

DATE: July 25, 1990

REPLY TO USAID/Malawi  
ATTN OF: Project Implementation and Development (PID) Office

SUBJECT: Program Closeout Report: Title II (Trilateral Swap)  
Agricultural Commodity Foreign Donation Agreement, dated  
November 11, 1988

TO: Distribution

The subject document(s) is forwarded to you for your  
information and files.

DISTRIBUTION

USAID/Malawi

AFS Office Project File (original)  
AFS Project Officer  
PAE Office  
CONT. (incl. RFMC)

REDSO/ESA

RFFPO  
File Room

AID/W

AFR/SA  
**AFR/PD/IPS**  
AFR/PD/SAP  
FVA/FFP/AFR (Att: MS. JEANNE MARKUNAS)

**MALAWI  
PROGRAM CLOSE-OUT REPORT**

**Program Title:** Title II (Trilateral Swap) United States  
Government Agricultural Commodity  
Foreign Donation Agreement

**Date of Agreement:** November 11, 1988

**Signatories:** The Government of the United States  
(Commodities Credit Corporation)

The Government of the Republic of Malawi

The Government of Zimbabwe

**Commodities/Tonnage:** 20,000 Metric Tons Bagged A-B Quality  
White Maize for 20,000 Metric Tons Bulk  
U.S. No. 2 Wheat

11

11

## I. PROGRAM DESCRIPTION

### Purpose

To provide food aid to approximately 640,000 Mozambican refugees in Malawi by the importation of 20,000 MT of white maize from Zimbabwe under a tripartite agreement.

### Plan

The white maize was obtained by the U.S. Agency for International Development (USAID) from the Government of Zimbabwe (GOZ) by a barter agreement in which the the United States Government (USG) would transfer and deliver U.S. wheat to Zimbabwe in exchange for Zimbabwe white maize to be delivered to the Government of Malawi.

The maize was consigned to Casalee Cargo Ltd. in either Blantyre or Lilongwe. Casalee Cargo designated the delivery of maize to milling sites and/or warehouses in Blantyre and Lilongwe. World Food Program (WFP) had responsibility for the distribution, milling and packaging of maize in Malawi. The Malawi Red Cross/League of Red Cross had responsibility for actual distribution to the beneficiaries.

### Implementation and Accomplishments

On May 27, 1989 a total of 19,886.4 MT of wheat was received by the Grain Marketing Board (GMB) of Zimbabwe, acting as representatives of the GOZ in Durban. In exchange, and before actual receipt of the wheat, the GMB released the initial 19,000 MT of white maize to Casalee Cargo in Blantyre and Lilongwe, over the period of November 1988-January 1989. The total net metric tonnage of maize delivered to Casalee Cargo was a function of the total amount of bulk wheat delivered at Port of Durban. As of July 1989 the final metric tons of wheat were actually received by GMB and the release of the remaining 886.4 MT of maize to Malawi was completed. The maize was provided in bags labelled "Gift of the U.S.A."

Delivery schedule in Malawi originally called for 11,000 MT of maize to be delivered in Lilongwe, however a revised schedule resulted in:

WFP Blantyre	15,000 MT
WFP Lilongwe	2,000 MT
WFP Lilongwe	3,000 MT*

(\*Payback by WFP for 3,000 MT of yellow maize borrowed under Section 416 agreement).

These changes to the originally established plan were due to:  
(1) rapid responses to WFP food requests creating congestion at warehouses, coupled with (2) difficulties in finding permanent warehousing. It resulted in a better plan, however, because it saved

USAID money on transport, eased pressure on storage facilities and allowed MITCO to keep running at full capacity along the Tete Corridor.

Due to the experience gained and planning implemented during the first tripartite agreement 1987/88, this trilateral swap of 20,000 MT was implemented in an efficient and timely manner. 16,886 MT of maize was milled and distributed to the approximately 640,000 refugees within a period of three months with no appreciable loss. 3,000 MT of yellow maize had been borrowed from the Section 416 Agreement and distributed to the refugees in October and November 1988. Therefore, the agreement of 20,000 MT of maize for refugee distribution was accomplished in the time frame required.

The remaining tonnage of this agreement of 3,000 MT was received by the GOM and delivered through September 1989 to approximately 400,000 Malawian victims of drought in the lower Shire Valley and mealy bug infestation in the North. This was the replacement (3,000 MT) maize which had been diverted from the Malawian relief work in October and November 1988 to the refugee feeding program. The amount of 442 MT was lost due to storage and transportation in the distribution process. A small amount of maize (312.6 MT) remained (at the time of phase-out report preparation) in the warehouse at Nkhotakota awaiting disbursement by the GOM, probably during the rainy season January - February 1990.

This trilateral program was the best implemented of any of the USAID food aid agreements. The success was due to good planning and communications; experience gained by all parties through previous food aid agreements; and no major difficulties with transportation or storage of maize. The losses were very small in trans-shipment to Malawi, actually setting a record, with the 15,000 MT trucked to Blantyre sustaining a loss of only .160% of a MT. The refugee distributions in Malawi were also efficient and timely. The only problem and holdup being the remaining 886.4 MT held for six months by the GMB. This final distribution was carried out in July and August 1989.

## II. SHIPPING (N/A)

### III. INLAND TRANSPORTATION

Means: Road

Loading Points: Mvurwi, Zimbabwe via Tete Corridor to Blantyre; Mlangura, Zimbabwe via Chirundu to Lilongwe

Point of Entry: Mwanza, Malawi for Blantyre; Mchinji, Malawi for Lilongwe

Consignee/Agent: Casalee Cargo Ltd.; MITCO

Loading/Off-loading Surveys:	15,000 MT	Blantyre, WFP
	2,000 MT	Lilongwe, WFP
	3,000 MT	Lilongwe, WFP

\* (Payback by WFP for 3,000 MT yellow maize)

Surveys conducted by Societe Generale de Surveillance (SGS) and Casalee Cargo.

Contracting Arrangements: Letter of Agreement between USG and GOZ obligated funds required for the transportation of the maize from Zimbabwe to Malawi: U.S. \$2,709,000, paid to transporters of the maize-- MITCO.

Memorandum of Understanding between USG, UNHCR and WFP obligated funds required for inland transportation and handling costs within Malawi: U.S. \$577,560. In addition, designated UNHCR responsible for payment in full of all milling costs of 20,000 MT: MK 860,000.

Consignment notes; retained by MITCO

### IV. PROCESSING

Milling: 16,886 MT white maize

Agents: GMC, Blantyre; KK Millers, Lilongwe and Blantyre; RAB Processors, Blantyre.

Financial Arrangements: Memorandum of Agreement between USG, UNHCR, WFP stated UNHCR responsibility for payment in full for all milling costs: MK 860,000.

## V. DISTRIBUTION

**Who:** Approximately 640,000 Mozambican refugees

**What:** 16,886 MT milled white maize, included with 3,000 MT of yellow maize borrowed from Section 416 Agreement distributed in October and November.

**Where:** Distributed at these refugee camps by the Malawi Red Cross:

26,750 refugees	Lilongwe
120,570 refugees	Dedza
135,790 refugees	Ntcheu
3,130 refugees	Mchinji
27,100 refugees	Mangochi
13,980 refugees	Machinga
40,750 refugees	Mulanje
21,840 refugees	Mwanza
31,030 refugees	Chikwawa
219,240 refugees	Nsanje

**When:** November 1988 - August 1989. The bulk of the distribution 16,537 MT of white maize and 3,000 MT of yellow maize took place over the period of October 1988 to January 1989. The remaining 349 tonnage held back by GOZ was released in July 1989.

**How:** The milled maize was trucked from the millers and distributed to the refugees by the Malawi Red Cross under the supervision of WFP.

**Reporting:** WFP, MRC, UNHCR

## VI. LOSSES

The only apparent loss in this program was of 442 MT due to storage and transportation problems encountered in the (add-on) portion of the program for Malawian relief that resulted from a WFP pay-back of tonnage borrowed from an earlier Section 416 program. USAID/Malawi has informed GOM of the losses ascertained by the close-out report.

## REFERENCES:

Program Implementation Reports; USAID  
Six Month Reports; USAID  
Consignment Notes; MITCO  
Distribution Reports; OPC, WFP, USAID, UNHCR, MITCO  
Files FPC 2-7 to FPC 2-7.6; USAID