

UNCLASSIFIED

Annual Budget Submission

FY 1990

MADAGASCAR

BEST AVAILABLE

June 1988



Agency for International Development
Washington, D.C. 20523

UNCLASSIFIED

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The Mission's Private Sector Strategy will be distributed separately.

MADAGASCAR

Preface to the FY 1990 Budget

The goal of the USAID/Madagascar strategy for the FY88-90 period is to assist Madagascar to increase rural incomes while improving nutritional levels and maintaining the country's natural resource base.

A.I.D. strategy proposes an active role in supporting the overall liberalization program because without liberalization the incomes and welfare of smallholders who form the backbone of the agricultural economy cannot be improved in any sustainable way. U.S. support to the 1987-90 structural adjustment program entered into by the Government with assistance from the IBRD and the IMF will come to two principal forms: balance of payments support to finance needed external resources; and local currency generated by BOP contributions to support reform objectives through attribution to the GDRM budget. A.I.D. will be the first donor to take this approach, which is intended to reinforce the ongoing effort to reform budgeting procedures by bringing off-budget revenues into the budget. This approach will also guarantee adequate resources for programs in the government budget which are important to the A.I.D. strategy.

The present budget represents major A.I.D. direct interventions in support of liberalization in the areas of agriculture, population and environment. A.I.D. strategy in agriculture will support the overall A.I.D. program goal; reinforce the Structural Adjustment Strategy for the sector; assist public agencies to discover their proper economic roles and extend A.I.D.'s knowledge base within the sector. Rice will continue to be of primary importance. Technical assistance will be provided to develop improved seeds varieties and technical package, revitalize private sector input delivery and other service systems for farmers and conserve the natural resource base.

A.I.D. will use food assistance to support the liberalization process by helping to stabilize prices and markets under conditions of scarcity while the GDRM implements agricultural policy reforms to stimulate domestic production. In population, A.I.D. will continue to reinforce its assistance in policy formulation, provision of family planning services and commodities, demographic statistics and studies.

In the environment, A.I.D. will concentrate its efforts on the conservation of soils and watersheds, particularly in productive agricultural areas, while working with private environmental and development groups to encourage grass roots support for the preservation of Madagascar's unique biological diversity.

Faced with the strictly limited capacity of the Malagasy Government, as presently constituted, to effect economic growth, OAR/Madagascar continues strong support, in conjunction with World Bank and various other donor programs, for the liberalization of agriculture marketing, the privatization of state societies in the agriculture sector, and for population and environmental programs through the expanded efforts of Private Voluntary Organizations, both domestic and foreign.

As expected, this private sector preference has been greeted by the host government with great caution. This approach has also raised procedural questions which the Malagasy Administration has not faced since pre-Revolutionary days in the early 1970's. With assistance from AFR/PRE in 1985, AID/Antan carried out a private sector environment study, with sobering results. In May, 1988 (again with AFR funding), OAR/Madagascar directed a business climate-update to discern from the current situation A.I.D.'s best options for assistance to the Malagasy private sector. The results and recommendations of this study, drafted after review and discussion with OAR/M, represent an Agenda or Pre-strategy, which will require testing and vetting in the field and by AID/W before a formal strategy is formulated. The Pre-Strategy is annexed to the end of this budget document.

FY 1990 ANNUAL BUDGET SUBMISSION
 TABLE I: LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

Country: Madagascar

	FY 1987	FY 1988	--FY1989--		FY1990	PLANNING PERIOD			
	<u>ACTUAL</u>	<u>ESTIMATE</u>	<u>CP</u>	<u>ESTIMATE</u>	<u>AAPL</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
<u>Total DA Account</u>									
Total	6,696	-	-	-	-	-	-	-	-
Grants	6,696	-	-	-	-	-	-	-	-
<u>Economic Support Funds</u>									
Total	1,000	-	-	-	-	-	-	-	-
Grants	1,000	-	-	-	-	-	-	-	-
<u>Total DFA Account</u>									
Total	-	19,500*	11,000	11,000	20,000	21,000	22,000	23,000	24,000
Grants	-	19,500*	11,000	11,000	20,000	21,000	22,000	23,000	24,000
<u>DA and ESF Totals</u>									
Total	7,696	-	-	-	-	-	-	-	-
Grants	7,696	-	-	-	-	-	-	-	-
<u>DFA Totals</u>									
Total	-	19,500*	11,000	11,000	20,000	21,000	22,000	23,000	24,000
Grants	-	19,500*	11,000	11,000	20,000	21,000	22,000	23,000	24,000
<hr/>									
<u>PL480</u>									
Title I	8,000	3,275	5,000	5,000	7,000	7,000	-	-	-
Title II	1,463	2,116	2,028	2,028	2,028	2,700	-	-	-

* Includes special AEPRP funds (\$10.0 million)

FY 1990 ANNUAL BUDGET SUBMISSION
 TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION
 (\$000)

Country: 687 - Madagascar

APPROPRIATION ACCOUNT PROJECT No. TITLE	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
<u>DEVELOPMENT FUND FOR AFRICA</u>			
687-0102 Economic Policy Reform AEPRP funding	8,735 10,000	7,485 -	18,855 -
687-0103 Amber MT. Conservation and Development	200	-	-
687-0104 Masoala Conservation and Development	250	-	-
687-0105 International Rice Research	-	2,000	-
687-0106 Ranomafana National Park	-	200	-
687-0107 Southern Madagascar Conservation/Development (Beza Mahafala & Reserve No. 11)			200
687-0108 Amber Mt. Conservation and Development, Phase II			300
687-0109 Masoala Conservation and Development, Phase II			300
687-0510 Program Development and Support	115	395	95
687-3000 Bureau of Census	-	270	-
698-0462 Family Health Initiatives	-	50	50
936-3039 Management Sciences for Health	-	400	-
698-0463 Human Resources Development	200	200	200
<u>DFA ACCOUNT TOTALS</u>	19,500*	11,000	20,000
GRANTS	19,500	11,000	20,000

* Includes special AEPRP funds (\$10.0 million)

FY 1990 ANNUAL BUDGET SUBMISSION

TABLE IV: PROJECT BUDGET DATA

Country: 687 - Madagascar		Bureau for Africa									
PROJECT NUMBER AND TITLE	OBLIG DATE	ESTIMATED U.S. DOLLAR COST (\$000)		FY 1988		FY 1989		FY 1990		SPECIAL INTEREST CODES	
		OBLIG- THRU	ESTIMATED U.S. DOLLAR COST (\$000)	OBLIG- THRU	ESTIMATED U.S. DOLLAR COST (\$000)	OBLIG- THRU	ESTIMATED U.S. DOLLAR COST (\$000)	OBLIG- THRU	ESTIMATED U.S. DOLLAR COST (\$000)		
INIT FIN	PLAN	PIPE-	END OF	EXPEND-	END OF	EXPEND-	EXPEND-	EXPEND-	EXPEND-		
87	87	87	88	88	88	89	89	90	90		
25	25	25	25	25	25	25	25	25	25		
25	25	25	25	25	25	25	25	25	25		
25	25	25	25	25	25	25	25	25	25		
25	25	25	25	25	25	25	25	25	25		
687-OLCS	Local Cost Support-MADAGASCAR	ESZZ	PACD: 9/30/88	PVO: \$0	FY89: \$0	FY90: \$0					
G 87	87	25	15	---	---	---					
687-0101	Agriculture Rehabilitation Support	FNSA	PACD: 9/30/89	PVO: \$0	FY89: \$0	FY90: \$0				FR/PRZ	
FN G 85	88	8000	7416	5732	---	---	1732	---	---		
ES G 85	88	6844	6819	2390	---	---	390	---	---		
936-4111	International Rice Research Institute	SUBCAT:	FNIC PACD: 9/30/89	PVO: \$0	FY89: \$0	FY90: \$0				RM	
G 86	87	2280	2280	2000	---	---	726	---	---		
687-0102	ECONOMIC POLICY REFORM PROGRAM	SUBCAT:FNSA	PACD: 6/30/91	PVO: \$2	FY89: \$2	FY90: \$2				PE/WID	
AF G 88	90	---	45075	---	18735*	3000	26940	7485	16500	18855	
687-0103	AMBER MT CONSERVATION & DEVELOPMENT	SUBCAT: S DEV	PACD: 7/31/90	PVO: \$100	FY89: \$100	FY90: \$100				FR/WA/RM/BD	
AF G 88	88	---	200	---	50	125	---	---	---		
687-0104	MASOALA CONSERVATION & DEVELOPMENT	SUBCAT: S.DEV	PACD: 8/31/90	PVO: \$100	FY89: \$100	FY90: \$100				FR/RM/BD	
AF G 88	88	---	250	---	25	150	---	---	---		
687-0105	INTERNATIONAL RICE RESEARCH INSTITUTE	SUBCAT: FNIC PACD: 6/30/94	PVO: \$0	FY89: \$0	FY90: \$0					RM	
AF G 89	92	---	5000	---	---	2000	300	---	---		
687-0106	RANOMAFANA NATIONAL PARK	SUBCAT: S.DEV	PACD: 1/31/91	PVO: \$100	FY89: \$100	FY90: \$100				FR/RM/BD	
AF G 89	89	---	200	---	---	200	125	---	---		
687-0107	SOUTHERN MADAGASCAR CONSERVATION&DEVELOPMENT	SUBCAT: S.DEV	PACD: 11/30/91	PVO: \$100	FY89: \$100	FY90: \$100				FR/RM/BD	
G 90	90	---	200	---	---	---	200	---	---		

* Includes Special AEPRP Funds (\$10.0 million)

Table IV: PROJECT BUDGET DATA (Ctd)

OBJECT NUMBER AND TITLE	OBLIG DATE	-TOTAL COST- AUTH PLAN	OBLIG FY 87 THRU PIPE- FY 87 LINE	ESTIMATED U.S. DOLLAR COST (\$000)		OBLIG- ATIONS	EXPEND- ITURES	FY 90 AAPL	SPECIAL INTEREST CODES
				FY 1988	FY 1989				
7-0108	AMBER MT. CONSERVATION AND DEVELOPMENT PHASE II	G90 90 --- 300	SUBCAT: S.DEV --- ---	PACD: 12/31/92 --- ---	PVO: FY90: \$100 --- 300				FR/RM/BD/WA
7-0109	MASOALA CONSERVATION AND DEVELOPMENT PHASE II	G90 90 --- 300	SUBCAT: S.DEV --- ---	PACD: 1/31/93 --- ---	PVO: FY90: \$100 --- 300				FR/RM/BD
7-0510	PROGRAM DEV. AND SUPPORT	G88 C 115 C	SUBCAT: ESZZ --- 115	PACD: CONT 100 ---	PVO: FY89: \$5 395		FY90: \$5 250	95	
7-3000	BUREAU OF CENSUS	G89 89 - 270	SUBCAT: PNDD --- ---	PACD: 6/30/91 --- ---	PVO: FY89: \$0 270		FY90: \$0 170		
7-0462	FAMILY HEALTH INITIATIVES	G89 90 --- 100	SUBCAT: PNPP --- ---	PACD: 6/30/91 --- ---	PVO: FY89: \$0 50		FY90: \$0 50		
-0463	HUMAN RESOURCE DEVELOPMENT	G88 95 --- 1600	SUBCAT: SDTE --- 200	PACD: 9/30/95 90 ---	PVO: FY89: \$10 200		FY90: \$10 200		PE/WID
-3039	MGT SCIENCES FOR HEALTH	G89 89 --- 400	SUBCAT: PNPV --- ---	PACD: 3/31/91 --- ---	PVO: FY89: \$100 400		FY 90: \$100 200		
NTRY TOTAL (GRANT)		17264 70435	16540 10252	19385* 10425 26940	11000 20918		20000		

includes special AERPR funds (\$10.0 m).

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 1
FORESTRY
('000's)

Country: 687-Madagascar

APPROPRIATION ACCOUNT PROJECT NO. TITLE	LIFE OF PROJECT *	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
AFRICAN DEVELOPMENT FUND				
687-0103 Amber Mountain Conservation and Development	100	100	-	-
687-0104 Masoala Conservation and Development	50	50	-	-
687-0106 Ranomafana National Park	50	-	50	-
687-0107 Southern Madagascar Conservation and Development	50	-	-	50
687-0108 Amber Mt. Conservation and Development, Phase II	120	-	-	120
687-0109 Masoala Conservation and Development, Phase II	75	-	-	75

* Portion of total pertaining to Forestry only

FY 1990 ANNUAL BUDGET SUBMISSION
 TABLE IV ATTACHMENT 2
INTEGRATED RESOURCE MANAGEMENT
 ('000's)

Country: 687-Madagascar

<u>APPROPRIATION ACCOUNT</u> PROJECT NO. TITLE	<u>LIFE OF</u> <u>PROJECT *</u>		<u>FY 88</u> <u>ESTIMATE</u>	<u>FY 89</u> <u>ESTIMATE</u>	<u>FY 90</u> <u>AAPL</u>
<u>AFRICAN DEVELOPMENT FUND</u>					
687-0103 Amber Mt. Conservation and Development	50	50	-	-	
687-0104 Masoala Conservation and Development	100	100	-	-	
687-0105 International Rice Research Institute	750	-	300		
687-0106 Ranomafana National Park	100	-	100	-	
687-0107 Southern Madagascar Conservation and Development	100	-	-	100	
687-0108 Amber Mt. Conservation and Development Phase II	60	-	-	60	
687-0109 Masoala Conser/Dev. Phase II	150	-	-	150	

* Portion of total pertaining to IRM only.

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 3
BIOLOGICAL DIVERSITY
('000's)

Country: 687-Madagascar

APPROPRIATION ACCOUNT PROJECT NO. TITLE	LIFE OF PROJECT *	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
AFRICAN DEVELOPMENT FUND				
687-0103 Amber Mt. Conservation and Development	50	50	-	-
687-0104 Masoala Conservation and Development	100	100	-	-
687-0106 Ranonafana National Park	50	-	50	-
687-0107 Southern Madagascar Conservation and Development	50	-	-	50
687-0108 Amber Mt. Conservation and Development, Phase II	60	-	-	60
687-0109 Masoala Conservation and Development, Phase II	75	-	-	75

* Portion of total pertaining to Biodiversity only.

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 4
CHILD SURVIVAL
('000's)

Country: 687-Madagascar

<u>PROJECT No. & TITLE</u>	<u>APPN</u>	<u>LOP FUND</u> (000)	<u>ORT</u> %	<u>IMM</u> %	<u>NUF</u> %	<u>HRB</u> %	<u>OTH/CS</u> %	<u>TOTAL CS</u> %	<u>NON-CS</u> %
PL480 Title One (Counterpart) (a)			9.1%	24.7%			66.2%	100%	

(a) PL480 counterpart funds will cover all local costs of UNICEF national child survival program (1987-1991) foreign exchange costs estimated at \$6,639,000. Local costs estimated at \$1,130,000.

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 5
BASIC EDUCATION

Country: 687-Madagascar

APPROPRIATION ACCOUNT PROJECT No. TITLE	LIFE OF PROJECT	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
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USAID programs do not include funding for basic education.

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 6
AIDS

Country: 687-Madagascar

APPROPRIATION/ACCOUNT	LIFE	FY 88	FY 89	FY 90
PROJECT No. TITLE	PROJ	EST	EST	EST
AAPI				

USAID programs do not include funding for AIDS programs.

AIDS (not included within Mission OYB)
WHO support

FY 1989

NEW PROJECT NARRATIVE - I

- a. Grant Number 687-0105 - International Rice Research Institute (IRRI)
- b. \$5.0 million grant, beginning with a \$2.0 million obligation in FY 1989. Anticipated LOP is five years.
- c. Appropriation Account: Development Fund for Africe
Shadow Account: ARDN
- d. Project Purpose: To achieve national rice self-sufficiency by 1995, both by the introduction, adaptation, and local cross-breeding of carefully selected high yielding varieties from the world's rice germ plasm collection, and by the building of Madagascar's own rice research capability. This project is at the heart of the A.I.D. strategy for Madagascar, whose objective as stated in the 1986 CDSS is to help the country achieve and maintain food self-reliance, particularly in rice, in ways that are consistent with the conservation of the natural resource base.
- e. Problems Addressed include:
 - (1) Insufficiency of production to meet domestic requirements despite adequate material and human resources and a past history of surplus production;
 - (2) Madagascar's isolation from Asian green revolution rice varieties and technologies, in part due to a restrictive plant quarantine system;
 - (3) Special soil and climate problems for rice peculiar to Madagascar, not experienced elsewhere in Africa or Asia;
 - (4) A weak national agricultural research system, especially for rice, which became practically moribund when French research technicians were asked to leave in the early 1970's.

Means to address these problems, through the five-year grant to IRRI:

- (1) the cross breeding of imported high-yielding varieties with local varieties for improved tolerance to such problems as cold and iron-toxic scils;
- (2) the training of Malagasy research scientists and extension personnel, to include long-term degree training both in specialties essential to rice-based farm systems as well as in improved research management;

(3) the development of a rice-based farming systems research program which responds to the special needs of Malagasy farmers;

(4) the improvement of research-extension linkages.

The major project components will be technical assistance provided by both long-term and short-term IRRI scientists, training, and provision of some equipment for research laboratories.

Phasing - This is the third phase of the Madagascar IRRI Rice Research Project. A project evaluation undertaken in November of 1987 concluded that substantial progress had been made in meeting all project objectives and strongly recommended that A.I.D. support the effort for an additional five years. Proposed changes recommended for the third phase were the addition of a soils specialist to the research team, and particular attention to long-term training of Malagasy scientists which past institutional problems had impeded during the earlier phases of the project.

- f. Target groups served by the grant are, first, Madagascar's rice research scientists and, second, rice producers and consumers.
- g. Management implications - As a grant to an international research institution, this activity requires only minimal A.I.D. management. Future management will be assured by an Agricultural Officer expected to join the staff in FY 1989.
- h. Design schedule - IRRI is expected to submit a grant proposal to OAR/Madagascar by the end of February 1989. Following field review, the grant proposal will be submitted to AID/W. Estimated submission date in early April 1989.

FY 1989

NEW PROJECT NARRATIVE - II

- a. Title II Section 206 Edible Oils Sector Program
- b. \$19.0 million grant beginning in FY 1989 for three year LOP. (\$5.0 million obligation in FY 1989, \$7.0 million in FYs 1990 and 1991.)
- c. Appropriation Account: N.A.(PL 480 Title II)
- d. Project Purpose: Although not a project in the usual sense, the purpose of this multi-year program is to satisfy Madagascar's vegetable oil import needs while policies and programs are put in place to reach the goal of national self-reliance in edible oils by 1995. This activity is directly supportive of A.I.D.'s strategy of assisting Madagascar to achieve self-reliance in food production while improving nutrition and rural incomes.
- e. Problems addressed by the proposed multi-donor funded edible oils sub-sector program are:

(1) very low quantities of locally produced vegetable oil - the result of mistaken past policies for pricing and marketing - which are insufficient to meet the nutritional needs of the population, while making the sub-sector subject to speculative manipulation;

(2) lack of foreign exchange, which prohibits private refiners from modernizing and expanding their plants;

(3) insufficient support from research, extension and input supply services for oilseeds production;

(4) absence of a comprehensive strategy for addressing the constraints to increased domestic production of edible oils.

Means of dealing with these problems within the multi-donor program are:

(1) GDRM prepares a strategy for the edible oils sector;

(2) donors make foreign exchange available to repair and expand vegoil refineries;

(3) donors provide project assistance to improve research and to increase production in line with priorities for crops identified in the national strategy;

(4) Section 206 provides an assured quantity of imported crude vegetable oil for sale at public auction to refiners in sufficient quantities (around 12,000 MT annually) to dampen speculative activity.

- f. Target groups who will benefit include Malagasy producers, who will receive an incentive price for their products; private refiners, who have the capacity to treat and market vegoil; and consumers, who will have an assured year-round supply of nutritionally-important edible oils.
- g. Management Implications - OAR/Madagascar has had a food aid program which has included vegoil for several years. Existing staff have adequately managed the program with assistance from a REDSO/ESA Food for Peace Officer.
- h. Design Schedule - an evaluation of the FY 1988 Section 206 vegoil program will be held in December 1988 which will recommend the outline of a future program. Design of the multi-year program is scheduled for February of 1989, with submission to Washington at end March 1989.

FY 1989

NEW PROJECT NARRATIVE III

- a. Project Number and Title: 687-0106, Ranomafana National Park Conservation and Development
- b. \$200,000 grant in FY 1989 for a two-year introductory project.
- c. Appropriation Account: Development Fund for Africa
Shadow Account: ARDN
- d. Project Purpose: To preserve and increase understanding of the biological diversity of the newly created Ranomafana National Park in southeastern Madagascar through park protection measures, a conservation education program, a research program, and small scale development projects in surrounding villages to provide inhabitants with alternatives to the exploitation of park lands. The project will also protect the headwaters of the Naramone River which provides the power for the Ramonofana Hydroelectric Plan which distributes electricity to the entire southeastern region of Madagascar. This project falls within A.I.D./Madagascar's strategy focus on natural resources conservation in promoting increases in rural incomes.
- e. Problems addressed include:
- (1) The threat to a forest containing a high proportion of endemic plant and animal species posed by agricultural and timber exploitation by surrounding villages and timber companies;
 - (2) The low standard of living and poor access to health and other services of the rural population in the Ranomafana area;
 - (3) The inability of the Government of Madagascar to protect the park with existing resources; and
 - (4) Underutilization of a park possessing enormous potential for educational and recreational use by Malagasy and foreign visitors.

Means to address these problems include:

- (1) Strengthening park protection by improving the capability of the Ministry of Animal Production, Waters, and Forests(MPAEF) and creating necessary park infrastructure and boundaries;
- (2) Initiating development activities in the villages surrounding the parks to provide an alternative to destructive use of park land;

(3) Developing a conservation education program that will bring students to the park, and producing educational materials for use in the park and in educational programs elsewhere in the country; and

(4) Undertaking research on the ecosystem and community ecology of the park - in part through a comprehensive species inventory and the creation of a national biodiversity database and through a socioeconomic study - in order to increase understanding of the unique flora and fauna of the park and the ways in which it can be rationally utilized to meet human needs.

- f. Target Groups served by the grant are: the population of villages surrounding the park whose welfare will be improved by agricultural and health initiatives and employment opportunities in the park; the staff of the Ministry (MPAEF) having responsibility for park management who will receive training and resources to do their jobs; and the future visitors to the park who will benefit from the facilities put in place as well as the knowledge conveyed by the educational programs.
- g. Implementation responsibilities: the project will be undertaken by the Duke University Primate Center working in collaboration with the Malagasy Ministry of Animal Production, Water and Forests. A.I.D. oversight will be assured by a Natural Resources and Agriculture Officer on the OAR/Madagascar staff.
- h. Design Schedule: An initial concept paper has been prepared by Duke University which will be developed into a complete grant proposal to be submitted to OAR/Madagascar in early FY 1989. Grant obligation is anticipated for February 1989.

FY 1990

NEW PROJECT NARRATIVE - IV

- a. Project Number and Title: 687-0108, Amber Mountain Conservation and Development Phase II.
- b. \$300,000 grant in FY 1990 which will bring the A.I.D. contribution to \$500,000 over five years.
- c. Appropriation Account: Development Fund for Africa
Shadow Account: ARDN.
- d. Project Purpose: The purpose of this integrated conservation, development and public awareness program in the Antsiranana region of Madagascar is to ensure the continued survival of forest ecosystems that form one of the richest center of Malagasy biodiversity and are vital to the maintenance of the livelihood of people in the surrounding areas. Madagascar is one of A.I.D.'s top priorities for the preservation of biological diversity (a category I country within the Africa Bureau), and A.I.D./Madagascar's concern with environmental degradation is reflected in the country strategy statement which reads "to assist Madagascar to achieve and maintain food self-reliance, particularly in rice, in ways that are consistent with conservation of the natural resource base."
- e. Problems Addressed include:
- (1) Inability of GDRM to protect the national park and three nearby special nature reserves due to understaffing and inadequately marked boundaries;
 - (2) Illegal and excessive exploitation of forest resources, including plant and animal species;
 - (3) Destruction of the forest through uncontrolled pasture fires in surrounding areas and through intrusion into the forest of several categories of agricultur-
alists: (a) immigrants to the area coming from the southeast who have brought with them the practice of slash and burn agriculture, (b) cultivators of the narcotic qat which is grown under forest cover, and (c) peasant farmers with inadequate access to land outside the forest.
 - (4) The underutilization of the Amber Mountain National park and Anakarana Protected area which have important potential for recreational and educational uses.
 - (5) The decline in water availability (reduction in number of streams) from Amber Mountain, which serves as the water catchment for the entire Antsiranana region,

due to forest clearing in the face of growing water demands. The national water and electricity company - JIRAMA - plans to double water offtake in the near future to meet these needs.

Means to address these problems will be through project components in the following areas: development activities to meet the needs of the population in ways consistent with conservation; management of protected areas; tourism; and education and public awareness activities. In addition, local institutions will be strengthened to carry out activities in these areas. This project will begin in late FY 1988 and will be expanded to an additional number of target villages in the second phase to begin in FY 1990.

1. Development initiatives will be determined by a thorough needs assessment in target villages. Anticipated interventions include: demonstration plots using intensive and mixed cropping techniques as well as agro-forestry to improve yields and soil fertility in existing farm plots; the transfer of underutilized fertile land outside the forests to farmers currently practicing slash and burn agriculture within the forests; the improvement of seed production programs for both crops and trees, including the establishment of tree nurseries; and the improvement of extension services.
2. Management of protected areas will be improved by recruiting and training personnel, providing necessary equipment, developing infrastructure, and marking park boundaries.
3. Tourism will be encouraged through the development of facilities in the Amber Mountain Park and Anakarana Protected Area, while a new system of park fees will be introduced to help finance park maintenance.
4. Education and public awareness will be promoted by the activities of a special mobile team which will regularly visit villages to establish a dialogue on conservation issues and how they may be integrated into rural development; teacher training courses and the dissemination of teaching materials; and school visits to protected areas.
5. Institutions to be strengthened by the project include: the regional office of the Ministries of Agriculture and of Waters, Animal Production and Forests, local governments, and the development branch of the Diocese of Antsiranana.

Phasing - The FY 1990 grant would fund the second phase of a project expected to begin in late FY 1988. An evaluation will be held in early FY 1990 which will serve as the basis for a continued dialogue on A.I.D. support to the project.

- f. Target groups served by the grant are first, the population of the villages surrounding the protected areas and all those in the Antsiranana area who depend on the forests for their water supply; second, the staff of the institutions to be strengthened; and third, all future visitors to the protected areas.
- g. Implementation Responsibilities: This project will be undertaken by two PVOs - Catholic Relief Services and the World Wildlife Fund - working in collaboration with the Ministries of Agriculture and of Waters, Animal Production and Forests and the Diocese of Antsiranana. A.I.D. management of the PVO grants will be the responsibility of a Natural Resources and Agriculture Advisor who is expected to join the A.I.D./Madagascar staff in FY 1989.
- h. Design Schedule - A grant proposal is expected to be presented to A.I.D./Madagascar in February 1990 which incorporates recommendations of the project evaluation now scheduled for early FY 1990. Grant signature is anticipated May-June 1990.

FY 1990

NEW PROJECT NARRATIVE V

- a. Project Number and Title: 687-0109, Masoala Peninsula Conservation and Development Phase II
- b. \$300,000 grant in FY 1990 which will bring the A.I.D. contribution to this project to \$550,000 over four years.
- c. Appropriation Account: Development Fund for Africa
Shadow Account: ARDN
- d. Project Purpose: To establish a national park on the Masoala Peninsula which would protect the area's tremendous biodiversity, coordinated with a series of development projects aimed at providing food self-sufficiency and basic health care for the region's population. In line with the A.I.D. strategy for Madagascar and with Madagascar's designation by the international conservation community and A.I.D. as one of the world's highest priorities for preservation of biological diversity, this project would serve to protect one of Madagascar's largest intact blocks of tropical rain forest.
- e. Problems addressed by the project include:
- (1) The increasing threat to one of the few remaining areas of virgin rain forest by slash and burn agriculturalists who now eke out a marginal existence;
 - (2) Man's ignorance of the huge biological wealth of the forest and its potential benefits;
 - (3) The Government of Madagascar's limited resources to protect yet another of its national treasures or to provide services (health, agricultural extension) to a poor and isolated rural population; and
 - (4) The low level of technology in use in both food and cash crop production and processing which keeps incomes low in the face of alternative technologies unknown to local populations which could readily increase production and incomes.

Means to address these problems include:

- (1) The creation of a national park on the southwestern side of the Masoala Peninsula with well-marked boundaries and well-trained and equipped staff to protect it;

(2) The undertaking of a biological inventory and research on plant and animal species, whose results will be published and used to establish a national plant collection, in order to increase scientific knowledge and to train Malagasy scientists and students who will participate in this work;

(3) The initiation of small scale development projects in communities surrounding the park - such as the construction of small irrigation systems for intensive sustainable cultivation, the introduction of improved seed varieties and cultivation techniques, pilot projects in small animal production, improved fishing and fish processing techniques, agro-forestry, and support for primary health care provision - along with conservation education programs, to be selected based on an initial needs assessment and dialogue with local communities. All projects will have a strong self-help component and will involve the training of local people.

- f. Target groups include the people living on the Masoala Peninsula who will benefit from the development activities, the staff of the Ministry of Animal Production, Water and Forests who will receive training and equipment under the project, and the Malagasy students and scientists who will participate in forest inventory and conservation work. The ultimate beneficiaries should be the country as a whole, and the future generations of visitors to a unique national park.
- g. Implementation responsibilities will be divided between the Missouri Botanical Garden and the Malagasy Lutheran Church's Agricultural Development Branch (SAFAPI) who will receive A.I.D. grants under the project, and the Ministry of Animal Production, Water and Forests. Other ministries which will participate in some project activities are the Ministry of Higher Education and the Ministry of Scientific Research. A.I.D. management responsibilities will be handled by a Natural Resources and Agriculture Officer on the staff of the OAR/Madagascar.
- h. Design Schedule: This project will begin in late FY 1988 with initial two year funding. A project evaluation to be held in early FY 1990 will serve as the basis for the design of the second phase. A grant proposal is expected to be submitted in April 1990 with grant obligation anticipated for July 1990.

FY 1990

NEW PROJECT NARRATIVE VI

- a. Project Number and Title: 687-0107, Southern Madagascar Reserves Conservation and Development
- b. \$200,000 grant beginning in FY 1990 for a two-year LOP.
(Note: this project has received central AID funding in two previous years.)
- c. Appropriation Account: Development Fund for Africa
Shadow Account: ARDN
- d. Project Purpose: To preserve two sites containing some of Madagascar's most unique plant and animal species in the drier zones of southern Madagascar, while using these areas as field laboratories for the training of Malagasy scientists and conservation specialists and for increasing understanding of the dynamics of the plant and animal populations of the forest as well as of the human populations which depend upon them. This project would continue A.I.D.'s effort to preserve Madagascar's enormous biological diversity.
- e. Problems to be addressed include:
- (1) The threat posed to the small remaining gallery forests of southern Madagascar, which harbor many of the country's unique lemur species, by the intrusion of pastoralists, slash and burn rice cultivators, and charcoal makers;
 - (2) The absence of field research facilities for Malagasy students and scientists, and very limited knowledge of the plant and animal species of the southern forests; and
 - (3) The limited resources of the Government of Madagascar to protect special nature reserves.

Means to address these problems are project activities in the following four closely interrelated areas:

- (1) Conservation - The reserve at Beza Mahafaly will be expanded to include the forest connecting the two existing parcels of the reserve, and efforts continued to educate surrounding inhabitants and future generations of Malagasy students on the necessity of conserving Madagascar's unique plants and animals. Some support will be provided to the Ministry of Animal Production, Water and Forests to improve the protection of the special reserves.

(2) Research - Intensive studies will be carried out on several of the lemur species and the regeneration of natural forest to increase scientific understanding of these important questions. Additional research will be carried out by Malagasy students and expatriate scientists, including continuing work on ethnobotany and species inventories.

(3) Training and Education - Field courses will be conducted for students of the University of Madagascar and some graduate degree training provided in the United States for particularly promising students who would be trained to assume management responsibilities for Madagascar's special reserves.

(4) Development - Small-scale development activities in agriculture, livestock production and health will be undertaken in villages surrounding the special reserves to compensate for the loss of rights to exploit land in the reserves.

- f. Target groups to be served by the project include the students and scientists who use the field research facilities; staff of the Ministry of Animal Production, Water and Forests who will receive training and resources to carry out their jobs; and the villagers in communities surrounding the special nature reserves.
- g. Implementation Responsibilities: This project will be carried out jointly by the World Wildlife Fund USA, which will be the recipient of an A.I.D. grant, and the Ministry of Higher Education. A.I.D. oversight of the project will be the responsibility of the Natural Resources and Agriculture Officer on the staff of OAR/Madagascar.
- h. Design Schedule: WWF/USA is expected to present a grant proposal to A.I.D./Madagascar in late FY 1989. Grant obligation is planned for early FY 1990.

AID PROGRAM IN FY 1990
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING
(\$000)

RANK PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	PROGRAM FUNDING (\$000)		
				APPROP	INCR	CUM
1. 0102	Economic Policy Reform	C	G	ADF	18,855	18,855
2. 0510	Program Development and Support	C	G	ADF	95	18,950
3. PL02	PL 480-Title II	C	G	PZ	(7,000)	18,950
4. 0108	Amber Mt., Phase II	N	G	ADF	300	19,250
5. 0109	Masoala, Phase II	N	G	ADF	300	19,550
6. 0107	Southern Madagascar Conservation/Development	N	G	ADF	200	19,750
7. 698-0463	Human Resources Development	C	G	ADF	200	19,950
8. 698-0462	Family Health Initiatives	C	G	ADF	50	20,000

FY 1990 ANNUAL BUDGET SUBMISSION
 Table VI: Expenditures of Local Currency Generations
 (all in the U.S. dollar equivalents, and in \$ Millions)

27.

<u>Source/Purposes</u>	<u>1987 ACTUAL</u>	<u>1988 EST.</u>	<u>1989 PLANNED</u>	<u>1990 PROP.</u>
I. <u>ECONOMIC SUPPORT FUND</u>				
A. Public Dev Activities				
1. e.g. Ag. Research, irrigation, rural infra- structure	---	0.400	1.322	1.589
B. Private Sector Programs				
1. Credit to small and medium enterprises	---	---	---	---
C. Public Sector Recurrent Budget				
1. Host country Project Monitoring Costs	---	0.054	0.163	0.340
D. AID Operating Expenses (Trust Fund)	0.080	0.090	0.090	0.033*
SUBTOTAL OF ESF EXPENDITURES	0.080	0.544	1.575	1.962
(UNEXPENDED ESF BALANCE AT END OF EACH YEAR; i.e. PIPELINE)	2.098	3.808	2.768	1.340
II. <u>DEVELOPMENT ASSISTANCE</u>				
A. Public Development Activities				
1. Food crop development, irrigation network, road rehabilitation	0.416	0.460	10.200	8.407
B. Private Sector Programs, Small Enterprise Credit (also include type of organization, e.g. PVO Coop, Business, Other)	---	0.100	0.460	0.235
C. Public Sector Recurrent Budget				
1. Host Country project Monitoring costs	---	0.050	0.124	0.034
D. AID Operating Expenses (Trust Funds)	0.080	0.060	0.180	0.180
SUBTOTAL ESF & DA	0.496	0.670	10.964	8.856
(UNEXPENDED DA LC BALANCE AT END OF EACH YEAR, I.E. THE PIPELINE)	0.944	0.354	3.330	5.460

* Balance remaining in MARS project Trust Fund Agreement.

FY 1990 ANNUAL BUDGET SUBMISSION
 Table VI: Expenditures of Local Currency Generations
 (all in the U.S. dollar equivalents, and in \$ Millions)

<u>Source/Purposes</u>	<u>1987</u> <u>ACTUAL</u>	<u>1988</u> <u>EST.</u>	<u>1989</u> <u>PLANNED</u>	<u>1990</u> <u>PROP.</u>
II. <u>PL 480</u>				
A. Public Dev Activities	8.8	3.0	9.9	2.6
1. Support for AID Rice Research Program (IRRI)	(1.5)	(2.1)	(2.1)	2.0
2. Irrigation, village water, rural roads, energy	(7.3)	(1.9)	(7.8)	0.6
B. Private Sector Programs	---	---	---	---
1. IBRD/AID lending to small and medium enterprises.	---	---	---	2.0
C. Public Sector Recurrent Budget	0.4	0.9	0.9	2.7
1. Child Survival	---	(0.6)	---	(0.7)
2. Host Country Project Monitoring Costs	(0.4)	(0.3)	(0.9)	(0.9)
D. Trust Funds (if any) for PL 480 Monitoring and Implementation	---	---	---	---
<hr/>				
SUBTOTAL OF PL 480 EXPENDITURES	9.2	3.9	10.8	7.3
(UNEXPENDED PL 480 LC BALANCE AT END OF EACH YEAR; i.e. PIPELINE)	0.9	5.6	4.0	-
<hr/>				
GRAND TOTAL ALL LC EXPENDITURES	9.776	5.114	23.339	18.118
(GRAND TOTAL ALL UNEXPENDED LC PIPELINE)	3.942	9.762	10.098	6.8

TABLE VII - LIST OF PLANNED EVALUATIONS (FY 89-90)
 FY 1990 - ANNUAL BUDGET SUBMISSION
 COUNTRY: MADAGASCAR

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1989		FY 1990		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral Assistance Days
		Start (Qtr)	To Start AID/W (Qtr)	Start (Qtr)	To Start AID/W (Qtr)				
1.) 687-0101 Madagascar Agriculture Rehabilitation and Support	12/87	1	2	-	-	PACD: 9/10/89 To determine end-use of CIP imports (annual).	Trust Fund (10)	5	REDSO Staff 5 person days
2.) PL 480 Title II (Section 206)	-	1	2	-	-	PACD: 9/10/89 To review: (1) Auction of imported Vegoil to ensure equal opportunity of Private Sector to purchase. (2) GDRM master plan for expanding local production of Vegoil. (3) Rate of sale and probable annual require- ment for multi-year program in Vegoil.	PD&S (20)	10	REDSO Staff 20 person days IQC 20 p/d
3.) Economic Policy Reform Program 687-0102	-	2	3	-	-	PACD: 6/10/91 To review: (1) Use of OGL system (2) Other bench marks (3) Mid-term evaluation.	Mission and REDSO OE and project funds	15	REDSO Staff 30 person days
4.) UNICEF Child Survival (KPI)	6/88	3	4	4	4	PACD: 2/93 To review management and progress of KPI program	PD&S (15)	10	REDSO Staff 10 p/d IQC 10 p/d
5.) PL 480 Title I	6/88	3	4	3	4	PACD: 9/90 Annual review of use counterpart funds a) Management b) Project Viability c) Beneficiary Management	PD&S (30)	10	REDSO Staff 40 p/d IQC 25 p/d

6. PL 480 Title II (CRS)	8/87	3	4	-	-	-	PACD: (Continue) to review: a) Management of Commodities and b) Devolution of food program to local PVO.	PD&S (15)	7	REDSO Staff 10 p/d IQC 15 p/d

7.) International Rice Research Institute	10/87	-	2	-	2	3	PACD: 6/30/94 Periodic review of 1) Listing of new varieties 2) Soils Investigations 3) Linkages to Seed production and extention services. 4) Use of local counterpart funds.	PD&S (15)	10	REDSO Staff 20 p/d IQC 15 p/d

8.) 687-0101 Madagascar Agriculture Rehabilitation and Support	11/88(CIP) 11/86(Full)	1 -	2 -	-	1	2	PACD: 9/30/89 End of Project evaluation of key project components with relevance to on-going programs: a) privatization. b) ag policy seminars c) CIP	PD&S (15)	15	REDSO Staff 30 p/d IQC 12 p/d

9.) S &T/AFR ARDN Beza Mahafaly Reserve No. 11 687-0103 - Amber Mt. Conservation and Development 687-0104 - Masoala Conservation and Development		-	-	-	3	4	PACD: 8/90 This single evaluation of these small scale PVO projects will examine effectiveness of a) coordination and development conservation and development activities and b) of activities themselves with village level population.	Mission and REDSO OE	20	REDSO Staff 20 p/d

USAID MADAGASCAR
 BPC: COEA-87-21687-U000
 BPC: F108-87-21687-U000

TABLE VIII - FY 1987
 (\$000.0)

Expense Category	Func Code	Trust Dollars	Trust Funds	Total	Local	
					Curr Est	Units
US Direct Hire	U100	58.2	0.0	58.2		
Other Mission Funded Code 11	U105	0.0	0.0	0.0		
Education Allowances	U106	0.0	0.0	0.0		2.0
Living Allowances	U108	0.0	0.0	0.0		
Other Mission Funded Code 12	U110	0.7	0.0	0.7		
Post Assignment - Travel	U111	4.0	0.0	4.0		2.0
Post Assignment - Freight	U112	25.0	0.0	25.0		2.0
Home Leave - Travel	U113	0.0	0.0	0.0		0.0
Home Leave - Freight	U114	0.0	0.0	0.0		0.0
Education Travel	U115	8.0	0.0	8.0		0.0
R and R Travel	U116	5.5	0.0	5.5		1.0
Other Code 215 Travel	U117	15.0	0.0	15.0		3.0
Foreign National Direct Hire	U200	0.0	0.0	0.0		
Basic Pay	U201	0.0	0.0	0.0		0.0
Overtime, Holiday Pay	U202	0.0	0.0	0.0		0.0
All Other Code 11 - FN	U203	0.0	0.0	0.0		
All Other Code 12 - FN	U204	0.0	0.0	0.0		
Benefits Former FN Personnel	U205	0.0	0.0	0.0		
Contract Personnel	U300	41.0	28.5	69.5		
PASA Technicians	U301	0.0	0.0	0.0		0.0
US PSC - Salary/Benefits	U302	40.0	0.0	40.0		2.0
All Other US PSC Costs	U303	0.0	0.0	0.0		
FN PSC - Salary/Benefits	U304	1.0	10.0	11.0	10.0	4.0
All Other FN PSC Costs	U305	0.0	1.0	1.0	1.0	1.0
Manpower Contracts	U306	0.0	17.5	17.5	17.5	16.0
JCC Costs Paid By AID/W	U307	0.0	0.0	0.0		
Housing	U400	5.0	22.6	27.6		
Residential Rent	U401	0.0	6.0	6.0	6.0	2.0
Residential Utilities	U402	0.0	6.6	6.6	8.0	
Maintenance and Renovation	U403	4.0	8.0	12.0	8.0	
Quarters Allowance	U404	0.0	0.0	0.0		0.0
Residential Furniture/Equip.	U405	0.5	2.0	2.5	2.0	
Trans./Freight - Code 311	U406	0.0	0.0	0.0		
Security Guard Services	U407	0.0	0.0	0.0		
Official Residence Allowances	U408	0.0	0.0	0.0		0.0
Representation Allowances	U409	0.5	0.0	0.5		

USAID MADAGASCAR
 BPC: COEA-87-21687-U000
 BPC: F108-87-21687-U000

TABLE VIII - FY 1987
 (continued)

Expense Category	Func Code	Trust		Total	Local	
		Dollars	Funds		Curr Est	Units
Office Operations	U500	32.1	27.0	59.1		
Office Rent	U501	0.0	0.0	0.0		FAAS
Office Utilities	U502	0.0	0.0	0.0		FAAS
Building Maint./Renovation	U503	1.0	1.0	2.0	1.0	
Office Furniture/Equipment	U504	0.0	2.5	2.5	2.5	
Vehicles	U505	0.0	0.0	0.0		
Other Equipment (Incl ADP/WP)	U506	3.2	0.4	3.6	0.4	
Transportation/Freight	U507	2.6	1.0	3.6	1.0	
Furn/Equip/Vehicle Repair/Main	U508	0.0	4.0	4.0	4.0	
Communications	U509	0.0	0.0	0.0		FAAS
Security Guard Services	U510	0.0	0.0	0.0		FAAS
Printing	U511	0.0	0.6	0.6	0.6	
Site Visits - Mission Personnel	U513	0.0	9.0	9.0	9.0	55.0
Site Visits - AID/W Personnel	U514	5.3	0.0	5.3		1.0
Information Meetings	U515	3.5	0.0	3.5		1.0
Training Attendance	U516	3.5	0.0	3.5		1.0
Conference Attendance	U517	4.5	0.0	4.5		1.0
Other Operational Travel	U518	2.5	0.0	2.5		1.0
Supplies and Materials	U519	5.7	4.0	9.7	4.0	
Consulting Svcs. - Contracts	U521	0.0	0.0	0.0		
Mgt./Prof. Svcs. - Contracts	U522	0.0	0.0	0.0		
Spec. Studies/Analyses Cont.	U523	0.0	1.0	1.0	1.0	
All Other Code 25 (Misc)	U524	0.3	3.5	3.8	3.5	
TOTAL OPERATING EXPENSE BUDGET		136.3	78.1	214.4		
636 (c) Requirements	U601	0.0	0.0	0.0		
TOTAL ALLOWANCE REQUIREMENTS	U000	136.3	78.1	214.4		

Exchange Rate Used In Calculations US 1 = 675 FMG and 1,350 FMG
 (Devaluation 29-June-87)

Estimated Inflation Rate 15% \$1=1350 FMG
 20%

US Direct Hire Workforce Levels:
 Positions 2.0
 Workyears 1.3

USAID MADAGASCAR
 BPC: COEA-88-21687-U000
 BPC: YKAX-88-21687-U000

TABLE VIII - FY 1988 ESTIMATE
 (\$000.0)

Expense Category	Func : Code	: Dollars :	: Trust : Funds :	: Total :	Local	
					: Curr : Est	: Units :
US Direct Hire	U100	132.2	0.0	132.2		
Other Mission Funded Code 11	U105	0.0	0.0	0.0		
Education Allowances	U106	48.8	0.0	48.8		2.0
Living Allowances	U108	0.0	0.0	0.0		
Other Mission Funded Code 12	U110	1.4	0.0	1.4		
Post Assignment - Travel	U111	9.0	0.0	9.0		2.0
Post Assignment - Freight	U112	60.0	0.0	60.0		2.0
Home Leave - Travel	U113	0.0	0.0	0.0		0.0
Home Leave - Freight	U114	0.0	0.0	0.0		0.0
Education Travel	U115	0.0	0.0	0.0		0.0
R and R Travel	U116	3.0	0.0	3.0		1.0
Other Code 215 Travel	U117	10.0	0.0	10.0		3.0
Foreign National Direct Hire	U200	0.0	0.0	0.0		
Basic Pay	U201	0.0	0.0	0.0		0.0
Overtime, Holiday Pay	U202	0.0	0.0	0.0		0.0
All Other Code 11 - FN	U203	0.0	0.0	0.0		
All Other Code 12 - FN	U204	0.0	0.0	0.0		
Benefits Former FN Personnel	U205	0.0	0.0	0.0		
Contract Personnel	U300	24.0	34.7	58.7		
PASA Technicians	U301	0.0	0.0	0.0		0.0
US PSC - Salary/Benefits	U302	18.0	0.0	18.0		1.0
All Other US PSC Costs	U303	0.0	0.0	0.0		
FN PSC - Salary/Benefits	U304	2.0	9.9	11.9	9.9	6.0
All Other FN PSC Costs	U305	0.0	1.0	1.0	1.0	
Manpower Contracts	U306	4.0	23.8	27.8	23.8	28.0
JCC Costs Paid By AID/W	U307	0.0	0.0	0.0		
Housing	U400	101.0	69.5	170.5		
Residential Rent	U401	0.0	35.4	35.4	35.4	5.0
Residential Utilities	U402	0.0	9.5	9.5	9.5	
Maintenance and Renovation	U403	0.0	19.1	19.1	19.1	
Quarters Allowance	U404	0.0	0.0	0.0		0.0
Residential Furniture/Equip.	U405	60.5	2.5	63.0	2.5	
Trans./Freight - Code 311	U406	40.0	3.0	43.0	3.0	
Security Guard Services	U407	0.0	0.0	0.0		0.0
Official Residence Allowances	U408	0.0	0.0	0.0		
Representation Allowances	U409	0.5	0.0	0.5		

USAID MADAGASCAR

BFC: COEA-88-21687-U000

BFC: YKAX-88-21687-U000

TABLE VIII - FY 1988 ESTIMATE
(continued)
(\$000.0)

Expense Category	Func Code	Trust Dollars	Trust Funds	Total	Local	
					Curr Est	Units
Office Operations	U500	142.1	60.7	202.8		
Office Rent	U501	0.0	0.0	0.0		FAAS
Office Utilities	U502	0.0	0.0	0.0		FAAS
Building Maint./Renovation	U503	3.0	27.5	30.5	27.5	
Office Furniture/Equipment	U504	8.0	1.5	9.5	1.5	
Vehicles	U505	35.0	0.0	35.0		
Other Equipment (Incl ADP/WP)	U506	9.5	0.0	9.5		
Transportation/Freight	U507	8.4	1.7	10.1	1.7	
Furn/Equip/Vehicle Repair/Main	U508	2.9	4.6	7.5	4.6	
Communications	U509	0.0	0.0	0.0		FAAS
Security Guard Services	U510	0.0	0.0	0.0		FAAS
Printing	U511	0.0	1.0	1.0	1.0	
RIG/II Operational Travel	U512	0.0	0.0	0.0		
Site Visits - Mission Personnel	U513	0.0	10.0	10.0	10.0	75.0
Site Visits - AID/W Personnel	U514	22.0	0.0	22.0		4.0
Information Meetings	U515	6.2	0.0	6.2		2.0
Training Attendance	U516	9.0	0.0	9.0		2.0
Conference Attendance	U517	14.0	0.0	14.0		5.0
Other Operational Travel	U518	8.5	0.0	8.5		3.0
Supplies and Materials	U519	9.8	7.9	17.7	7.9	
Consulting Svcs. - Contracts	U521	0.0	0.0	0.0		
Mgt./Prof. Svcs. - Contracts	U522	1.0	2.0	3.0	2.0	
Spec. Studies/Analyses Cont.	U523	1.0	0.0	1.0		
All Other Code 25 (Misc)	U524	3.8	4.5	8.3	4.5	
TOTAL OPERATING EXPENSE BUDGET		399.3	164.9	564.2		
636 (c) Requirements	U601	0.0	0.0	0.0		
TOTAL ALLOWANCE REQUIREMENTS	U000	399.3	164.4	564.2		

Exchange Rate Used In Calculations US 1 = 1None - Paid By

Estimated Inflation Rate 15% \$1=1350 FMS
20%

US Direct Hire Workforce Levels:

Positions 2.0
Workyears 2.0

USAID MADAGASCAR
 BPC: COEA-89-21687-U000
 BPC: YKAX-89-21687-U000

TABLE VIII - FY 1989 REQUEST

Expense Category	Func : Code :	(\$000)		: Trust : Fund :	TOTAL	Local	
		: Dollars :	:			: Curr : Est :	: Units :
US Direct Hire	U100	398.8	:	10.8	409.6	10.8	:
Other Mission Funded Code 11	U105	2.0	:	0.0	2.0	:	:
Education Allowances	U106	170.8	:	0.0	170.8	:	7.0
Living Allowances (COLA)	U108	0.0	:	0.0	0.0	:	:
Other Mission Funded Code 12	U110	0.0	:	10.8	10.8	10.8	:
Post Assignment - Travel	U111	24.0	:	0.0	24.0	:	5.0
Post Assignment - Freight	U112	120.0	:	0.0	120.0	:	5.0
Home Leave - Travel	U113	3.5	:	0.0	3.5	:	1.0
Home Leave - Freight	U114	5.0	:	0.0	5.0	:	1.0
Education Travel	U115	21.0	:	0.0	21.0	:	6.0
R and R Travel	U116	42.0	:	0.0	42.0	:	6.0
Other Code 215 Travel	U117	10.5	:	0.0	10.5	:	3.0
Foreign National Direct Hire	U200	0.0	:	0.0	0.0	0.0	:
Basic Pay	U201	0.0	:	0.0	0.0	:	0.0
Overtime, Holiday Pay	U202	0.0	:	0.0	0.0	:	0.0
All Other Code 11 - FN	U203	0.0	:	0.0	0.0	:	:
All Other Code 12 - FN	U204	0.0	:	0.0	0.0	:	:
Benefits Former FN Personnel	U205	0.0	:	0.0	0.0	:	:
Contract Personnel	U300	127.9	:	43.7	171.6	43.7	:
PASA Technicians	U301	0.0	:	0.0	0.0	:	0.0
US PSC - Salary/Benefits	U302	63.0	:	0.0	63.0	:	2.0
All Other US PSC Costs	U303	64.9	:	1.8	66.7	1.8	:
FN PSC - Salary/Benefits	U304	0.0	:	16.9	16.9	16.9	9.0
All Other FN PSC Costs	U305	0.0	:	1.0	1.0	1.0	:
Manpower Contracts	U306	0.0	:	24.0	24.0	24.0	46.0
JCC Costs Paid by AID/W	U307	0.0	:	0.0	0.0	:	:
Housing	U400	143.6	:	106.0	249.6	106.0	:
Residential Rent	U401	4.9	:	68.6	73.4	68.6	8.0
Residential Utilities	U402	0.0	:	26.4	26.4	26.4	:
Maintenance and Renovation	U403	5.0	:	6.2	11.2	6.2	:
Quarters Allowance	U404	0.0	:	0.0	0.0	:	0.0
Residential Furniture/Equip.	U405	93.0	:	4.0	97.0	4.0	:
Trans/Freight - Code 311	U406	40.0	:	0.8	40.8	0.8	:
Security Guard Services	U407	0.0	:	0.0	0.0	:	0.0
Official Residence Allowances	U408	0.0	:	0.0	0.0	:	:
Representation Allowances	U409	0.8	:	0.0	0.8	:	:

USAID MADAGASCAR
 BPC: COEA-89-21687-U000
 BPC: YKAX-89-21687-U000

TABLE VIII - FY 1990 REQUEST

Continued
 (\$000)

Expense Category	Func Code	: Dollars	: Trust Fund	: TOTAL	Local	
					: Curr Est	: Units
Office Operations	U500	: 129.5	: 35.0	: 160.5	: 35.0	:
Office Rent	U501	: 0.0	: 0.0	: 0.0	:	:
Office Utilities	U502	: 0.0	: 0.0	: 0.0	:	:
Building Maint./Renovation	U503	: 0.0	: 1.5	: 1.5	: 1.5	:
Office Furniture/Equipment	U504	: 0.0	: 1.5	: 1.5	: 1.5	:
Vehicles	U505	: 20.0	: 0.0	: 20.0	:	:
Other Equipment (Incl ADP/WP)	U506	: 8.2	: 0.0	: 8.2	:	:
Transportation/Freight	U507	: 12.0	: 0.0	: 8.0	:	:
Furn/Equip/Vehicle Repair/Maint	U508	: 3.3	: 5.0	: 8.3	: 5.0	:
Communications	U509	: 10.0	: 0.0	: 10.0	:	:
Security Guard Services	U510	: 0.0	: 0.0	: 0.0	:	: 0.0
Printing	U511	: 0.0	: 1.0	: 1.0	: 1.0	:
Site Visits - Mission Personnel	U513	: 0.0	: 12.0	: 12.0	: 12.0	: 100.0
Site Visits - AID/W Personnel	U514	: 22.0	: 0.0	: 22.0	:	: 4.0
Information Meetings	U515	: 7.0	: 0.0	: 7.0	:	: 2.0
Training Attendance	U516	: 9.0	: 0.0	: 9.0	:	: 2.0
Conference Attendance	U517	: 14.0	: 0.0	: 14.0	:	: 4.0
Other Operational Travel	U518	: 6.5	: 0.0	: 6.5	:	: 2.0
Supplies and Materials	U519	: 14.5	: 7.0	: 21.5	: 7.0	:
Consulting Svcs - Contracts	U521	: 0.0	: 0.0	: 0.0	:	: 0.0
Mgt/Prof Svcs - Contracts	U522	: 2.0	: 3.0	: 5.0	: 3.0	: 1.0
Spec. Studies/Analyses Contract	U523	: 0.0	: 0.0	: 0.0	:	: 0.0
All Other Code 25	U524	: 1.0	: 4.0	: 5.0	: 4.0	: 1.5
TOTAL OPERATING EXPENSE BUDGET		: 799.8	: 195.5	: 991.3	:	:
636(c) Requirements U601		: 0.0	: 0.0	: 0.0	:	:
TOTAL ALLOWANCE REQUIREMENTS		: 799.8	: 195.5	: 990.3	:	:

Exchange Rate Used In Calculations US 1 = 1,275 FMG

Estimated Inflation Rate 7 %

US Direct Hire Workforce Levels:
 Positions 7.0
 Workyears 7.0

USAID MADAGASCAR
 BPC: CDEA-90-21687-U000
 BPC: YKAX-90-21687-U000

TABLE VIII - FY 1990 REQUEST

Expense Category	Fund Code	(\$000)		TCTAL	Local	
		Dollars	Trust Fund		Curr Est	Units
US Direct Hire	U100	382.0	0.0	382.0		
Other Mission Funded Code 11	U105	2.0	0.0	2.0		
Education Allowances	U106	244.0	0.0	244.0		7.0
Living Allowances (COLA)	U108	0.0	0.0	0.0		
Other Mission Funded Code 12	U110	0.0	0.0	0.0		
Post Assignment - Travel	U111	0.0	0.0	0.0		5.0
Post Assignment - Freight	U112	0.0	0.0	0.0		5.0
Home Leave - Travel	U113	42.0	0.0	42.0		1.0
Home Leave - Freight	U114	30.0	0.0	30.0		1.0
Education Travel	U115	28.8	0.0	28.8		6.0
R and R Travel	U116	3.7	0.0	3.7		6.0
Other Code 215 Travel	U117	31.5	0.0	31.5		3.0
Foreign National Direct Hire	U200	0.0	0.0	0.0	0.0	
Basic Pay	U201	0.0	0.0	0.0		0.0
Overtime, Holiday Pay	U202	0.0	0.0	0.0		0.0
All Other Code 11 - FN	U203	0.0	0.0	0.0		
All Other Code 12 - FN	U204	0.0	0.0	0.0		
Benefits Former FN Personnel	U205	0.0	0.0	0.0		
Contract Personnel	U300	106.2	43.2	149.4	43.2	
PASA Technicians	U301	0.0	0.0	0.0		0.0
US PSC - Salary/Benefits	U302	24.2	0.0	64.3		2.0
All Other US PSC Costs	U303	41.9	0.0	41.9		
FN PSC - Salary/Benefits	U304	0.0	17.2	17.2	17.2	9.0
All Other FN PSC Costs	U305	0.0	1.0	1.0	1.0	
Manpower Contracts	U306	0.0	25.0	25.0	25.0	46.0
JCC Costs Paid by AID/W	U307	0.0	0.0	0.0		
Housing	U400	87.2	99.0	186.2	99.0	
Residential Rent	U401	5.4	68.5	74.0	68.6	8.0
Residential Utilities	U402	0.0	26.4	26.4	26.4	
Maintenance and Renovation	U403	1.0	2.0	3.0	2.0	
Quarters Allowance	U404	0.0	0.0	0.0		0.0
Residential Furniture/Equip.	U405	55.0	2.0	57.0	2.0	
Trans/Freight - Code 311	U406	25.0	0.0	25.0		
Security Guard Services	U407	0.0	0.0	0.0		0.0
Official Residence Allowances	U408	0.0	0.0	0.0		
Representation Allowances	U409	0.8	0.0	0.8		

USAID MADAGASCAR
 BPC: COEA-90-21687-U000
 BPC: YKAX-90-21687-U000

TABLE VIII - FY 1990 REQUEST

Expense Category	Func Code	Continued (\$000)		TOTAL	Local	
		Dollars	Trust Fund		Curr Est	Units
Office Operations	U500	211.2	42.2	253.4	42.2	
Office Rent	U501	0.0	0.0	0.0		
Office Utilities	U502	0.0	0.0	0.0		
Building Maint./Renovation	U503	3.0	1.5	4.5	1.5	
Office Furniture/Equipment	U504	35.0	1.5	36.5	1.5	
Vehicles	U505	40.0	0.0	40.0		
Other Equipment (Incl ADP/WP)	U506	21.0	0.0	21.0		
Transportation/Freight	U507	13.1	0.7	13.8	0.7	
Furn/Equip/Vehicle Repair/Maint	U508	4.7	5.5	10.2	5.5	
Communications	U509	15.0	0.0	15.0		
Security Guard Services	U510	0.0	0.0	0.0		0.0
Printing	U511	0.0	1.0	1.0	1.0	
Site Visits - Mission Personnel	U513	0.0	12.0	12.0	12.0	100.0
Site Visits - AID/W Personnel	U514	23.5	0.0	23.5		4.0
Information Meetings	U515	6.2	0.0	6.2		2.0
Training Attendance	U516	10.0	0.0	10.0		2.0
Conference Attendance	U517	14.7	0.0	14.7		4.0
Other Operational Travel	U518	7.4	0.0	7.4		2.0
Supplies and Materials	U519	14.5	0.0	23.5	9.0	
Consulting Svcs - Contracts	U521	0.0	0.0	0.0		0.0
Mgt/Prof Svcs - Contracts	U522	2.0	4.0	6.0	4.0	1.0
Spec. Studies/Analyses Contract	U523	0.0	3.0	3.0	3.0	0.0
All Other Code 25	U524	1.0	4.0	5.0	4.0	1.5
TOTAL OPERATING EXPENSE BUDGET		786.5	184.4	970.9		
636(c) Requirements	U601	0.0	0.0	0.0		
TOTAL ALLOWANCE REQUIREMENTS U000		786.5	184.4	970.9		

Exchange Rate Used In Calculations US 1 = 1,275 FMG

Estimated Inflation Rate 7 %

US Direct Hire Workforce Levels:

Positions 7.0
 Workyears 7.0

USAID MADAGASCAR
 BPC: COEA-88-21687-U000
 BPC: YKAX-88-21687-U000

Table VIII (a)
NARRATIVE

1. Reason for increase FY 1989 to FY 1990: No OE increase anticipated between FY 1989 and FY 1990. The major increase occurs between FY 1988 and FY 1989 with additional USDH staff (5) and associated costs with bringing them to post.

2. Funding Shortages in FY 1988 and/or FY 1989: As instructed by Aid/W, preparation of FY89/90 of AID/Antan ABS has been based on the assumption of a total of seven USDH staff at mission and a budget ceiling of 800,000 dollars. Although the additional five positions and staffing pattern are defined, we do not know family size, status, nor from what point on the globe they will be arriving. These assumptions affect line item calculations as follows for FY89 with the awareness that some reductions may be required to compensate for increases in others:
 - (a) Education Allowances (U106): Limited to 1 child abroad per family (except Aid Rep with 2) at 24.4 per child.
 - (b) Post Assignment Travel (U111): Economy air fare only Washington-Antananarivo.
 - (c) Post Assignment Travel (112): Sea freight - Us/ELSO Antwerp, Air freight - ELSO/Antananarivo. Air freight used because of security problems. Current air freight charge of \$4.35/kg ELSO/Antan.
 - (d) Education Travel (U115): One round trip per child per family only. (Economy Washington-Antananarivo).
 - (e) Other Code 215 Travel (U117): Minimal amounts budgeted for these items. Two medical travel (med-evac), one emergency visit, and no separated dependents.
 - (f) Residential Furniture/Appliances (U405): Cost contingent upon source (Us or European supplier).
 - (g) Trans/Freight Code 311 (U406): Freight for furniture/appliances contingent upon source (i.e. Europe or US) and mode of transport (sea, surface).
 - (h) Communications (U509): Phone bill to be paid by mission in dollars. Current estimate 10.0 per year, but may be higher with increased staff.
 - (i) Site Visits AID/W Staff (U514): Four visits budgeted at 5.5. Amount may vary dependent upon itinerary and class of travel. This item may be cut if other line items require precedence.

NOTE: Please be aware that mission has budgeted a US PSC Natural Resource position for FY 89/90. Mission may not be able to fund this position from OE if adjustments, in the form of additions, are made to other line items. Total reduction of OE budget if this position is eliminated would be 122.9.

TABLE VIII (a)
(continued)

3. Management Improvements: With an extremely small USDH Staff (1-2 persons) from FY85 through FY88, the Mission has operated adequately using a part-time U.S. National as Management Officer. With the much heavier administrative burden of a Seven USDH Staff, however, plus support personnel, additional housing, office space, vehicles and other equipment, the Mission staffing pattern will include a full time USDH management Officer, and a WDH Controller, who will have signatory authority.

4. Trust Funds: Mission aggressively uses trust funds to minimize dollar OE requirements. Local mission support is funded entirely from this source - including office operations and housing, with the exception of equipment/spare parts acquisitions required from external sources. Funding levels of approximately 125,000 dollars have been required for the past three years with a mission staff of two USDH. An increase to seven USDH staff increases this annual requirement to approximately 190.0.

Organization: USAID MADAGASCAR

TABLE VIII (b)
Information on US PSC Costs

Job Title/Description	FY 1987	FY 1988	FY 1989	FY 1990
Human Resources and Training Officer	18.2 10/1/86 to 9/30/87	25.0 10/1/87 to 6/30/88	0.0 ---	0.0 ---
Natural Resources Monitor	0.0 ---	0.0 ---	45.0 10/1/88 to 9/30/89	45.9 10/1/89 to 9/30/90
Administrative Officer	16.0 11/1/86 to 9/30/87	18.0 10/1/87 to 9/30/88	18.0 10/1/88 to 9/30/89	18.4 10/1/89 to 9/30/90
TOTAL	24.2	43.0	63.0	64.3
TOTAL WORKYEARS	2.0	2.0	2.0	2.0

All funding for US PSC contracts is in US dollars.

Organization: USAID_MADAGASCAR

TABLE VIII (b)
Information of FN_PSC Costs

<u>Job Title/Description</u>	<u>EY_1987</u>	<u>EY_1988</u>	<u>EY_1989</u>	<u>EY_1990</u>
Executive Secretary	0.0	0.5	2.0	2.1
Program Assistant	2.7	0.0	3.5	3.7
Project Assistant	4.0	4.2	4.3	4.5
BSO/Expediter	1.1	1.2	1.4	1.5
Secretary	0.8	1.0	1.2	1.2
Clerk/Typist (2)	0.0	0.0	2.0	2.2
Accounting Staff (2)	0.0	0.0	2.5	2.5
	-----	-----	-----	-----
TOTAL	8.6	9.9	16.9	17.2
TOTAL WORKYEARS	4.0	4.4	9.0	9.0

All positions are paid for in Local Currency from Trust Funds.

Exchange Rate Used: US 1 = 1,275 FMG

Organization: USAID MADAGASCAR

TABLE VIII (c)
Manpower Contract Detail

<u>Description</u>		<u>FY_1987</u>	<u>FY_1988</u>	<u>FY_1989</u>	<u>FY_1990</u>
Drivers		1.7	2.0	2.8	3.1
	Workyears	2.0	2.4	3.0	3.0
Guards		10.0	10.0	16.7	17.3
	Workyears	11.0	11.0	42.0	42.0
Janitor		0.6	0.8	1.0	1.1
	Workyears	1.0	1.0	1.0	1.0
Manpower Administration		3.0	3.2	3.5	3.5
	Workyears	1.0	1.0	1.0	1.0
	TOTAL	----- 15.3	----- 16.0	----- 24.0	----- 25.0
	TOTAL WORKYEARS	15.0	15.4	47.0	47.0

All personnel under Manpower Contract supervision are foreign nationals.

All payments are made in Local Currency from Trust Funds.

Exchange Rate Used: US 1 = 1,275 FMG

Organization: USAID_MADAGASCAR

TABLE VIII (d)
All Other Code 25 Detail

<u>Description</u>	<u>FY_1987</u>	<u>FY_1988</u>	<u>FY_1989</u>	<u>FY_1990</u>
Temporary Secretarial Svcs	0.0	2.0	3.0	3.0
Misc. Contractual Services	0.0	2.0	2.0	2.0

One thousand US dollars are set aside to cover possible hard currency expenses for temporary secretarial and translation services for each fiscal year showing an expense item. The balance is paid in Local Currency from trust funds.

Exchange Rate Used: US 1 = 1,275 FMG

Organization: USAID MADAGASCAR

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

<u>Item and Explanation</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
1. <u>Capital Investment:</u>				
A. Purchase of Hardware				
Printer WANG PCPM015 (or equivalent)	0.8	0.8	0.8	0.8
Printer Cover WANG	0.4	0.0	0.0	0.0
PC280 CPU	0.0	5.5	5.5	0.0
Printer WANG PCPM015	0.0	0.4	0.7	1.0
IBM P/S Model 70 or Mini	0.0	0.0	0.0	17.0
B. Purchase of Software:				
Timeline Project Mgmt	0.3	0.0	0.0	0.0
LOTUS 2.1	0.0	0.5	0.0	0.5
DBASE III Plus	0.0	0.5	0.0	0.5
Word Processing	0.0	0.2	0.2	0.5
C. Site Facility:				
UPS Units (SOLA Electric)	3.0	1.3	1.5	1.5
Subtotal Section 1:	4.5	9.5	8.2	21.0

2. <u>Personnel</u>				
A. Compensation, Benefits, Travel	0.0	0.0	0.0	0.0
B. Workyears	0.0	0.0	0.0	0.0
Subtotal Section 2:	0.0	0.0	0.0	0.0

3. <u>Equipment Rental, Space and Other Operating Costs</u>				
A. Lease of Equipment	0.0	0.0	0.0	0.0
B. Space	0.0	0.0	0.0	0.0
C. Supplies and Other Material	0.0	2.0	3.0	3.0
D. Non-Commercial Training	0.0	0.0	0.0	0.0
Subtotal Section 3:	0.0	2.0	3.0	3.0

Organization: USAID_MADAGASCARTABLE VIII (e)
(continued)

<u>Item and Explanation</u>	<u>FY_1987</u>	<u>FY_1988</u>	<u>FY_1989</u>	<u>FY_1990</u>
4. <u>Commercial Services:</u>				
A. Computer Time	0.0	0.0	0.0	0.0
B. Leased Telecommunications Services	0.0	0.0	0.0	0.0
C. Operations and Maintenance:				
(1) Operations	0.0	0.0	0.0	0.0
(2) Maintenance:				
- Other than WANG	0.0	0.0	0.0	0.0
- WANG Equip (Local)	0.2	0.0	0.0	0.0
- WANG (AID/W Maint)	1.5	2.1	2.1	3.5
D. Systems Analysis and Programming	0.0	0.0	0.0	0.0
E. Systems Design and Engineering	0.0	0.0	0.0	0.0
F. Studies and Other	0.0	0.0	0.0	0.0
Subtotal Section 4:	1.7	2.1	2.1	3.5
<hr/>				
5. TOTAL DOLLARS	6.2	11.6	10.3	24.5
TOTAL WORKYEARS	0.0	0.0	0.0	0.0
<hr/>				
6. Mission Allowance Levels				
Existing Systems	0.0	0.0	0.0	0.0
New or Expanded Systems	0.0	11.6	10.3	24.5

Organization: USAID MADAGASCAR

TABLE VIII (g)
FY 1990 Annual Budget Submission
Information of U.S. Direct Hire Staffing
(Workyears)

PosNo	Title	Program Management Responsibility	FY 1988	FY 1989	FY 1990
216871005	AID Rep	Country Prog Mgmt	1.0	1.0	1.0
216871010	Proj Dev	Proj Develop/Mgmt	1.0	1.0	1.0
216871020	Economist	MEPRP Project Mgmt	0.0	1.0	1.0
---	Agricul Officer	Ag/Envir Proj Mgmt	0.0	1.0	1.0
---	Program Officer	Program Design Mgmt	0.0	1.0	1.0
---	Management Officer	Mgmt Function	0.0	1.0	1.0
---	Controller	Controller Function	0.0	1.0	1.0
		TOTAL POSITIONS	2.0	7.0	7.0
		TOTAL WORKYEARS	2.0	7.0	7.0

Organization: USAID MADAGASCAR

TABLE VIII (h)
Information on IDI Staffing
 (Workyears)

PS Code	Position Title	FY 1988	FY 1989	FY 1990
N/A	- NONE -	0.0	0.0	0.0
	TOTAL POSITIONS	0.0	0.0	0.0
	TOTAL WORKYEARS	0.0	0.0	0.0

Organization: USAID_MADAGASCAR

TABLE VIII (i)
Information on Foreign Service and Third Country National
Direct Hiring Staffing
 (Workyears)

Category	Descriptive Job Title	FY 1988	FY 1989	FY 1990
N/A	- NONE -	0.0	0.0	0.0
	TOTAL POSITIONS	0.0	0.0	0.0
	TOTAL WORKYEARS	0.0	0.0	0.0

Organization: USAID_MADAGASCAR

TABLE VIII (j)
Information on Part-Time
Direct Hiring Staffing
 (Workyears)

<u>US/FSN/TCN</u>	<u>Descriptive Job Title</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
N/A	- NONE -	0.0	0.0	0.0
	TOTAL POSITIONS	0.0	0.0	0.0
	TOTAL WORKYEARS	0.0	0.0	0.0

Organization: USAID_MADAGASCAR

TABLE VIII (k)
Information on US, Foreign and Third Country National
Contract Staffing
 (Workyears)

Category	Descriptive Job Title	Funding	FY 1988	FY 1989	FY 1990
USPSC	Human Resources & Training Officer	OE	1.0	0.0	0.0
USPSC	Administrative Officer	OE	1.0	1.0	1.0
USPSC	Natural Resource Monitor	OE	0.0	1.0	1.0
FNPSC	Executive Secretary	OE	0.4	1.0	1.0
FNPSC	Program Assistant	OE	1.0	1.0	1.0
FNPSC	Project Assistant	OE	1.0	1.0	1.0
FNPSC	GSO/Expediter	OE	1.0	1.0	1.0
FNPSC	Secretary	OE	1.0	1.0	1.0
FNPSC	Clerk/Typist	OE	0.0	0.5	1.0
FNPSC	Accounting Staff	OE	0.0	0.0	2.0
TCNPSC	Ag Economist	PRG	0.8	0.0	0.0
TOTAL POSITIONS OE			7.0	8.0	10.0
TOTAL WORKYEARS OE			6.4	7.5	10.0
TOTAL POSITIONS PRG			1.0	0.0	0.0
TOTAL WORKYEARS PRG			0.8	0.0	0.0

Country/Office: MadagascarFY 1990 ANNUAL BUDGET SUBMISSIONTABLE XI

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

<u>COMMODITIES</u>	<u>ACTUAL</u>		<u>ESTIMATED</u>		<u>PROJECTED</u>	
	<u>FY 1988</u>		<u>FY 1989</u>		<u>FY 1990</u>	
	<u>\$</u>	<u>MT</u>	<u>\$</u>	<u>MT</u>	<u>\$</u>	<u>MT</u>
<u>Title I</u>	0	0	0	0	0	0
<u>Total</u>	<hr/>					
of which						
Title III						
<u>Total</u>	<hr/>					

FY 1990 ANNUAL BUDGET SUBMISSION

TABLE XII

COUNTRY/OFFICE: Madagascar

PL 480 TITLE I/III

SUPPLY AND DISTRIBUTION
('000's Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1988</u>	<u>ESTIMATED FY 1989</u>
Commodity - <u>Vegetable Oil</u>		
Beginning Stocks	1.3	0.0
Production	3.5	3.5
Imports		
Concessional	0.0	0.0
Non-Concessional	5.0	12.0
Consumption	15.5	15.5
Ending Stocks	0.0	0.0

Commodity - _____

 Beginning Stocks

 Production

 Imports

 Concessional

 Non-Concessional

 Consumption

 Ending Stocks

Commodity - _____

 Beginning Stocks

 Production

 Imports

 Concessional

 Non-Concessional

 Consumption

 Ending Stocks

Comment:

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE XIII
PL 480 TITLE II

I. Country: Madagascar

Sponsor's Name: Catholic Relief Services

A. Maternal and Child Health.....Total Recipients: 100,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	DOLLARS
<u>100,000</u>	<u>NFDM</u>	<u>1.2</u>	<u>132.0</u>
<u>100,000</u>	<u>Rice</u>	<u>3.6</u>	<u>1,169.9</u>
<u>100,000</u>	<u>Veg Oil</u>	<u>0.6</u>	<u>440.6</u>
<u>Total MCH</u>		<u>5.4</u>	<u>1,742.8</u>

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

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	DOLLARS
<u>14,000</u>	<u>NFDM</u>	<u>189</u>	<u>20.9</u>
<u>14,000</u>	<u>Rice</u>	<u>252</u>	<u>82.0</u>
<u>14,000</u>	<u>Veg Oil</u>	<u>63</u>	<u>46.3</u>
<u>Total School Feeding</u>		<u>504</u>	<u>149.2</u>

C. Other Child Feeding.....Total Recipients: 4,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	DOLLARS
<u>4,000</u>	<u>NFDM</u>	<u>96.2</u>	<u>10.6</u>
<u>4,000</u>	<u>Rice</u>	<u>96.2</u>	<u>31.2</u>
<u>4,000</u>	<u>Veg Oil</u>	<u>240.0</u>	<u>17.6</u>
<u>Total Other Child Feeding</u>		<u>332.4</u>	<u>59.4</u>

D. Food for Work.....Total Recipients: - 0 -

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

E. Other (Specify)...Relief.....Total Recipients: 10,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	DOLLARS
<u>10,000</u>	<u>NFDM</u>	<u>59.9</u>	<u>6.60</u>
<u>10,000</u>	<u>Rice</u>	<u>180.1</u>	<u>58.50</u>
<u>10,000</u>	<u>Veg Oil</u>	<u>15.0</u>	<u>11.00</u>
<u>Total Other</u>		<u>254.0</u>	<u>76.10</u>

Annex KPrivatization Plans

To increase market liberalization and production in food (especially rice) and export crops remains A.I.D.'s primary area of concern in Madagascar.

Beginning in FY 1986, in close association with the World Bank's Agriculture Institution II project, AID/Antan engaged the firm of Coopers and Lybrand in a first phase, to review the 35 chief parastatals in the agriculture sector and to identify the five or six societies which were most ripe for state-disengagement. The second phase will be to assist the GDRM in the actual privatization, in the most appropriate form, of the parastatals identified and for which the GDRM requests help from the consulting firm.

Coopers and Lybrand produced the English version of its Phase I Report in June, 1987. The French version was produced by September, 1987, at which time C&L Representatives participated with the GDRM in a preliminary and inconclusive review of the findings. Meanwhile, the A.I.D.-funded study had attracted wide interest. The World Bank, which during the 1986-87 period was preparing a major public enterprise and financial sector structural adjustment program for negotiation in April-May, 1988, followed the approach and procedures used by Coopers and Lybrand. C&L Representatives have briefed IBRD staff in Washington on two separate occasions, in addition to their constant field contact.

The French Caisse Centrale and the European Fund, with investments in various of the parastatals under review, also asked for and received special briefings from C&L staff. A.I.D. requested Coopers and Lybrand personnel to present the methodology used in Madagascar, first, to the REDSO/ESA annual scheduling conference (September, 1987), and later to the all-Africa Mission Director's Conference held in December, 1987 at Taita Hills, Kenya.

The GDRM response to C&L's Phase One recommendations has been positive, but cautious, pending the outcome of negotiations of the public sector program with the World Bank in May, 1988. The Ministry of Agriculture (MPARA), which, with the Ministry of Animal Production, Water, and Forests (MPAEF), participated in C&L's analysis, has requested Coopers and Lybrand to follow up specifically with the privatization (private sector operator to lease the rice mill) of Madagascar's largest rice parastatal, SOMALAC. OAR/Madagascar has drawn up the Scope of work for this activity and is obtaining the necessary clearances prior to moving ahead (June, 1988). The Ministry of Agriculture has also asked for Phase II Support with the privatization (divestiture) of SOVIANO, a

copra producer on the NE coast, and with SOTHEMAD (autonomous management), formerly an important tea exporter. MPAEF, on the other hand, has reserved its position on moving ahead with privatization of the two societies under its tutelage which C&L recommended for disengagement: FANALAMANGA, a major pine plantation and FAMAMA, a cashew plantation with good export potential.

Phase II of the Coopers and Lybrand activity is largely, if not entirely, funded from the \$700,000 allocated to privatization under MARS (687-0101). OAR/M has programmed complementary financing (\$200,000), if needed, to complete Phase II under the \$18.7 million MEPRP program, due to be signed in June, 1988. The time-frame for Phase II will begin when the GDRM publically announces its list of societies to be privatized, as agreed upon with the IBRD during the May, 1988 negotiations, and formally requests A.I.D. assistance. Phase II will extend into FY 1989 and probably FY 1990, depending upon the problems encountered. The investment climate which may improve as structural adjustment continues in Madagascar will have much to do with the eventual success of this program (See Private Sector Agenda, attached to the Budget).

The Expenditure of Non-Project Assistance
Local Currency Generations for Micro and Small Enterprise
Programs
(In Thousands of U.S. Dollars Equivalents)
Table to Annex L

	FY 88 Est	FY 89 Proposed	FY 90 AAPL
I. From ESF Generations			
A. For Micro Enterprises	0.15	0.580	0.828
1. For Credit			
2. For TA/Training			
B. For Small Enterprises	0.114	0.392	0.552
1. For Credit			
2. For TA/Training			
C. For Small Farmers	---	---	---
II. From DA Generations (if any)			
A. For Micro Enterprises	0.276	0.12	0.130
1. For Credit			
2. For TA/Training			
B. For Small Enterprises	0.184	0.08	0.86
1. For Credit			
2. For TA/Training			
C. For Small Farmers	---	---	---
1. For Credit			
2. For TA/Training			
III. From P.L. 480 Generations			
A. For Micro Enterprises	0.7	3.0	2.0
1. For Credit			
2. For TA/Training			
B. For Small Enterprises	0.82	2.2	1.7
1. For Credit			
2. For TA/Training			
C. For Small Farmers	---	---	---
1. For Credit			
2. For TA/Training			

FY 1990 Annual Budget Submission
Table to Annex L
Micro, Small, and Small Farm Enterprises

ESF and DA
Dollar Commitments for Micro
and Small Enterprise Programs
(U.S. Dollars Thousands)

	<u>FY88</u> <u>EST.</u>	<u>FY89</u> <u>PROPOSED</u>	<u>FY90</u> <u>AAPL</u>
I. ESF Dollar Commitments			
A. For Micro Enterprises			
1. For Credit	---	---	---
2. For TA/Training	---	---	---
B. For Small Enterprise			
1. For Credit	---	---	---
2. For TA/Training	---	---	---
C. For Small Farmers			
1. For Credit	---	---	---
2. For TA/Training	---	---	---
II. DA Dollar Commitments			
A. For Micro Enterprises			
1. For Credit	---	---	---
2. For TA/Training	---	---	100
B. For Small Enterprise			
1. For Credit	---	---	---
2. For TA/Training	---	---	100
C. For Small Farmers			
1. For Credit	---	---	---
2. For TA/Training	---	---	---

AFRICA BUREAU TABLE I
FY 1990 ANNUAL BUDGET SUBMISSION

DFA AND FOOD AID REPORTING MATRIX
(\$000)

SECTOR/SUBSECTOR	TOTAL*	PROGRAMMING MODALITIES			
		POL REF	NPA	WID	PRIV SECT
DFA:					
NATURAL RESOURCES MGT. BIODIVERSITY TROPICAL FORESTS					
FACILITIES OF AGRICULTURE					
AGRICULTURAL RESEARCH	1,280	1,280			
AGRICULTURAL MARKETING	8,000	8,000			660
AGRICULTURE, N.E.S.	6,391	6,391			6,356
POPULATION					
HEALTH					
AIDS					
CHILD SURVIVAL	1,463				1,463
PRIMARY EDUCATION					
SECONDARY EDUCATION					
VOCATIONAL EDUCATION					
OTHER EDUC/HRD	-				
DEVELOPMENT MANAGEMENT	-				
FINANCIAL MARKETS					
INFRASTRUCTURE					
ENTERPRISE DEVELOPMENT					
OTHER (LOCAL COST SUPPORT)	25				
TOTAL DFA	<u>7,696</u>	<u>7,671</u>	-	-	<u>6,356</u>
<u>FOOD AID:</u>	<u>9,463</u>	<u>3,000</u>	-	-	<u>2,123</u>
TOTAL DFA/FOOD AID RESOURCES	<u>17,159</u>	<u>10,671</u>	-	-	<u>8,479</u>

* Horizontally, for each sector/sub-sector activity, the total of dollar amounts may exceed the total amount for the activity.

FY 1988

AFRICA BUREAU TABLE I
FY 1990 ANNUAL BUDGET SUBMISSIONDFA AND FOOD AID REPORTING MATRIX
(8000)

SECTOR/SUBSECTOR	TOTAL*	PROGRAMMING MODALITIES			
		POL REF	NPA	WID	PRIV SECT
<u>DFA:</u>					
NATURAL RESOURCES MGT.					
BIODIVERSITY	250				250
TROPICAL FORESTS	200				200
FACULTIES OF AGRICULTURE					
AGRICULTURAL RESEARCH					
AGRICULTURAL MARKETING	3,275	3,275			1,000
AGRICULTURE, N.E.S.	18,735**		16,000		10,735
POPULATION					
HEALTH					
AIDS					
CHILD SURVIVAL	2,116				2,116
PRIMARY EDUCATION					
SECONDARY EDUCATION					
VOCATIONAL EDUCATION					
OTHER EDUC/HRD	200	40		100	60
DEVELOPMENT MANAGEMENT	115	90		15	
FINANCIAL MARKETS					
INFRASTRUCTURE					
ENTERPRISE DEVELOPMENT					
OTHER					
TOTAL DFA	19,500**	130	16,000	115	11,245
<u>FOOD AID:</u>	<u>5,391</u>	<u>3,275</u>	-	-	<u>3,116</u>
TOTAL DFA/FOOD AID RESOURCES	24,891**	3,405	16,000	115	14,361

* Horizontally, for each sector/sub-sector activity, the total of dollar amounts may exceed the total amount for the activity.

AFRICA BUREAU TABLE I
FY 1990 ANNUAL BUDGET SUBMISSION

DFA AND FOOD AID REPORTING MATRIX
(\$000)

SECTOR/SUBSECTOR	TOTAL	PROGRAMMING MODALITIES			
		POL REF	NPA	WID	PRIV SECT
<u>DFA:</u>					
NATURAL RESOURCES MGT. BIODIVERSITY TROPICAL FORESTS	200				
FACILITIES OF AGRICULTURE AGRICULTURAL RESEARCH AGRICULTURAL MARKETING AGRICULTURE, N.E.S.	2,000 5,000 7,485	2,000 5,000	7,485		2,000 4,000
POPULATION	720	320			400
HEALTH AIDS CHILD SURVIVAL	2,028				2,028
PRIMARY EDUCATION SECONDARY EDUCATION VOCATIONAL EDUCATION OTHER EDUC/HRD	200	40		100	120
DEVELOPMENT MANAGEMENT	395	60			335
FINANCIAL MARKETS					
INFRASTRUCTURE					
ENTERPRISE DEVELOPMENT					
OTHER					
TOTAL DFA	<u>11,000</u>	<u>2,420</u>	<u>7,485</u>	<u>100</u>	<u>4,855</u>
<u>FOOD AID:</u>	<u>7,028</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>4,028</u>
TOTAL DFA/FOOD AID RESOURCES	<u>18,028</u>	<u>7,420</u>	<u>7,485</u>	<u>100</u>	<u>8,883</u>

* Horizontally, for each sector/sub-sector activity, the total of dollar amounts may exceed the total amount for the activity.

AFRICA BUREAU TABLE I
 FY 1990 ANNUAL BUDGET SUBMISSION
DFA AND FOOD AID REPORTING MATRIX
 (\$000)

SECTOR/SUBSECTOR	TOTAL	PROGRAMMING MODALITIES			
		POL REF	NPA	WID	PRIV SECT
<u>DFA:</u>					
NATURAL RESOURCES MGT.					
BIODIVERSITY	500				500
TROPICAL FORESTS	300				300
FACILITIES OF AGRICULTURE					
AGRICULTURAL RESEARCH					
AGRICULTURAL MARKETING	7,000	7,000			3,500
AGRICULTURE, N.E.S.	18,855		18,855		10,000
POPULATION	50	50			
HEALTH					
AIDS					
CHILD SURVIVAL	2,028				2,028
PRIMARY EDUCATION					
SECONDARY EDUCATION					
VOCATIONAL EDUCATION					
OTHER EDUC/HRD	200	40		100	120
DEVELOPMENT MANAGEMENT	95	65			35
FINANCIAL MARKETS					
INFRASTRUCTURE					
ENTERPRISE DEVELOPMENT					
OTHER					
TOTAL DFA	<u>20,000</u>	<u>155</u>	<u>18,855</u>	<u>100</u>	<u>10,955</u>
<u>FOOD AID:</u>	<u>9,028</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>5,528</u>
TOTAL DFA/FOOD AID RESOURCES	<u>29,028</u>	<u>7,155</u>	<u>18,855</u>	<u>100</u>	<u>16,483</u>

* Horizontally, for each sector/sub-sector activity, the total of dollar amounts may exceed the total amount for the activity.

AFRICA BUREAU TABLE II
 FY 1990 ANNUAL BUDGET SUBMISSION
 PIPELINE ANALYSIS AND MODIFICATION TO LOP AND PACD
 (\$ 000)

Project Number	Project Title	Total Cost Auth Plan	Oblig. Thru FY 1987	FY 1987 Pipeline	FY 1988 Oblig. Expend.	FY 1989 Oblig. Expend.	FY 1990 Oblig. Expend.	Current PACD	Proposed PACD
687-0101 9/30/89	Agricultural Rehabilitation Support (ESF)	6844 6819	6819	2390	- 2000	- 390	- -	9/30/89	9/30/89
	Agricultural Rehabilitation Support (DFA)	8000 7416	7416	5732	- 4000	- 1732	- -	9/30/89	9/30/89
687-0102	Economic Policy Reform Program	- 45075	-	-	18735 3000	7485 16500	18855 20000	6/30/91	6/30/91
687-0103	Amber Mt. Conservation and Development	- 200	-	-	200 50	- 125	- 25	7/31/90	7/31/90
687-0104	Masoala Conservation and Dev.	250	-	-	250 25	150	- 75	8/31/90	8/31/90
687-0105	International Rice Research Institute	- 5000	-	-	- -	2000 300	- 1200	6/30/94	6/30/94
687-0106	Ranomafana National Park	- 200	-	-	- -	200 100	- 100	1/31/91	1/31/91

* Includes special AERPR funds (\$ 10.0 million)

Project Number	Project Title	Total Cost Auth	Oblig. Thru FY 1987	FY 1987 Pipeline	FY 1988		FY 1989		FY 1990		Current PACD	Proposed PACD
					Oblig.	Expend.	Oblig.	Expend.	Oblig.	Expend.		
87-0107	Southern Madagascar- Conservation/Development	200	-	-	-	-	-	-	200	100	11/30/91	11/30/91
87-0108	Amber Mt., Phase II	300	-	-	-	-	-	-	300	100	12/31/92	12/31/92
87-0109	Masoala Peninsula, Phase II	300	-	-	-	-	-	-	300	80	1/31/93	1/31/93
87-3000	Bureau of Census	270	-	-	-	270	170	-	-	100	6/30/91	6/30/91
87-0510	Program Develop- ment and Support	cont'd	-	-	115	100	250	395	95	200	-	Continuing -
88-0462	Family Health Initiatives	100	-	-	-	50	50	-	50	50	6/30/91	6/30/91
88-0463	Human Resources Development	1600	-	-	200	90	200	200	200	200	9/30/95	9/30/95
86-3039	Mgt. Sciences Health	400	-	-	-	-	400	200	-	200	9/30/95	9/30/95

AFRICA BUREAU TABLE III
 FY 1990 ANNUAL BUDGET SUBMISSION
PVO ACTIVITY
 (\$000)

<u>Project Grant Number Obligations</u>	<u>Project Title</u>	<u>PVO Name (US/Non U.S.)</u>	<u>Source of Funding</u>	<u>FY years</u>	<u>Total PVO LOP - \$</u>	<u>FY - 88 Obligations</u>	<u>FY - 89 Obligations</u>	<u>FY - 90 Obligations</u>
687-0103	Amber Mt. Conservation and Development	CRS/WMF-I	DFA(OYB)	88-89	100	200	---	---
687-0104	Masoala Conservation and Development	Missouri Botanical Gardens(US) SAFAFI (local)	DFA(OYB)	88-89	100	250	---	---
S & T/APR-ARDN	Beza-Mahafaly Reserve No. 11 Project	WWF/USA	Centrally Funded (ST/FENK) & (AFR/TR-FVA/PVC)	87-92	100	27	200	---
687-0106	Ranomafana	Duke (US)	DFA(OYB)	89-91	100	---	200	---
687-0107	Southern Madagascar Conservation & Development (Baza Mahafany et Reserve No 11, continued)	WWF/USA	DFA(OYB)	90-92	100	---	---	200
687-0108	Amber Mt., Phase II	CRS/WMF-I	DFA(OYB)	90-92	100	---	---	300
687-0109	Masoala Peninsula Phase II	Missouri Botanical Garden (US) & SAFAFI (local)	DFA(OYB)	90-92	100	---	---	300
936-3039	Mgt Sciences for Health	FISA (local)	DFA(OYB)	89-91	100	---	400	---

AFRICA BUREAU TABLE IV
FY 1990 ANNUAL BUDGET SUBMISSION

Regionally and Centrally Funded Project Buy-ins

Project/Number -----	FY 1988 Estimate -----	FY 1989 Planned -----	FY 1990 Proposed -----
Human Res. Devel. Assist/698-0463	200	200	200
Bureau of Census/687-3000	-	270	-
Program Development and Support/687-0510	115	395	95
Family Health Initiatives/ 698-0462	-	50	50
Management Sciences for Health/936-3039	-	400	-

AFRICA BUREAU TABLE V
FY 1990 ANNUAL BUDGET SUBMISSION
CENTRALLY FUNDED ACTIVITIES

<u>Project Number</u>	<u>Project Name</u>	<u>Organization Implementing (U.S./Non U.S)</u>	<u>LOP (Yrs)</u>	<u>LOP (\$000)</u>	<u>FY - 88 Obligations</u>	<u>FY - 89 Obligations</u>	<u>FY - 90 Obligations</u>
<u>I. Directly Related to Mission Portfolio:</u>							
DSPE-CA-003	Program in Int'l Education in Gynecology & Obstetrics (JHPIEGO)	Johns Hopkins University	Continuing	-	50	60	70
XXXXXXX	Family Planning Service Delivery	Enterprise Program (JST)	2 years	-	97	110	-
DPE-0632-A- 00-3008-00	Natural Family Planning	IFFLP	3 years	61	20	21	-
DPE-A-00-2001	Voluntary Surgical Contraception	AVSC	Continuing	-	30	45	45
XXXX (1)	Family Planning Materials	FPIA	Continuing	-	70	170	90
XXXX (1)	Options	Futures Group	Continuing	-	10	50	20
XXXX (1)	Demographic Data Initiative	EUCEN	Continuing	-	10	50	20
XXXX (1)	IMPACT	Pop Reference	1-1/2 years	-	40	40	-
(1) Project number not known to OAR/Madagascar.							
<u>II. Indirectly Related To Mission Portfolio:</u>							
698-0433	AFGRAD	A.A.I.	Continuing	-	184	184	184
<u>III. Not Related to Mission Portfolio:</u>							
NONE							

AFRICA BUREAU TABLE VI. A.
FY 1990 ANNUAL BUDGET SUBMISSION

Methods of Accountability for Local Currency Expenditures
For FY 1988
(\$000)

<u>Source/Type of Expenditure</u>	<u>Amount</u>	<u>Method of Accountability</u>	<u>USAID or Govt Action</u>
I. FSF			
A. Food crop development, ag. research rural infrastructure	400	Quarterly govt and bank statement	Govt
B. Private sector programs	-	"	Govt
C. Host Country project monitoring costs	54	"	Govt
D. Trust Fund	90	RFMC account-ability	Mission/RFMC
II. DA			
A. Public Sector Activities	460	Quarterly Govt report and bank statement	Govt
B. Private Sector Activities	100	"	Govt
C. Public Sector Recurrent Budget Expenses	50	"	Govt
D. A.I.D. Operating Expenses	60	RFMC account-ability	Mission/RFMC
III. PL 480			
A. Public Sector Activities	3.0	Quarterly Govt report and bank statement	Govt
B. Private Sector Activities	-	"	Govt
C. Public Sector Recurrent Budget Expenses	0.9	"	Govt
D. A.I.D. Operating Expenses	-	RFMC account-ability	
TOTAL	<u>5,114</u>		

Local Currency
Programming and Accountability Plan

Sources of Counterpart Funds

OAR/Madagascar, until the end of May 1988, has generated counterpart funds from three sources. In June, 1988, two new sources will be added, replacing the current ones and representing a modified approach to programming counterpart funds in Madagascar.

Prior to June, 1988, the three principal sources have been:

PL480 Title I:	\$53.0 million
Madagascar Agriculture Rehabilitation and Support (MARS 687-0101):	
Total grant (April 1985 - Sept. 1987):	(\$14.2 million)
Counterpart generated from DA portion:	\$ 5.7 million
Counterpart generated from ESF portion:	\$ 5.7 million
Total Counterpart:	\$11.4 million
PL480 Title II, Section 416 (Sugar quota compensation):	\$ 2.6 million (1987-88)

This program will probably not be renewed.

Beginning in June 1988, OAR/Madagascar expects to replace PL480 Title I by a Title II Section 206 Program, valued at \$3.2 million (transport included). This grant program, for the importation and sale of vegetable oil, is planned to reach \$5.0 million in 1989 and \$7.0 million in 1990.

Also in June, 1988, OAR/Madagascar plans to sign an Economic Policy Reform Program Agreement for \$18.7 million, including \$16.0 million of goods which will produce counterpart funds. Pending the results of this first year, this program is currently scheduled to continue in FY 1989 (\$7.5 million) and FY 1990 (\$18.9 million), most or all of which will yield counterpart currencies.

Use of Counterpart Funds

From the beginning of the PL480 Title I program in 1981, when the Madagascar program was directed from REDSO/ESA, until September 1984, when a small resident A.I.D. office opened in Antananarivo as part of REDSO/ESA, counterpart funds were jointly programmed by Madagascar's General Direction of Planning (DGP) and by REDSO staff

in Nairobi. The general purpose of these funds was to support Madagascar's Public Investment Plan for the repair of rural infrastructure necessary to rice production, marketing and research. Even though programming responsibilities devolved from REDSO to AID/Antananarivo beginning in 1985, these broad guidelines allowed a proliferation of small projects, --166 have been completed and 202 were currently underway by December 1987-- which were conducted by a multitude of government agencies (15 separate entities).

In February-July, 1986, AID/Antananarivo directed the first full-scale evaluation of the Title I portfolio to identify on a sample basis those project types, and their sponsoring agencies, which appeared most effective. This evaluation pointed up the remarkable popularity of this grass-roots, small project approach both with governmental officials and with their local constituencies. A second evaluation conducted in March-May, 1987, however, concluded that this use of counterpart funds had a negligible effect on raising national rice production. The 1987 evaluation strongly recommended that counterpart funds should be concentrated in support not of small projects but of a national rice intensification program with multi-donor support.

Because of the strong political appeal of the PL480 Title I program as originally constructed, and while recognizing the management burden it has carried, the GRDM has not wished to abandon the small project approach all at once. In April 1987, therefore, the DGP agreed to program half (50%) of available remaining funds in support of large A.I.D. and other donor projects in A.I.D.-emphasis areas, including private sector credit. The remaining 50% of funds would continue to support small-farmer production through village level projects. The Team which reviewed the Madagascar program in the fall, 1987, urged that this trend towards programming "larger chunks" of funds be continued and pushed farther (Concept Paper, December, 1987, pp.30-32).

This recent move has had two consequences for the use of counterpart funds. For those funds which remained unprogrammed by May 31, 1988, OAR/Madagascar and the DGP have agreed on four large donor projects, and (in principle) a fifth area, for the allocation of U.S. counterpart. There are:

IRRI (rehab. of rice research stations)	\$2.0 m per year
IBRD Household energy/fuelwood	\$2.3 m (3 yr.total)
UNICEF Child survival	\$1.5 m (5 yr.total)
National Census (with UNFPA)	\$2.0 m (4 yr.total)
Total	<u>\$7.8 million</u>

The fifth area, still under active discussion, is the use of counterpart funds to provide credit to the Malagasy private sector. Here, the stumbling block has been the lack of an appropriate financial institution to serve as intermediary. Madagascar's banks are 100% government owned, in deep difficulty, and facing a major

transformation. Cooperatives and other possible channels of funds are controlled by the ruling Party. In 1988, however, A.I.D.'s role (through RHUDO) in assisting with the design of a Mutual Savings Society to provide long term loans for home purchase by moderate-low income families has provided an attractive prospect. While not falling in OAR/Madagascar's prime emphasis area --agriculture liberalization and production-- the Housing Institution represents other opportunities: it will be Madagascar's first private financial institution since the Revolution (1975), and, at a time of prolonged structural adjustment in Madagascar, would directly create employment in the building industry (9,000 jobs by year five, 90,000 by year ten) and, indirectly, in the building materials industry. This prospect is further discussed in OAR/Madagascar's Private Sector Agenda, annexed to this Budget. The Mutual Saving/Housing Institution, which A.I.D. would support with other donors (the FED and probably France's Caisse Centrale), would require \$4.6 million in local currency in the first three years at current exchange rates, a total of \$8.8 million within the first five years, and a maximum of \$19.2 million by the eleventh year.

The move towards programming counterpart funds for larger projects, and in more concentrated areas, which support A.I.D./GDRM's priorities in Madagascar, has had a second consequence. Both the projects in preparation for signature in June, 1988, will carry the process even further. The PL480 Title II Section 206 grant, for \$3.2 million, presents this illustrative local currency budget:

IRRI/FOFIPA Rice research	\$2.0 million
Small farmer irrigated agriculture	0.7
GDRM Environmental Action Plan	0.5
	<hr/>
	\$3.2 million

The Madagascar Economic Policy Reform Program (total value \$18.7 million), going a step further, will program 100% of the counterpart produced under the project --\$16.0 million-- to a single multi-donor program: Madagascar's Seventh Highway Project (\$144 million) for the development of priority feeder roads for agriculture production. This project, in which the World Bank is the largest donor, will be co-financed by the African Development Bank and Fund, Swiss Aid, and NORAD.

A small percentage of the total counterpart currency is allocated in support of GDRM costs of monitoring the overall program. The Treasury, which pays the bills of the local currency projects, has enlarged its office facilities, purchased office equipment, and employed additional staff in order to cut the lag time for voucher payments from six months to less than two. The General Direction of Plan, which programs the currencies, is using counterpart funds to employ a local firm to perform the continuous monitoring and evaluation of on-going activities. Each Ministry with a primary role in the use of counterpart funds uses a small

proportion to cover supervision and control costs. For example, the Ministry of Agriculture (MPARA), which is by far the largest employer of U.S. counterpart currencies, used only FMG 98 million to supervise five years of projects (FY 1981-85) with a total value of FMG 6.9 billion, or 1.4% of funds allocated. To improve the supervision by the Ministeries, in addition to annual A.I.D. evaluations and continuous DGP monitoring, OAR/Madagascar has agreed to slightly increase the amount of funds to cover GDRM recurrent costs associated with the administration of the program.

Beginning in FY 1986, U.S. counterpart funds have been allocated to a Trust Fund, amounting to \$125,000 per year, to cover all the local costs of running the AID office in Madagascar. As the office grows into a full mission, the Trust Fund is scheduled to expand accordingly, with counterpart provided from the MEPRP project.

Procedures for Counterpart Currencies

In accord with each agreement, counterpart funds equivalent to the FOB dollar value of imported food and other commodities have been deposited into special accounts opened in the GDRM Central Bank. The GDRM Treasury disburses these funds to projects agreed upon jointly by OAR/Madagascar and the GDRM. The Treasury provides OAR/M with quarterly reports on these accounts. Price Waterhouse Associates, under contract with RFMC, performed an accounting review of the local currency program in September 1987 and concluded that "the (GDRM) accounting system is adequate to monitor the deposit, control and disbursement of A.I.D. financed local currency."

The programming of currencies jointly by OAR/M and the GRDM, following the self-help measures set forth in each agreement, has been a time-consuming process. Months pass while the Ministeries receive and sort project requests, then pass them to the General Direction of Plan for collation and forwarding to OAR/M on a single master list corresponding to the year of the agreement. In June, 1988, for example, OAR/M is expecting receipt momentarily of the master list for projects which will be financed from PL480 Title I 1986 currencies. After receiving the master list, OAR/M reviews the titles and types of projects in order to eliminate activities which do not appear to meet program criteria. Once the list has been established, there is further delay until individual project "fiches" of 2-3 pages can be forwarded to OAR/M for inspection. Some projects are accepted straight away while others are turned down or sent back to DGP for clarification. More time passes. Additional staff time is spent in preparing an annual report in November-December both by the GDP for A.I.D. and by REDSO and OAR/M for AID/W. The attempt to reduce the number of projects described above will certainly reduce the amount of OAR/M time currently spent in managing the program, estimated at 4 person months each year.

The Larger Questions

OAR/Madagascar has contracted with a macro-economist, familiar with A.I.D. programs, to review the counterpart program described above in view of:

- a) the overall GDRM financial context with which A.I.D.-generated counterpart must fit;
- b) the extent to which activities funded with local currency generations are additional to those which the GDRM would undertake in any case using its own funds;
- c) the implications of such financing for the government deficit, nominal aggregate demand, balance of payments and inflation;
- d) the financial and economic implications for the Malagasy economy of programming local currency on-budget (as the World Bank and IMF prefer, and as the MEPRP will do) or off-budget, as A.I.D. has done until now in Madagascar;
- e) additional congressional requirements for the monitoring of local currency use.

This study, which will be performed separate from, but at the same time as, the annual evaluation of the Madagascar counterpart program (July 1988), will serve to guide the uses, and processes, of the program beginning with the appropriate new projects planned for FY 1989.

PROJECTED FY 1989 PD & S REQUIREMENTS

<u>APPROPRIATION</u>	<u>ACTIVITY BY PRIORITY</u>	<u>OBLIGATION CODE</u>	<u>CATEGORY USE</u>	<u>PD&S AMOUNT REQUEST</u>	<u>PLAN MON OF OBL.</u>
DFA	Madagascar Agriculture Rehabilitation and Support	687-0101	Agriculture	15	Nov. 88
	PL 480 Title II (CRS)	PL	Food	15	Apr. 89
	PL 480 Title I	PL	Counterpart	30	Jun. 89
	PL 480 Title II (206)	PL	Food	20	Dec. 88
	UNICEF EPI	-	Child Survival	15	July 89
	Employment Generation Study	-	SME	100	Jan. 89
	AG Processing Study	-	Agriculture	100	Mar. 89
	Training Needs Assessment	-	Private Sector	100	June 89