richard C. Day, Program Officer (105 of time spent on evaluations)

TABLE VII - LIST OF PLANNED EVALUATIONS
FY 1989 ANNUAL BUDGET SUBMISSION
COUNTRY: MALAWI

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY1988 Start (Qtr)	To End (Qtr)	FY 1989 Start (Qtr)	To End (Qtr)	Reasons/Issues	Funding Source (\$000)	USAIU Person Days	Collateral Assistance
Health and Population Health Institutions Development (612-0211)	5/86 (Internal)	1	2			<p>PACU: 7/31/89 (Technical Assistance) 12/31/89 (Construction)</p> <p>The purpose of this mid-term evaluation is to assess the relevance and cost-effectiveness of the in-service training program and whether the training of trainers component will permit the activity to be self-sustaining. Evaluation should recommend any necessary modifications in the training plan/program and identify needs for future AID support to be factored into the proposed Multiple Assistance Schemes in Health (612-0226)</p>	Proj. 50	15	IQC for 2 health trainers & institutional development specialist
Private Sector Dev. Kural Enterprise and Agrobusiness Development Institutions (AKUM) (612-0214)	-	1	2			<p>PACU: 12/31/89</p> <p>This mid-term evaluation will assess the effectiveness of business advisory and support services; evaluate the adequacy of the loan application review process used by the different IFI's; determine any economical, administrative/procedural or institutional constraints inhibiting private sector expansion; and identify promising areas for continued A.I.U. support through the proposed C.I.P. for Private Enterprise Development (612-0229).</p>	Proj. 35	15	IQC to field 2 PEU spec., institutional dev/training spec., and economist

TABLE VIII
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>U.S. Direct Hire</u>	<u>U100</u>			<u>752.8</u>	
* U.S. Full time Basic Pay	U101			468.6	8.2
* U.S. Part time Basic Pay	U102			-	
Differential Pay	U103			46.8	
Other AID/W Funded Code 11	U104			-	
Other Mission Funded Code 11	U105			-	
* Education Allowances	U106			58.2	12
Retirement	U107			32.8	
Cost of Living Allowances	U108			-	
Other AID/W Funded Code 12	U109			12.3	
Other Mission Funded Code 12	U110			4.4	
* Post Assignment Travel	U111			5.3	1
* Post Assignment Freight	U112			20.0	1
* Home Leave Travel	U113			28.8	3
* Home Leave Freight	U114			15.6	3
* Education Travel	U115			6.0	3
* R & R Travel	U116			39.0	5
* Other Code 215 Travel	U117			15.0	22
<u>Foreign National Direct Hire</u>	<u>U200</u>			<u>13.2</u>	
* F.N. Basic Pay	U201			12.0	3.3
* Overtime/Holiday Pay	U202			-	
All Other Code 11 - F.N.	U203			-	
All Other Code 12 - F.N.	U204			1.2	
Benefits - Former F.N. Pers.	U205			-	
<u>Contract Personnel</u>	<u>U300</u>			<u>262.3</u>	
* PASA Technicians	U301			-	
* U.S. PSC Salaries/Benefits	U302			131.7	3
All Other U.S. PSC Costs	U303			16.9	
* F.N. PSC Salaries/Benefits	U304			102.5	19.5
All Other F.N. PSC Costs	U305			-	
* Manpower Contracts	U306			11.2	0.5
<u>Housing</u>	<u>U400</u>			<u>197.2</u>	
* Residential Rent	U401			50.9	7.3
Residential Utilities	U402			16.9	
Maintenance & Renovation	U403			39.8	
* Quarters Allowances	U404			-	-
Residential Furniture/Equip	U405			47.3	
Trans/Freight - Code 311	U406			23.3	
* Security Guard Services	U407			16.5	9
Official Residence Allowance	U408			1.0	
Representation Allowance	U409			1.5	

* Unit data must be provided.

Organization USAID/Malawi
 Budget Plan Code _____

FY 87

TABLE VIII
Continued
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>Office Operations</u>	<u>U500</u>			<u>314.0</u>	
Office Rent	U501			61.6	
Office Utilities	U502			7.0	
Building Maint/Renovation	U503			8.0	
Office Furniture/Equipment	U504			6.4	
Vehicles	U505			-	
Other Equipment	U506			2.5	
Transportation/Freight	U507			2.0	
Furn/Equip/Veh Repair/Maint	U508			45.0	
Communications	U509			21.8	
* Security Guard Services	U510			1.2	1
Printing	U511			1.0	
* Site Visits - Mission	U513			34.5	85
* Site Visits - AID/W	U514			5.0	1
* Information Meetings	U515			-	-
* Training Attendance	U516			13.0	7
* Conference Attendance	U517			10.0	4
* Other Operational Travel	U518			2.0	2
Supplies & Materials	U519			43.0	
FAAS	U520			44.0	
Contract Consulting Services	U521			-	
Contract Mgt/Prof. Services	U522			-	
Special Studies/Analyses	U523			-	
All Other Code 25	U524			6.0	
<u>TOTAL OPERATING EXPENSE BUDGET</u>				<u>1539.5</u>	
Reconciliation (U101,U103,U104,U107,U109,U520)				604.5	
Operating Budget Requirements				935.0	
636(c) Requirements	U601			-	
<u>TOTAL ALLOWANCE REQUIREMENTS</u>	<u>U000</u>			<u>935.0</u>	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases	<u>411</u>
Exchange Rate Used (Average rate for FY 86/87)(U.S.\$1.0 = 2.10)	
Estimated Inflation Rate	<u>20%</u>

NOTE: FUNCTION CODE U512 (RIG OPERATIONAL TRAVEL) IS NO LONGER A VALID CODE.
ALL RIG OPERATIONAL TRAVEL WILL BE CHARGED TO FUNCTION CODES U513
THROUGH U518 AS APPROPRIATE.

* Unit data must be provided.

TABLE VIII
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Unit</u>
<u>U.S. Direct Hire</u>	<u>U100</u>			<u>1001.2</u>	
* U.S. Full time Basic Pay	U101			543.2	9.8
* U.S. Part time Basic Pay	U102			-	
Differential Pay	U103			54.3	
Other AID/W Funded Code 11	U104			-	
Other Mission Funded Code 11	U105			-	
* Education Allowances	U106			76.3	14
Retirement	U107			38.0	
Cost of Living Allowances	U108			-	
Other AID/W Funded Code 12	U109			20.0	
Other Mission Funded Code 12	U110			9.5	
* Post Assignment Travel	U111			24.0	6
* Post Assignment Freight	U112			118.0	6
* Home Leave Travel	U113			25.5	4
* Home Leave Freight	U114			44.0	4
* Education Travel	U115			9.0	3
* R & R Travel	U116			10.5	1
* Other Code 215 Travel	U117			28.9	17
<u>Foreign National Direct Hire</u>	<u>U200</u>			<u>21.5</u>	
* F.N. Basic Pay	U201			20.0	4
* Overtime/Holiday Pay	U202			-	
All Other Code 11 - F.N.	U203			-	
All Other Code 12 - F.N.	U204			1.5	
Benefits - Former F.N. Pers.	U205			-	
<u>Contract Personnel</u>	<u>U300</u>			<u>290.6</u>	
* PASA Technicians	U301			-	
* U.S. PSC Salaries/Benefits	U302			115.6	2.5
All Other U.S. PSC Costs	U303			-	
* F.N. PSC Salaries/Benefits	U304			175.0	29
All Other F.N. PSC Costs	U305			-	
* Manpower Contracts	U306			-	
<u>Housing</u>	<u>U400</u>			<u>230.3</u>	
* Residential Rent	U401			63.7	8
Residential Utilities	U402			23.2	
Maintenance & Renovation	U403			52.0	
* Quarters Allowances	U404			-	
Residential Furniture/Equip	U405			45.0	
Trans/Freight - Code 311	U406			22.5	
* Security Guard Services	U407			21.4	11
Official Residence Allowance	U408			1.0	
Representation Allowance	U409			1.5	

* Unit data must be provided.

TABLE VIII
Continued
 (\$000)

FY 88

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Unit</u>
<u>Office Operations</u>	<u>U500</u>			<u>633.7</u>	
Office Rent	U501			68.8	
Office Utilities	U502			3.6	
Building Maint/Renovation	U503			18.0	
Office Furniture/Equipment	U504			37.5	
Vehicles	U505			46.0	
Other Equipment	U506			130.7	
Transportation/Freight	U507			37.8	
Furn/Equip/Veh Repair/Maint	U508			52.7	
Communications	U509			20.4	
* Security Guard Services	U510			4.2	3
Printing	U511			3.0	
* Site Visits - Mission	U513			44.9	125
* Site Visits - AID/W	U514			15.2	3
* Information Meetings	U515			-	-
* Training Attendance	U516			17.0	5
* Conference Attendance	U517			8.5	4
* Other Operational Travel	U518			3.0	3
Supplies & Materials	U519			62.0	
FAAS	U520			50.0	
Contract Consulting Services	U521			-	
Contract Mgt/Prof. Services	U522			-	
Special Studies/Analyses	U523			-	
All Other Code 25	U524			10.4	
TOTAL OPERATING EXPENSE BUDGET				2177.30	
Reconciliation				705.5	
Operating Budget Requirements				1471.8	
636(c) Requirements	U601			-	
TOTAL ALLOWANCE REQUIREMENTS	U000			1471.8	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases 580
 Exchange Rate Used (Average rate for FY 86/87) (US\$1.0 = MK2.10) _____
 Estimated Inflation Rate 20%

NOTE: FUNCTION CODE U512 (RIG OPERATIONAL TRAVEL) IS NO LONGER A VALID CODE.
ALL RIG OPERATIONAL TRAVEL WILL BE CHARGED TO FUNCTION CODES U513
THROUGH U518 AS APPROPRIATE.

* Unit data must be provided.

Organization USAID/Malawi
 Budget Plan Code _____

16(3)

FY 89

TABLE VIII
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>
<u>U.S. Direct Hire</u>	<u>U100</u>			<u>969.1</u>
* U.S. Full time Basic Pay	U101			496.7
* U.S. Part time Basic Pay	U102			-
Differential Pay	U103			49.7
Other AID/W Funded Code 11	U104			-
Other Mission Funded Code 11	U105			-
* Education Allowances	U106			128.1
Retirement	U107			34.8
Cost of Living Allowances	U108			-
Other AID/W Funded Code 12	U109			20.0
Other Mission Funded Code 12	U110			-
* Post Assignment Travel	U111			11.4
* Post Assignment Freight	U112			45.0
* Home Leave Travel	U113			23.6
* Home Leave Freight	U114			52.0
* Education Travel	U115			10.5
* R & R Travel	U116			64.8
* Other Code 215 Travel	U117			32.5
<u>Foreign National Direct Hire</u>	<u>U200</u>			<u>25.5</u>
* F.N. Basic Pay	U201			24.0
* Overtime/Holiday Pay	U202			-
All Other Code 11 - F.N.	U203			-
All Other Code 12 - F.N.	U204			1.5
Benefits - Former F.N. Pers.	U205			-
<u>Contract Personnel</u>	<u>U300</u>			<u>334.8</u>
* PASA Technicians	U301			-
* U.S. PSC Salaries/Benefits	U302			124.8
All Other U.S. PSC Costs	U303			-
* F.N. PSC Salaries/Benefits	U304			210.0
All Other F.N. PSC Costs	U305			-
* Manpower Contracts	U306			-
<u>Housing</u>	<u>U400</u>			<u>212.4</u>
* Residential Rent	U401			68.5
Residential Utilities	U402			21.0
Maintenance & Renovation	U403			53.0
* Quarters Allowances	U404			-
Residential Furniture/Equip	U405			30.0
Trans/Freight - Code 311	U406			15.0
* Security Guard Services	U407			22.4
Official Residence Allowance	U408			1.0
Representation Allowance	U409			1.5

* Unit data must be provided.

TABLE VIII
Continued
 (\$000)

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
Office Operations	U500			469.3	
Office Rent	U501			66.2	
Office Utilities	U502			3.8	
Building Maint/Renovation	U503			10.0	
Office Furniture/Equipment	U504			12.0	
Vehicles	U505			46.0	
Other Equipment	U506			6.0	
Transportation/Freight	U507			10.0	
Furn/Equip/Veh Repair/Maint	U508			63.5	
Communications	U509			21.6	
* Security Guard Services	U510			3.0	2
Printing	U511			3.0	
* Site Visits - Mission	U513			48.0	125
* Site Visits - AID/W	U514			9.3	2
* Information Meetings	U515			-	
* Training Attendance	U516			17.9	6
* Conference Attendance	U517			14.0	7
* Other Operational Travel	U518			5.0	2
Supplies & Materials	U519			66.0	
FAAS	U520			50.0	
Contract Consulting Services	U521			-	
Contract Mgt/Prof. Services	U522			-	
Special Studies/Analyses	U523			-	
All Other Code 25	U524			14.0	
TOTAL OPERATING EXPENSE BUDGET				2011.1	
Reconciliation(U101,103,104,107,109,520)				651.2	
Operating Budget Requirements				1359.9	
636(c) Requirements	U601			-	
TOTAL ALLOWANCE REQUIREMENTS	U000			1359.9	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases 532
 Exchange Rate Used (Average rate for FY 86/87) (US\$1.0 = MK2.10)
 Estimated Inflation Rate 20%

NOTE: FUNCTION CODE U512 (RIG OPERATIONAL TRAVEL) IS NO LONGER A VALID CODE.
ALL RIG OPERATIONAL TRAVEL WILL BE CHARGED TO FUNCTION CODES U513
THROUGH U518 AS APPROPRIATE.

* Unit data must be provided.

FY 1989 ANNUAL BUDGET SUBMISSION
OPERATING EXPENSE NARRATIVE

Justification for Funding Increases

During FY 87, the business economy experienced a sharp downturn. As a result of shortages of foreign exchange, the Reserve Bank of Malawi imposed strict controls curtailing the availability of foreign exchange and the further importation of certain durable goods. Resulting shortages of materials in the marketplace caused prices to increase significantly. A gallon of paint, for instance, increased from 20 Kwacha to 80 Kwacha, a jump of 400%. Other materials, such as repair parts and steel bars, are available in the market only sporadically and at vastly inflated prices. Within this milieu, and despite the Mission's achievement of solid economies and tighter management, external costs beyond the control of the Mission continued to rise. This has directly impacted on Mission operating expenses, particularly in procurement.

Staff expansion to support USAID's growing portfolio also account for some of budgetary increases. The Mission's authorized workforce levels for USDH have been raised from 8 to 9 and two IDI's will be on-board during FY 88 until "graduating" into the currently encumbered USUH positions. The Mission will also be hiring three foreign national professional staff members. Finally, the average salary of FN employers will be increased 55.9% as a result of the recent AID/W-contracted wage survey.

As described in the Table VIII(e) narrative, a major ADP procurement is proposed for FY 88 to meet the demands of a growing development assistance program and the associated financial management and administrative requirements. This alone accounts for over 25% of the proposed O.E. increase between FY 87 and 88.

U100 U.S. direct hire increase between FY 87 and FY 88 to allow for post assignment and departures of eight personnel plus a previously unfunded requirement for away-from-post dependent education allowances. These costs result in part from an increase in the Mission's direct hire ceiling and required on-the-job training and overlap period of two IDI's who are scheduled to replace two departing USUH personnel.

U200 Based upon recommendations resulting from a major wage and position classification survey conducted at this post in November 1986, anticipated salaries for FN employees are expected to increase by an overall percentage of 55.9%. The survey results are currently under review by the Department.

U300 Blue collar FN employees formerly employed on a non-personal services contract through the Embassy Recreation Association have all been converted to personal services contracts. This action was initiated

to conform with Department policy which prohibits recreation associations from engaging in business activities that are deemed to be non-recreational in nature.

- Recruitment of FN trades personnel to establish a stronger GSO section is being planned. This will reduce reliance upon Embassy FAAS services and decrease related charges.
- Additional salary costs to account for implementation of the wage survey recommendations have been factored into the above PSC personnel requirements.
- As a result of further Mission automation and the establishment of a controller office, a position for a full time data systems manager is foreseen to provide relief to USDH personnel with other full time responsibilities.

U400 Short-term leased housing is required for the two IDI's who will be assigned to the Mission to train and overlap with incumbent USDH personnel they will replace.

- A house is also required for an economist who represents part of the Mission's personnel ceiling increase.
- Additional guard services will be required for the above residences, plus the cost of utilities and any modifications required to meet post housing standards.
- Residential security will be enhanced, upon the recommendation of the Regional Security Officer, including new security equipment and strengthened guard services.

U500 Based upon the Mission's expansion and office reorganizations, additional office space, partitions and installations are required. Also, upon the recommendation of the Regional Security Officer, the Mission will make certain structural changes in current office space to improve security.

- Two new vehicles must be procured to replace those due for replacement. The cost of right-hand drive field vehicles has increased from \$12,500 to \$29,570 in the past two years.
- New ADP equipment is being planned to handle the reorganization and establishment of a controller operation. There will be an increase in the amount and cost of ADP supplies required and a commensurate increase in the cost of the wany worldwide maintenance contract.

Management Improvements

On January 8, 1987, the USAID Mission concluded a bilateral agreement with the Government of Malawi (GOM) for economic, technical and related assistance. This agreement, which was the culmination of over two years'

negotiations between the U.S. Mission and the GOM, establishes clear parameters governing the technical cooperation programs being implemented within Malawi. The agreement covers a number of key areas, but of particular note is the establishment of a Special Account for the generation of trust funds which will decrease the Mission's heretofore total reliance on operating expense funds for administrative/logistical support.

The agreement also confers a special status and exemptions under which both the USAID Mission and its contractors may perform official activities. In this connection, USAID now has the authority to perform its own customs clearance operations formerly accomplished through the U.S. Embassy. This, together with assumption of closely allied functions such as document processing, receiving and shipping, should reduce annual Foreign Affairs Administrative Support (FAAS) charges assessed by State to AID in this area. These savings, however, are offset somewhat by higher costs resulting from increases in program activity, personnel, and establishment of a Mission financial management office (which will reduce our total reliance on RFMC/Nairobi). As the result of an expansion in Mission portfolio activity, management has undertaken to assume additional FAAS support functions in the area of residential and vehicle maintenance. This is in keeping with current AA/M policy. Plans to recruit trades personnel for these activities are underway and will enable USAID to better manage personnel time, accountability for supplies, and reduce indirect Embassy vehicle support charges. A larger warehouse in close proximity to the USAID office is being leased which will reduce office to warehouse transit time, permit better handling and accountability of property, and enable the storage and maintenance operations to be housed under one roof. Again, the internal efficiencies to be gained are offset initially by increased costs for leased space, security and equipment installations.

USAID Management has made special efforts to obtain favorable leasing terms for its housing, office and warehouse requirements. Despite continually increasing local rentals that result from an acute housing shortage, USAID rentals for comparable housing range up to 25% less than rates being paid by other agencies at post. Attempts to fix the rates for an extended period without yearly increases have also been successful despite very strong inflationary pressures.

There have been two significant reorganizations within the Mission to strengthen operational effectiveness. First, the Assistant Director heads the Program Planning and Implementation Division which is responsible for overall strategy development, budgeting, project monitoring and evaluation, and assists in drafting major implementation documents.

Secondly, USAID/Malawi's financial management operations have been reorganized and strengthened during the past six months. With the addition of a highly qualified U.S. PSC, a de-facto Controller's office (an independent financial management office) has been established within the Mission, several professional and administrative Malawian staff have been recruited, RFMC has transferred earmarking/commitment

responsibilities to USAID/Malawi, and the Financial Management Officer has just been extended payments certifying authority by FM Washington. These measures have already significantly improved project and operating expense financial controls, reduced by several weeks the turnaround time for payments, and have enhanced the overall efficiency of Mission financial management operations.

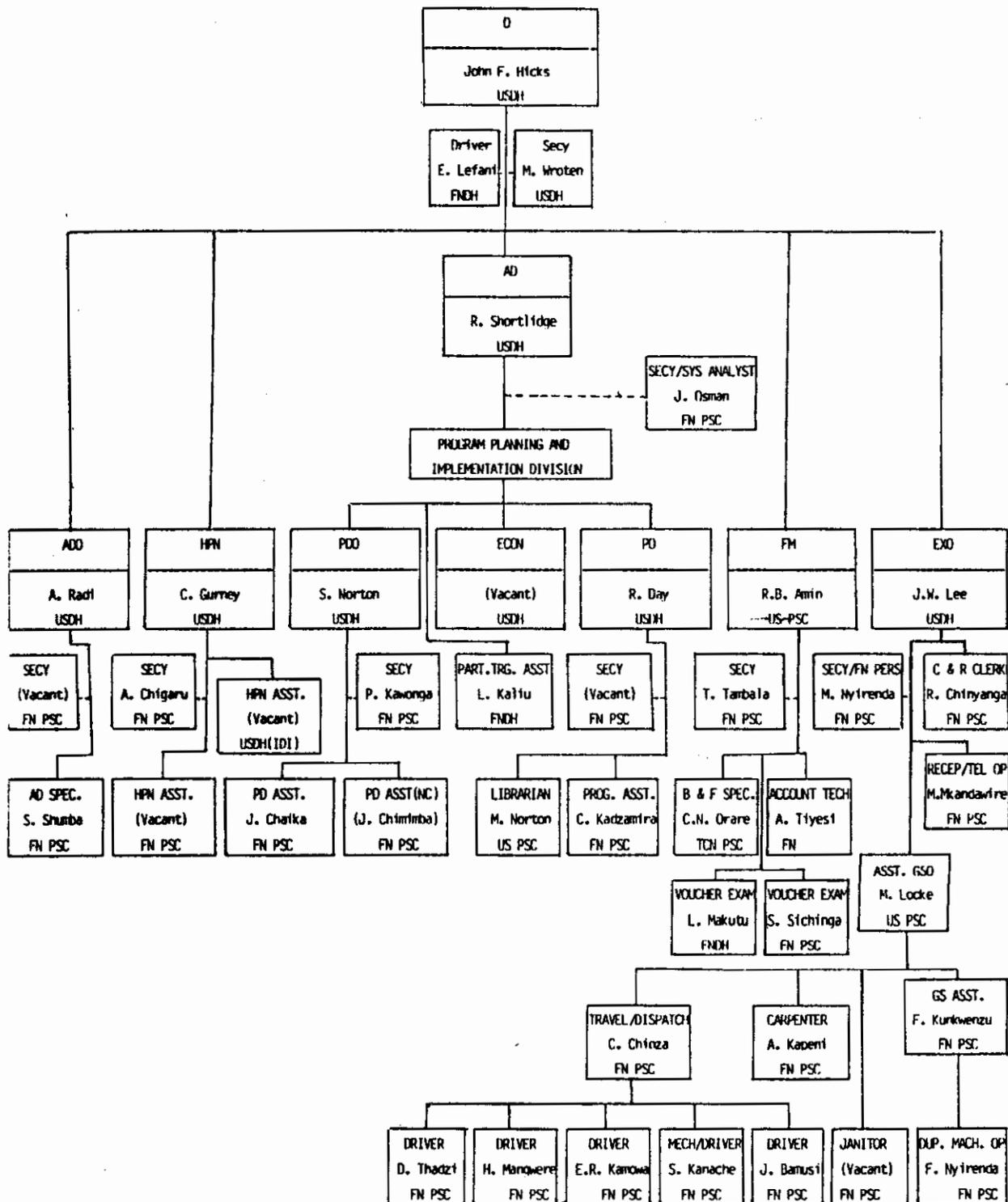
Finally, in an effort to strengthen and streamline project implementation and permit Mission management to concentrate on major program and policy issues, a series of Mission Management Orders have been issued which set forth internal Mission operational procedures. An order has also been issued which establishes Mission procedures under recently issued DOA 551 and spells out redelegations from the Mission Director to the Assistant Director.

Trust Funds

In May, 1987, USAID and the Government of Malawi signed a Trust Fund Agreement which sets aside 1% of local currencies generated under the Parastatal Divestiture Program (612-0227). Over the period FY 87-89 the total equivalent of up to \$150,000 will be available for Mission operating expenses. Beginning in FY 89, additional Trust Funds would become available through the proposed CIP for Private Sector Development (612-0229).

USAID/MALAWI - ORGANIZATION CHART

May, 1967



AUTHORIZED PERSONNEL LEVELS FOR FY-67 (86 STATE 373221)

USDH	9
FNDH	4
IDI	1
PART-TIME	0

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE VIII(b) - U.S. PSC COSTS

(\$000)

<u>Job Title/ Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
Controller	90.7 (2/87-6/88)	85.7 (7/88-6/89)	85.0 (7/89-6/90)
Assistant General Services Officer	19.4 (1/87-12/87)	19.9 (1/88-12/88)	19.9 (1/89-12/89)
Librarian - P.T.	6.0 (12/86-11/87)	10.0 (12/87-12/88)	19.9 (1/89-12/89)
C & R Consultant	15.6 (2/87-4/87)	-	-
	<hr/> 131.7	<hr/> 115.6	<hr/> 124.8

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE VIII(c) - ALL OTHER CODE 25 DETAIL

<u>Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
None	-0-	-0-	-0-

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE VIII(d) - MANPOWER CONTRACT DETAIL

<u>Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
Drivers and janitorial services	11.2 (10/1/86- 4/12/87)	-0-	-0-
	<hr/>	<hr/>	<hr/>
	11.2	-0-	-0-

TABLE VIII (e) Obligation for Acquisition, Operation
and Use of Information Technology Systems

Narrative

A. Uses of Mission Automation Equipment:

Word Processing
 Budgeting, Accounting and Dateling
 Project/Program Management and Monitoring
 Participant Tracking and Management
 Correspondence and Record System Control
 Property and Personnel Records Management
 ABS, CDSS and CP Preparation
 Program Evaluation
 Economic and Social Data Maintenance
 Statistical and Economic Analysis

B. Mission Current Year and Long-range Information Management Plans:

During FY 86, the Mission was able to significantly improve its data management and processing capability through the installation of a Wang OIS 140, additional work stations and printers which had been acquired with FY 85 funds. This expanded capacity reduced the number of users per workstation from 8.7:1 in early calendar 1986 to 2.6:1 by June 1986.

In FY 87, the Mission planned to continue the quantitative and qualitative improvements to its system. These improvements were critically important to four functions performed by the Mission, all of which were undergoing substantial change. First, financial control and management was to be shifted in 1987 from RFMC to the Mission requiring additional data processing equipment dedicated to the finance division. Second, exponential growth in the number of participants necessitated an improved tracking system. Third, in the three fiscal years FY85-87, the Mission's program management and implementation responsibilities increased significantly with five major new programs/projects (Malawi Agricultural Research and Extension, Fertilizer Subsidy Removal Program, Parastatal Divestiture, Northern Transportation Corridor, and Human Resources and Institutional Development). In this three year period, a total of \$73 million in new funds were committed to Malawi. Fourth, the growth in US and local staff since 1985 required installation of more efficient systems for handling administrative and executive office functions.

The plan called for further computer hardware and software to meet these expanded requirements and reduce the number of users per workstation from 2.6:1 to 2.0:1. However, the virtual world-wide moratorium on equipment procurement and the major increase in the cost of the Wang service contract resulted in no new computer hardware being acquired in

FY 87. As a consequence, the Mission experienced a significant increase in the number of users per workstation from 2.6:1 to 3.4:1. This increase in users per workstation has coincided with the changes noted above, all of which have combined to put the system under extreme pressure. With virtually no redundancy or slack in the computer system, the system is unable to handle peak workloads or equipment breakdowns. As a consequence, the Mission has experienced an increase in the frequency of computer equipment failures and major bottlenecks and delays in processing of work. This situation will only worsen in FY 88 as the ratio of users to workstations increases further to 4.1:1.

The Mission was, however, successful in implementing its staff training program in FY 87. With the extensive training received by the Administrative Assistant/Computer Systems Operator in AID/W and on-the-job training by staff from RFMC/Nairobi, the ability of Mission personnel to utilize fully the system has been significantly enhanced. During the next year, staff training will largely focus on in-house, on-the-job training to further refine and consolidate these skills.

C. Mission Acquisition Plan:

The Mission's computer hardware and acquisition plan concentrates on three objectives. The first, and most important, objective is to stop and reverse the upward trend in the number of users per workstation and to bring it down to the 1986 level of 2.6:1. The second objective is to continue to develop the system's project/program management, financial management, statistical/analytical and administrative capacities through further hardware/software acquisitions and expanded use of existing software. The third objective is to support the two objectives above through complementary on-the-job training.

The transfer of financial management and control responsibility and the extension of payments certification authority to the Mission has already increased significantly the Mission's utilization of the system, in excess of what installed capacity is able to handle. Payments Dating and tracking, and production of all MACS financial reports for Mission project and program management and monitoring have necessitated upgrading of present system by planned acquisition of Wang VS 65 configuration for FY 88 to give the Mission desired flexibility.

Implementation of this plan requires an estimated \$121,600 in FY 88 for hardware and software. The hardware to be purchased includes VS 65 CPU; 2MB space base main memory without internal disc drive; 4 port disc drive controller; 288 MB removable disc drive; 9 track-1600 BPI tape drive and controller; DP-WP workstation with keyboard; 60 CPS daisy printer; 600 LPM 64K band printer; OIS Printer; 10 KVA UPS; accessories; supplies; and maintenance contract.

By the end of FY 88 the system will be complete. Therefore, the plan calls for no hardware and software purchases in FY 89. The emphasis in FY 89 will be on continued staff training.

Organization USAID/Malawi

TABLE VIII(e)
OBLIGATIONS FOR ACQUISITION, OPERATION
AND USE OF INFORMATION TECHNOLOGY SYSTEMS
(\$000)

<u>ITEM AND EXPLANATION</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
1. <u>Capital Investment:</u>			
A. Purchase of Hardware	0	101.6	- 0 -
B. Purchase of Software	2.5	0	- 0 -
C. Site Facility	0	20.0	- 0 -
SUBTOTAL Section 1	<u>2.5</u>	<u>121.6</u>	<u>- 0 -</u>
2. <u>Personnel:</u>			
A. Compensation, Benefits and Travel	4.0	70.6	73.2
B. Workyears	1.0	4.0	4
3. <u>Equipment Rental, Space and Other Operating Costs:</u>			
A. Lease of Equipment	0	0	0
B. Space	0	0	0
C. Supplies and Other Material	5.0	10.0	10.0
D. Non-Commercial Training	8.5	1.0	1.0
SUBTOTAL Section 3	<u>13.5</u>	<u>11.0</u>	<u>11.0</u>

Organization USAID/MalawiTABLE VIII(e)
(Continued)

<u>ITEM AND EXPLANATION</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
4. <u>Commercial Services:</u>			
A. Computer Time	0	0	0
B. Leased Telecommunications Services	0	0	0
C. Operations and Maintenance			
(1) Operations			
(2) Maintenance:			
Other than WANG equipment	0	0	0
WANG equipment (Local maintenance)	5.0	3.0	3.5
WANG equipment (A.I.D./W maintenance)	17.0	35.0	40.0
D. <u>Systems Analysis and Programming:</u>	0	0	0
E. <u>System Design and Engineering</u>	N/A	N/A	N/A
F. <u>Studies and Other</u>	0	0	0
SUBTOTAL Section 4	<u>22.0</u>	<u>38.0</u>	<u>43.5</u>
<hr/>			
5. TOTAL DOLLARS	<u>42.0</u>	<u>241.20</u>	<u>127.70</u>
TOTAL WORKYEARS (From item 2A)	<u>1</u>	<u>4</u>	<u>4</u>
<hr/>			
6. <u>MISSION ALLOWANCE LEVELS:</u>			
A. Existing systems	<u>9.3</u>	<u>11.8</u>	<u>133.4</u>
B. New or expanded systems	<u>11.8</u>	<u>133.4</u>	<u>133.4</u>

Organization USAID/Malawi

TABLE VIII(f) - 1
TABLE VIII(f)1
Report on Motor Vehicle Operations

<u>ITEM AND EXPLANATION</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
<u>A. Numbers of Vehicles:</u>			
<u>1. Purchased Vehicles:</u>			
(a) Number of vehicles on-hand at start of year	7	6	7
(b) Plus Number of vehicles to be purchased during the year	0	2	2
(c) Less Number of vehicles to be disposed of during the year	1	1	2
(d) Number of vehicles on hand end of year	<u>6</u>	<u>7</u>	<u>7</u>
<u>2. Leased Vehicles:</u>			
Average number of leased vehicles in use during year	-	-	-
<u>B. Estimated Obligations:</u>			
1. Vehicle Purchases	-	-	-
2. Special modifications (such as armor plating)	-	-	-
3. Transportation of purchased vehicles	-	-	-
4. Vehicle Leases	-	-	-
5. Vehicle Maintenance/Repairs	12.0	10.0	10.0
6. Salaries/Benefits of Drivers/Dispatchers	9.3	11.6	14.0
7. Supplies/Materials/Gas/Oil	25.0	25.0	30.0
8. Rental of Warehouse/Garage space	-	-	-
9. Other Miscellaneous Costs	-	-	-
10. Total Obligations	<u>46.3</u>	<u>46.6</u>	<u>54.0</u>
<u>C. Estimated Disbursements:</u>			
1. Vehicle Purchases	-	-	-
2. Special modifications (such as armor plating)	-	-	-
3. Transportation of purchased vehicles	-	-	-
4. Vehicle Leases	-	-	-
5. Vehicle Maintenance/Repairs	12.7	10.2	10.0
6. Salaries/Benefits of Drivers/Dispatchers	8.4	10.7	13.0
7. Supplies/Materials/Gas/Oil	29.5	25.0	29.5
8. Rental of Warehouse/Garage space	-	-	-
9. Other Miscellaneous Costs	-	-	-
10. Total Obligations	<u>50.6</u>	<u>45.9</u>	<u>52.5</u>
<u>D. Vehicles included in (A) above owned by A.I.D. but operated/maintained by JAO/Embassy motor pool:</u>			
(1) On-hand at start of year	NONE		
(2) To be purchased during the year			
(3) To be disposed of during the year			

Organization USAID/Malawi

TABLE VIII(f) - 2
Report on Motor Vehicle Operations
 (Trust Funds)

<u>ITEM AND EXPLANATION</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
A. <u>Numbers of Vehicles:</u>			
1. <u>Purchased Vehicles:</u>			
(a) Number of vehicles on-hand at start of year	0	0	0
(b) Plus Number of vehicles to be purchased during the year	0	0	0
(c) Less Number of vehicles to be disposed of during the year	0	0	0
(d) Number of vehicles on hand end of year	0	0	0
	=====	=====	=====
2. <u>Leased Vehicles:</u>			
Average number of leased vehicles in use during year	0	0	0
B. <u>Estimated Obligations:</u>			
1. Vehicle Purchases	0	0	0
2. Special modifications (such as armor plating)	0	0	0
3. Transportation of purchased vehicles	0	0	0
4. Vehicle Leases	0	0	0
5. Vehicle Maintenance/Repairs	0	0	0
6. Salaries/Benefits of Drivers/Dispatchers	0	0	0
7. Supplies/Materials/Gas/Oil	0	0	0
8. Rental of Warehouse/Garage space	0	0	0
9. Other Miscellaneous Costs	0	0	0
10. Total Obligations	0	0	0
	=====	=====	=====
C. Vehicles included in (A) above owned by A.I.D. but operated/maintained by JAO/Embassy motor pool:			
(1) On-hand at start of year	0	0	0
(2) To be purchased during the year	0	0	0
(3) To be disposed of during the year	0	0	0

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE VIII(g) - U.S. DIRECT HIRE STAFFING

Pos No. (SA CODE)	Position Title	Program Management Responsibility	FY 1987	FY 1988	FY 1989
6121004	Mission Director	Planning, policy dialogue, program and operations oversight	1.0	1.0	1.0
6121010	Assistant Director	General program oversight AMDP (698-0433) AFGRAD (AFR-C1292) AEPRP II: Parastatal Divestiture (612-0227) * Human Resource and Institutional Development (612-0230)	1.0	1.0	1.0
6121025 (a,b)	Program Officer	Planning, budgeting and evaluation AEPRP: Fertilizer Subsidy Removal (612-0225) Polytechnic Expansion (612-0201) Rural Development Linkages (612-0220) Small Projects Assistance (698-0506) Ambassador's Special Self Help Fund (698-9901)	1.0	1.0	1.0
6121015 (g)	Project Development Officer	Design and implementation support READI (612-0214) Commercial Transport (612-0218) * CIP for Private Enterprise Development (612-0229) EIA: Energy for SME's (698-0423) Blantyre-Mwanza Road (690-0234) Northern Transport Corridor (690-0237)	1.0	1.0	1.0
6121040	Program Economist	Macroeconomic, sector and AEPRP analyses and studies	0.0	1.0	1.0
6121050 (f,i)	Health and Pop. Officer	Rural Water Supply (612-0207) Health Institutions Dev. (612-0211) * Multiple Assistance Schemes in Health (612-0226) CCCD (698-0421) Various centrally-funded health and population activities	1.0	1.0	1.0

* currently under design

<u>Pos No.</u>	<u>Position Title</u>	<u>Program Management Responsibility</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
6121045 (d,e)	Agriculture Dev. Officer	Agricultural Research (612-0202) Malawi Agricultural Research and Extension (612-0215) Regional Fisheries Dev. (690-0215) Various centrally-funded agriculture development activities	1.0	1.0	1.0
6121035 (c,h)	Executive Officer	None	1.0	1.0	1.0
6121055	Secretary	None	1.0	1.0	1.0
TOTAL POSITIONS			9	9	9
TOTAL WORKYEARS			8.0	9.0	9.0

* SACode - Special Activity Codes:

- | | |
|------------------------------------|----------------------------------|
| (a) Disaster Relief Officer | (f) PVO Officer |
| (b) EEO Officer | (g) Private Enterprise Officer |
| (c) Emergency Preparedness Officer | (h) Security Officer |
| (d) Energy Officer | (i) Women-in-Development Officer |
| (e) Environmental Officer | (j) Other (Specify) |

NOTE: Direct Hire workyear totals shown in TABLE VIII(g) agree with Function Code 101 Unit TABLE VIII including IDIs workyears covered under Table VIII(h) and are in conformance with DH workyear levels authorized by the Africa Bureau per State 138012.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE VIII(h) - IDI STAFFING

<u>BS Code</u>	<u>Title</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
50	Health and Population Officer (completes training o/a May 1988)	0.0	0.6	0.0
03	Executive Officer (completes training o/a Sept. 1988)	0.0	0.2	0.0
02	Program Officer (completes training o/a Sept. 1989)	0.0	0.0	1.0
	Total Positions	0	2	1
	Total Workyears	0.0	0.8	1.0

NOTE: IDI workyear totals shown in Table VIII(h) are included in Function Code 101 Unit Table VIII and are in conformance with IDI workyear levels authorized by the Africa Bureau per State 138012.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE VIII(i) - FOREIGN & THIRD COUNTRY NATIONAL DIRECT HIRE STAFFING

<u>FSN/TCN</u>	<u>Descriptive Job Title</u>	<u>Fund Source</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
FSNDH	Voucher Examiner/Cashier	O.E.	1.0	1.0	1.0
FSNDH	Chief Accountant	O.E.	0.3	1.0	1.0
FSNDH	Participant Training Assistant	O.E.	1.0	1.0	1.0
FSNDH	Driver	O.E.	1.0	1.0	1.0
	Total Positions	O.E.	4.0	4.0	4.0
	Total Workyears	O.E.	3.3	4.0	4.0
	Total Positions FY 87 Only	LSC		0	0
	Total Workyears FY 87 Only	LSC		0.0	0.0

NOTE: Foreign National, including TCNs, direct hire workyear totals shown in TABLE VIII(i) agree with Function Code 201 Units on Table VIII and are in conformance with workyear levels authorized by the Africa Bureau per State 138012.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE VIII(j) - PART-TIME DIRECT HIRE STAFFING

<u>US/ FSN/TCN</u>	<u>Descriptive Job Title</u>	<u>Fund Source</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
	- none -				
	Total Positions	O.E.	0	0	0
	Total Workyears	O.E.	0	0	0
	Total Positions	PRG	0	0	0
	Total Workyears	PRG	0	0	0

NOTE: U.S. and Foreign National, including TCNs, direct hire workyear totals shown in Table VIII(g) are in conformance with workyear levels authorized by the Africa Bureau per State 138012.

ANNEX I
Table VIII[k]

FY 1989 ANNUAL BUDGET SUBMISSION
Information on U.S., Foreign & Third Country National
Contract Staffing

Category	Descriptive Job Title	Funding	FY 1987	FY 1988	FY 1989
USPSC	Controller	O.E.	1.0	1.0	1.0
USPSC	Asst. General Services Off.	O.E.	1.0	1.0	1.0
USPSC	Librarian	O.E.	0.4	0.4	1.0
USPSC	C & R Consult	O.E.	0.2	-	-
TCNPSC	Budget & Fiscal Specialist	O.E.	0.8	-	-
TCNPSC	Systems Administrator	O.E.	-	1.0	1.0
FSNPSC	Agriculture Dev. Assistant	O.E.	0.6	1.0	1.0
FSNPSC	Program Dev. Assistant	O.E.	1.0	1.0	1.0
FSNPSC	Project Dev. Assistant	O.E.	1.0	1.0	1.0
FSNPSC	Assistant GSO	O.E.	1.0	1.0	1.0
FSNPSC	Personnel Assistant	O.E.	1.0	1.0	1.0
FSNPSC	Travel Assistant	O.E.	0.5	1.0	1.0
FSNPSC	C & R Assistant	O.E.	0.8	1.0	1.0
FSNPSC	Telephone Operator	O.E.	1.0	1.0	1.0
FSNPSC	Accounting Technician	O.E.	0.8	1.0	1.0
FSNPSC	Accountant	O.E.	-	1.0	1.0
FSNPSC	Accounts Clerk	O.E.	0.8	1.0	1.0
FSNPSC	Carpenter	O.E.	0.8	1.0	1.0
FSNPSC	Electrician	O.E.	-	1.0	1.0
FSNPSC	Plumber	O.E.	-	1.0	1.0
FSNPSC	Computer Operator/Clerk	O.E.	-	2.0	2.0
FSNPSC	Machine Operator	O.E.	1.0	1.0	1.0
FSNPSC	Secretaries	O.E.	6.0	6.0	6.0
FSNPSC	Drivers	O.E.	1.5	5.0	5.0
FSNPSC	Janitor	O.E.	1.0	1.0	1.0
	Total Positions	OE	29	33	33.0
	Total Workyears	OE	22.2	32.4	33.0
	Total Positions	PRG			
	Total Workyears	PRG			

NOTE: Foreign National, including TCNs, Personal Service Contract OE funded workyear totals shown in Table VIII[k] must agree with Function Code 304 Units on Table VIII.

Country/Office MALAWIFY 1989 ANNUAL BUDGET SUBMISSIONTABLE XIP.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

	ACTUAL		ESTIMATED		PROJECTED	
	FY 1987		FY 1988		FY 1989	
	\$	MT	\$	MT	\$	MT
<u>COMMODITIES</u>						
<u>Title I</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>Total</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>of which</u>						
<u>Title III</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>Total</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>COMMENT:</u>						

FY 1989 ANNUAL BUDGET SUBMISSION

TABLE XII

COUNTRY/OFFICE MALAWI

PL 480 TITLE I/III

SUPPLY AND DISTRIBUTION
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1988</u>	<u>ESTIMATED FY 1989</u>
Commodity - _____	-0-	-0-
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		
<hr/>		
Commodity - _____	-0-	-0-
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		
<hr/>		
Commodity - _____	-0-	-0-
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

Comment:

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE XIII
PL 480 TITLE II

I. Country MALAWI

Sponsor's Name no programmed Title II anticipated

A. Maternal and Child Health. Total Recipients _____

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

B. School Feeding Total Recipients _____

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>DOLLARS</u>
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total School Feeding</u>		_____	_____

C. Other Child Feeding. Total Recipients _____

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

D. Food for Work Total Recipients _____

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>DOLLARS</u>
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Food for Work</u>		_____	_____

E. Other (Specify) Total Recipients _____

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

II. Sponsor's Name _____

FY 1989 ANNUAL BUDGET SUBMISSION
AGENCY SYSTEM ON RESEARCH

1. Project Number: 612-0214
 Appropriation: FN Grant
 Type Research: D - Development
 Office Name: USAID/Malawi
 Office Symbol: PDO
 Project Title: Rural Enterprise and Agro-Business Development Institutions
 Project Officer: Stephen T. Norton

2. Purpose of Research:

- Various studies on SME development problems, including profile of entrepreneurs, barriers to entry, credit demand, business and technical advisory service needs, demand of savings & loan societies, prefeasibility studies.
- Also annual National Sample Survey (NSS) of SME's to provide policymakers, planners and evaluators a basis for assessing whether new SME strategy and incentives are working.

3. Progress Statement:

- Comprehensive SME research study completed; was a major influence on GOM's new Industrial Development Plan and National Industrial Strategy Statement.
- Questionnaire and implementation plan for NSS formulated; first survey to be conducted in early 1988.

4. Date Progress Statement Submitted: May 31, 1986

5. Life of Project Research Cost (Thousand of Dollars)

A. Authorized: \$125

B. Planned: \$350

Allocation of Research Funds by Fiscal Year (Obligated Funds)

6. Research Budget by Fiscal Year (Thousands of Dollars)

FY 85	\$350
FY 86	-0-
FY 87	-0-
FY 88	-0-

7. Research Categories (Percentage of Item 6, Budget by FY)

Catetory	#1 AG 60	#2 AG 70
FY 85	<u>50%</u>	<u>50%</u>
FY 86	-	-
FY 87	-	-
FY 88	-	-

8. Project Sites (Percentage of Item 6, Budget by FY)

Geographic Code	#1 612
FY 85	<u>100%</u>
FY 86	-
FY 87	-
FY 88	-

9. Implementing Agencies and Type of Agency (Percentage of Item 6, Budget by FY)

Agency: Africare/Host Country (READI Coordinating Unit)
 Agency Type: PV10 / FM20

FY 85	50%	50%
FY 86	-	-
FY 87	-	-
FY 88	-	-

FY 1989 ANNUAL BUDGET SUBMISSION
AGENCY SYSTEM ON RESEARCH

1. Project Number: 612-0215
 Appropriation FN Grant
 Type Research: I - Institution Building
 Office Name: USAID/Malawi
 Office Symbol: ADO
 Project Title: Malawi Agricultural Research and Extension
 Project Officer: Arnold J. Radl

2. Purpose of Research:

The focus of agronomic research will be on increasing returns to land and labor for traditional crops and identifying crops for diversification, in order to raise smallholder income and increase foreign exchange earnings through export expansion. The research will be conducted by adaptive (on-farm) research teams and commodity (on-station) research teams. The research and development of improved technology packages for smallholders will account for agro-ecological variations, different resource levels within the smallholder subsector, and varying land and labor patterns across different crops and between geographic regions.

3. Progress Statement:

The five researchers fielded by the Consortium for International Development have begun work, in collaboration with the Ministry of Agriculture/Department of Agricultural Research, on:

- Maize: develop composites or improved varieties which can be more easily handled (storage and food preparation) than the current hybrids and which will permit crop diversification without undermining food security;
- horticulture, including pulses;
- agroforestry;
- soil fertility, including use of manures; and
- land and water management.

Extensive long-term and short-term U.S. training and in-country seminars have been initiated as part of this institution-building project.

4. Date Progress Statement Submitted: May 31, 1987
5. Life of Project Research Cost (Thousands of Dollars)
- A. Authorized: \$2988
- B. Planned: \$2988

Allocation of Research Funds by Fiscal Year (Obligated Funds)**6. Research Budget by Fiscal Year (Thousands of Dollars)**

FY 85	\$330
FY 86	\$1220
FY 87	\$645
FY 88	\$400

7. Research Categories (Percentage of Item 6, Budget by FY)

Category	#1 AG 12	#2 AG 15	#3 AG 19	#4 AG 20
FY 85	25%	20%	20%	35%
FY 86	25%	20%	20%	35%
FY 87	25%	20%	20%	35%
FY 88	25%	20%	20%	35%

8. Project Sites (Percentage of Item 6, Budget by FY)

Geographic Code	#1	612
FY 85	100%	
FY 86	100%	
FY 87	100%	
FY 88	100%	

9. Implementing Agencies and Type of Agency (Percentage of Item 6, Budget by FY)

Agency: Consortium for International Development/Host Country (Min. Ag.)
 Agency Type: UC10 / FM20

FY 85	50%	50%
FY 86	50%	50%
FY 87	50%	50%
FY 88	50%	50%

FY 1989 ANNUAL BUDGET SUBMISSION
AGENCY SYSTEM ON RESEARCH

1. Project Number: 698-0421
 Appropriation: HE Grant
 Type Research: A-Applied
 Office Name: USAID/Malawi
 Office Symbol: HPO
 Project Title: Combatting Childhood Communicable Diseases
 Project Officer: Charles R. Gurney
 CDC Technical Officer: Reginald Hawkins

2. Purpose of Research:

Malaria research to determine efficacy and appropriate regimen for antimalarials in pregnant women and children, association with anemia, hospitalization, and treatment practices prior to visiting health center. Diarrhea research to test household interventions and determine knowledge/practices and to measure the impact of ORT on hospitalization and use of IVs. Measles research to determine trends in hospitalization, antibody prevalence and vaccine efficacy. Results assist in evaluation/formulation of national health policy.

3. Progress Statement:

Ten of fifteen studies have been completed. The studies looking at antibody prevalence and hospitalization of measles, malaria prophylaxis compliance and association with anemia, and the impact on health of the water project are pending.

4. Date Progress Statement Submitted: May 31, 1987

5. Life of Project Research Cost (Thousand of Dollars)

A. Authorized: \$150

B. Planned: \$150

Allocation of Research Funds by Fiscal Year (Obligated Funds)

6. Research Budget by Fiscal Year (Thousands of Dollars)

FY 85	\$150
FY 86	-0-
FY 87	-0-
FY 88	-0-

7. Research Categories (Percentage of Item 6, Budget by FY)

Catetory	#1	HE 20
FY 85		<u>100%</u>
FY 86		-
FY 87		-
FY 88		-

8. Project Sites (Percentage of Item 6, Budget by FY)

Geographic Code	#1	612
FY 85		<u>100%</u>
FY 86		-
FY 87		-
FY 88		-

9. Implementing Agencies and Type of Agency (Percentage of Item 6, Budget by FY)

Agency: Ministry of Health, Government of Malawi
 Agency Type: FM20

FY 85	100%
FY 86	-
FY 87	-
FY 88	-

FY 1989 ANNUAL BUDGET SUBMISSION
AGENCY SYSTEM ON RESEARCH

1. Project Number: unknown (consult S&T or PRE)
 Appropriation: unknown Grant
 Type Research: D-Development
 Office Name: USAID/Malawi
 Office Symbol: PDO
 Project Title: Entrepreneurship Workshop Research
 Project Officer: Stephen T. Norton

2. Purpose of Research:

Test a behavioral approach to entrepreneurship development and assess its impact on Malawian private sector activity in terms of profitability, new business starts and value added.

3. Progress Statement:

Two workshops were conducted for promising entrepreneurs; their individual progress is being monitored to assess the effectiveness of this behavioral modification/strengthening form of training.

4. Date Progress Statement Submitted: May 31, 1987

5. Life of Project Research Cost (Thousand of Dollars)

A. Authorized: unknown (consult S&T or PRE)

B. Planned: unknown (consult S&T or PRE)

Allocation of Research Funds by Fiscal Year (Obligated Funds)

6. Research Budget by Fiscal Year (Thousands of Dollars)

FY 85	unknown (consult S&T or PRE)
FY 86	
FY 87	
FY 88	

7. Research Categories (Percentage of Item 6, Budget by FY)

Category	#1 <u>AG 70</u>
FY 85	
FY 86	
FY 87	
FY 88	

8. Project Sites (Percentage of Item 6, Budget by FY)

Geographic Code #1 612
FY 85
FY 86
FY 87
FY 88

9. Implementing Agencies and Type of Agency (Percentage of Item 6, Budget by FY)

Agency: various Malawian institutions; Management Systems International
Agency Type: FM40 IN40
FY 85
FY 86
FY 87
FY 88

FY 1989 ANNUAL BUDGET SUBMISSION
AGENCY SYSTEM ON RESEARCH

1. Project Number: unknown (consult S&T/AGR or AFR/TR/ARD)
 Appropriation: unknown Grant
 Type Research: D-Development
 Office Name: USAID/Malawi
 Office Symbol: ADO
 Project Title: Bean/Cowpea CRSP
 Project Officer: Stephen Shumba

2. Purpose of Research:
 - A. Genetic/Agronomic
 - (a) To evaluate and quantify genetic diversity using Principal Component Analysis (PCA).
 - (b) To compare the performance of selected pure-lines to mixed seed lots of the crop in multiple location/multiple season trials.
 - (c) Germplasm evaluation.
 - (d) Quantitative measure of genetic shifts in land races due to differential selective values.

 - B. Socio Cultural
 - (a) To identify fundamental elements in the small farm agricultural systems which support genetic diversity in the Malawi bean population.
 - (b) To analyse the inter-relationship of these elements.
 - (c) To determine which element may be most appropriate and amenable to change and which are immutable.

3. Progress Statement:
 - A. Extensive germ plasm collections were made in identified areas.
 - B. Evidence of heterozygosity found in some bean seed collections.
 - C. Data generated on importance/contributions of mixtures in yield stability.
 - D. Socio-economic research instruments tested and refined.
 - E. Agronomic and social baseline data collected.
 - F. 7 reports and publications have been made.
 - G. Training of Host Country personnel: 1 MSc and 2 PhD candidates.

4. Date Progress Statement Submitted: May 31, 1987
5. Life of Project Research Cost (Thousand of Dollars)
 - A. Authorized: unknown (consult S&T/AGR or AFR/TR/ARD)
 - B. Planned: unknown (consult S&T/AGR or AFR/TR/ARD)

Allocation of Research Funds by Fiscal Year (Obligated Funds)

6. Research Budget by Fiscal Year (Thousands of Dollars)

FY 85	unknown (consult S&T/AGR or AFR/TR/ARD)
FY 86	
FY 87	
FY 88	

7. Research Categories (Percentage of Item 6, Budget by FY)

Category	#1 <u>AG</u>
FY 85	
FY 86	
FY 87	
FY 88	

8. Project Sites (Percentage of Item 6, Budget by FY)

Geographic Code	#1 <u>612</u>
FY 85	
FY 86	
FY 87	
FY 88	

9. Implementing Agencies and Type of Agency (Percentage of Item 6, Budget by FY)

Agency:	Michigan State University; Bunda College of Agriculture (Malawi)
Agency Type:	
FY 85	
FY 86	
FY 87	
FY 88	