

UNCLASSIFIED

**Annual Budget
Submission**

FY-1994

MADAGASCAR

JULY 1992



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

UNCLASSIFIED

BEST AVAILABLE

MADAGASCAR (687)

FY 1994 ANNUAL BUDGET SUBMISSION

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UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT

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June 13, 1992

A. David Lundberg, Director
Office of Eastern Africa Affairs
Agency for International Development
Room 3909 NS
Washington, DC

Dear David,

USAID/Madagascar is pleased to submit its FY 1994 Annual Budget Submission for Bureau review and approval. This ABS builds upon the dialogue initiated during the visit of Senior Bureau Representatives in March and forms a bridge to September's CPSP review in AID/W. The submission reflects the broad outlines of our proposed CPSP program logframe which we have already shared with you.

Since your visit, USAID/Madagascar has made good progress toward implementing its two accepted strategic objectives in Natural Resources and Population. With the May signing of the KEPEN program added to the ongoing SAVEM project and current and planned debt-swaps, our environmental portfolio is fully in place to support Agency, Mission and Malagasy biodiversity and natural resource objectives. Similarly, the June signing of the \$33 million APPROPOP project sets the stage for what we are confident will be a rapid expansion of family planning services which will have measurable impact on national fertility reduction before the end of the decade.

Based on comments by the Bureau Team, further Mission analysis and technical support from Management Systems International, we have developed two other strategic objectives and identified initial interventions in support of the Sub-Goal of stimulating and multiplying competitive markets:

Strategic Objective No. 1, Promote Private Investment, will be supported by \$14.5 million Financial Market Development Program under AEPRP funding which will address the inadequate level of domestic savings in Madagascar. Reforms are contemplated in three areas: Central Bank independence and operations; independence and improved operations of the Rural Savings Bank of Madagascar; and support for the development of a competent, independent GAO-equivalent and the local private accounting industry.

USAID/Madagascar: FY 1994 ABS Memo

Strategic Objective No. 2., High Potential Zone Growth Multiplies National Market Activity, will be addressed in the first instance by a \$48 million combined Commercial Agriculture Promotion NPA/ Title III, an innovative package suggested by the Bureau Team.

This effort will focus on policy dialogue in three areas:

(a) rice pricing and marketing; (b) liberalization and privatization of seed production and distribution; and (c) a supportive legal, legislative and regulatory environment for non-traditional exports.

As a Mission, we are very excited about both of these new activities. They leverage and complement other multi-lateral and bilateral donors efforts and are symbolic of the Mission's intent to make a difference in the economic growth arena. For FY 94 we have not proposed any new starts, preferring to defer to our CPSP review. We have, however, identified the Small Project Assistance Program in support of the newly signed Peace Corps Agreement.

~~One issue I wish to flag for the Bureau is that we cannot realistically be a major player in Madagascar in the development of competitive markets as well as the environment and family planning if DFA budget resources are straight-lined at roughly \$30 million annually. At the end of FY 1993, you will note that our portfolio mortgage will have risen to \$95.4 million, a figure 50% higher than FY 92, which would effectively preclude full involvement in both new strategic objectives without an increase in the annual assistance to at least \$40 million.~~

With regard to USDH staffing, we are presenting a revised Mission organization and staffing plan to AID/W at the same time as the ABS. After careful analysis, we have concluded that a minimum of 15 USDH positions are needed to support CPSP implementation. The three last slots cleared by the Ambassador are: (a) an Agribusiness Officer, the third DH in the new Market and Business Development Office; (b) a Supervisory Natural Resources Officer to head the new NR Office; and (c) a Contracting Officer to take on the heavy contracting load required under program expansion over the next four years. For the current ABS, we have used the 14 USDH FTE level provided by the Bureau. By FY 1994 we will need an FTE level of 15-DH level to carry out Mission reorganization and staffing plans, which are in line with a Bureau focus country and an expanded portfolio in support of our new CPSP.

At this time, I would like to bring to your attention the significant strides we have made in local currency programming and accountability over the last six months. USAID/Madagascar has taken the lead within the donor community in remedying past vulnerabilities and in working with technical ministries to put standard financial and managerial systems and controls in place for the future. Our efforts so far have led to:

1. Consolidation of 23 existing U.S. local currency counterpart fund accounts into four;

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2. Accounting for past programming of approximately \$25 million equivalent in outstanding local currency balances;
3. Identification of an additional \$5 million to be made available for ongoing projects;
4. GOM approval of \$3.835 million for the AID OE trust fund account, including a first tranche deposit in May of \$617,500;
5. Agreement on programming the balance of \$1.5 million over the next two years for drought rehabilitation in the South and other mutually agreed priorities;
6. Resolution of a serious bottleneck in the release of local currency funds for ongoing AID-funded projects; and
7. A plan to computerize counterpart funds management along with technical assistance and training for Ministry of Budget and Plan and Ministry of Finance personnel in collaboration with other donors.

While we still have a ways to go in fully implementing these reforms, the steps taken so far give us the confidence and financial accountability to consider new commodity import programs and other local currency generating interventions within the forthcoming CPSP period. Such a statement could not have been made in last year's ABS.

At the same time we have not neglected the implementation of our ongoing projects, despite the unsettled climate of the transition to democracy. We have paid particular attention to improving implementation monitoring, resolving issues, establishing Mission operating procedures, carrying out evaluations of our Rice Research Project and conservation grants and tightening our internal controls and actively working to close outstanding audit recommendations.

As a final point, I would like to reiterate our support for the concept of in-country preliminary CPSP reviews. The ability to interact on site with senior Bureau officials was invaluable, among other things, in laying a mutually agreed foundation for this ABS.

We look forward to continued dialogue on how Bureau and Mission Management can effectively use our scarce assistance resources to propel Madagascar into a rapid development trajectory characterized by political pluralism and economic competitiveness.


George Garner
Mission Director

TABLE 1 : APPROPRIATION SUMMARY (\$000)

ACCOUNT	FY 1991 ACTUAL	FY 1992 ESTIMATE	FY 1993 CP	FY 1993 PLANNED	FY 1994 PROPOSED	FY 1995 PROPOSED

PVT. SECTOR, ENVY & ENERGY	455					
FUNCTIONAL DEVELOPMENT ASSISTANCE TOTAL:	455	0	0	0	0	0
DEVELOPMENT FUND FOR AFRICA PL400 III	9,800	40,000	28,700	29,700 5,000	29,700 7,000	29,700 8,000
INTERNATIONAL DISASTER ASSISTANCE	143	200				
DEVELOPMENT ASSISTANCE TOTAL:	10,198	40,200	28,700	34,700	36,700	35,700
DA & ESF TOTAL:	10,198	40,200	28,700	34,700	36,700	35,700
PL 480 TITLE II	7,585	* 2,400	2,332	2,332	2,598	2,700
PL 480 TITLE III			5,000	6,500	8,500	8,500
OPERATING EXPENSES (U.S. \$)	1,900	2,100	2,100	2,100	2,100	2,100
TRUST FUNDS (U.S. \$)	764	900	1,120	1,120	1,200	1,200

* PROG 416 EMERGENCY FOOD AID 1.7 MILLION

TABLE IV : PROJECT BUDGET DATA (U.S. \$000)

PROJECT FUND MPA NUMBER SRC	IND INIT/FINAL AUTH	OBLIG DATE	--TOTAL COST-- PLAN	OBLIG THRU FY 1991	--FY 1992 EST.--		--FY 1993 PLANNED--		--FY 1994 PROP.--		FY 1995 OBLIG PROP	PACD
					OBLIG ATTIONS	EXPEND ITURES	OBLIG ATTIONS	EXPEND ITURES	OBLIG ATTIONS	EXPEND ITURES		
687-0101		AG. REHABILITATION SUPPORT (CIP/TA)										6/30/92
FN G	CI	85 87	8,000	7,416	899							
ES G	CI	85 87	6,844	6,819	253							
PROJECT TOTAL:			14,844	14,235	0	1,152	0	0	0	0	0	
687-0102		AG. EXP LIBERALIZATION SUPPORT (MPA/TA)										8/31/95
SS G	NP	88 92	34,990	31,315	3,675	1,640	2,000			1,500		
687-0103		AMBER-HIT CONSERVATION & DEV										12/31/92
SS G		89 91	912	912		282	400					
687-0104		MASOALA CONSERVATION & DEV										3/31/92
SS G		88 88	450	450		200						
687-0105		INTERNATIONAL RICE RESEARCH INSTITUTE										2/31/94
SS G		90 90	5,600	5,600		1,000	1,500			1,500		
687-0106		RANOMAFANA NATIONAL PARK										8/31/93
SS G		90 90	3,237	3,237		1,350	1,700			37		
687-0107		POPULATION SECTOR SUPPORT (APPROPOP)										5/31/99
SS G		92 96	33,000	33,000	10,000	500	4,000	23,000	7,600	4,000	6,400	3/31/93
687-0108		AVOTRA ORPHANAGE										3/31/96
SD-G		89 91	455	455		455						
SS G		89 91	300	300		71						
PROJECT TOTAL:			755	755	0	526	0	0	0	0	0	
687-0110		SUS. APPROACHES VIA ENV. MGT (SAVEM)										9/30/95
SS G		90 94	26,600	29,700	4,000	2,912	8,000	4,400	4,400	4,400	6,810	
687-0112		DEBT FOR MATURE SWAP										5/31/97
SS G		89 92	1,000	2,500	1,500	224	500			1,000		
687-0113		KNOWLEDGE/EFF APPL/POL FOR ENVIR MGT										9/30/96
SS G		92 93	9,000	9,000	3,000	500	6,000	6,000				
687-0115		KNOWLEDGE/EFF APPL/POL FOR ENV MGT (MPA)										TBD
SS G		92 95	33,000	33,000	15,000	8,000	16,000	8,000	8,000	7,000	10,000	
687-0116		POPULATION POLICY REFORM (PA)										TBD
SS G		95 95	1,000	1,000			*	1,000			1,000	
687-0117		POPULATION POLICY REFORM (MPA)										TBD
SS G		95 99	15,000	15,000			*	15,000			3,000	

* FY 95 START - UNABLE TO DELETE AMOUNT FROM MORTGAGE TABLE

TABLE IV : PROJECT BUDGET DATA (U.S. \$000)

PROJECT FUND NUMBER	WPA IND	DATE	IND	INIT/FINAL AUTH	PLANNED COST	THRU FY 1991	EST. 1992 OBLIG	EST. 1992 EXPENDITURES	PLANNED 1993 OBLIG	PLANNED 1993 EXPENDITURES	PLANNED 1993 YR END MORTGAGE	1994 OBLIG	1994 EXPENDITURES	1995 OBLIG	1995 PROP	PACD
687-0110	SS G	PA 93 94			6,000		3,000	200	3,000	3,000		800				EST: 1997
687-0119	SS G	NP 93 96			24,000		10,000	6,000	14,000	4,000		6,000		7,000		EST: 1997
687-0510	SS G	00 99			6,500	2,535	1,425	625	1,540	760		1,000		760		CONTINUOUS
687-ATLA	SS G	00 C			5,000		1,200	1,200	1,200	1,200		1,200		1,200		CONTINUOUS
687-HRDA	SS G	00 C			1,100		200	200	500	700		700		300		CONTINUOUS
687-SPA-	SS G	PA 94 98			200					40		20		40		EST: 1999
687-TIII	** P3 G	NP 93 95			18,000		5,000	5,000	13,000	7,000		7,000		6,000		EST: 1997
938-3057	SS G	91 C			500											CONTINUOUS
REPORT TOTAL:					163,300	244,679	73,839	40,000	20,811	34,700	35,125	92,940	38,587	35,700		
APPROPRIATION SUMMARY																
FN					0	899	0	0	0	0	0	0	0	0	0	
SD					0	455	0	0	0	0	0	0	0	0	0	
SS					40,000	19,204	29,700	30,125	79,940	29,700	31,567	29,700	31,567	29,700	29,700	
** P3					0	0	5,000	5,000	13,000	7,000	7,000	7,000	7,000	6,000	6,000	
ES					0	253	0	0	0	0	0	0	0	0	0	
REPORT TOTAL:					40,000	20,811	34,700	35,125	92,940	38,587	38,587	38,587	38,587	35,700	35,700	

AC/SI AGGREGATE ANALYSIS
ACTIVITY CODES
(U.S. Dollars Thousands)

ACTIVITY	FY 1992 ESTIMATE		FY 1993 PLANNED		FY 1994 PROPOSED		FY 1995 PROPOSED	
	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM
AGAB AGRIBUSINESS.	1,286	3.2 X	4,500	13.0 X	3,504	9.5 X	3,254	9.1 X
AGIF AGRICULTURAL INFRASTRUCTURE.			900	2.6 X	700	1.9 X	650	1.8 X
AGPP AGRICULTURAL POLICIES & PLANNING			12,600	36.3 X	9,800	26.7 X	9,100	25.5 X
EDAL ADULT LITERACY					0	0.0 X	0	0.0 X
EDEC BASIC EDUCATION FOR CHILDREN					16	0.0 X	18	0.0 X
EDEI HUMAN RES DVLPT FOR EDUCATIONAL INSTITUTIONS.	468	1.2 X	250	0.7 X	350	1.0 X	150	0.4 X
EDID HUMAN RESOURCE DEVELOPMENT FOR INDIVIDUALS.	1,300	3.3 X	1,450	4.2 X	1,550	4.2 X	1,350	3.8 X
EVFR FORESTRY	2,100	5.3 X	2,400	6.9 X	1,328	3.6 X	0	0.0 X
EYMP ENVIRONMENTAL MGMT, PLANNING AND POLICY.	20,475	51.2 X	10,200	29.4 X	10,640	29.0 X	10,000	28.0 X
EYWR WATER RESOURCES MANAGEMENT	625	1.6 X	800	2.3 X	440	1.2 X		
HEDO DIARRHEAL DISEASE CONTROL/ORAL REHYDRATION THERAPY	1,000	2.5 X			764	2.1 X	644	1.8 X
PDAS PROGRAM DEVELOPMENT AND SUPPORT	1,425	3.6 X	1,000	2.9 X	760	2.1 X	760	2.1 X
PEBO BUSINESS DEVELOPMENT PROMOTION.	735	1.8 X						
PLTI TRADE AND INVESTMENT PROMOTION.	1,286	3.2 X						
PMCM FAMILY PLANNING CONTRACEPTIVES.	2,500	6.3 X			1,900	5.2 X	1,600	4.5 X
PHPD FAMILY PLANNING PROGRAM DEVELOPMENT	2,500	6.3 X			1,900	5.2 X	4,400	12.3 X
PHSD FAMILY PLANNING SERVICE DELIVERY	4,000	10.0 X			3,040	8.3 X	3,760	10.5 X
PSMG PUBLIC SECTOR ADMINISTRATION AND MANAGEMENT	300	0.8 X	600	1.7 X				
PROGRAM TOTAL	40,000	100.0 X	34,700	100.0 X	36,700	100.0 X	35,700	100.0 X

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AC/SE AGGREGATE ANALYSIS
SPECIAL INTEREST CODES
(U.S. Dollars Thousands)

	FY 1992 ESTIMATE		FY 1993 PLANNED		FY 1994 PROPOSED		FY 1995 PROPOSED	
	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM
SPECIAL INTEREST								
I. Substantive								
A. Spatial/Geographic Distrib. of Beneficiaries								
CIT	2,500	6.3 X			1,900	5.2 X	1,600	4.5 X
TWN	2,200	0.5 X	2,650	7.6 X	1,597	4.4 X	1,627	4.6 X
RUR	19,719	49.3 X	10,600	30.5 X	9,296	25.3 X	8,036	22.5 X
B. Special Targets								
WOMEN IN DEVELOPMENT: INTEGRATED								
WDI	1,000	2.5 X			4	0.0 X	564	1.6 X
CHS					764	2.1 X	644	1.8 X
CPF			450	1.3 X	275	0.7 X	325	0.9 X
DEC	13,500	33.8 X	450	1.3 X	7,475	20.4 X	9,325	26.1 X
PSD	644	1.6 X	4,895	14.1 X	3,318	9.0 X	3,712	10.4 X
TIP			2,520	7.3 X	1,540	4.2 X	1,820	5.1 X
INS	24,182	60.5 X	14,185	40.9 X	15,218	41.9 X	12,438	34.0 X
EDU					8	0.0 X	8	0.0 X
EPR	3,750	9.4 X	11,700	33.7 X	2,000	5.4 X	2,780	7.8 X
SPR	17,700	44.3 X			11,850	32.3 X	14,850	41.6 X
C. Food, Agriculture & Rural Development								
APP			1,260	3.6 X	770	2.1 X	910	2.5 X
AGRICULTURAL POLICIES AND PLANNING								
D. Energy/Environment								
EEF	4,000	10.0 X	8,000	23.1 X	4,400	12.0 X	4	0.0 X
REF	480	1.2 X	960	2.8 X	528	1.4 X		
SGC			4,000	11.5 X	10,200	27.8 X	10,000	28.0 X
BDV	17,956	44.9 X						
II. Institutional Mechanisms								
A. Public/Private								
PBL	22,071	55.2 X	11,588	33.4 X	12,613	34.4 X	12,943	36.3 X
PRT	1,667	4.2 X	125	0.4 X	175	0.5 X	75	0.2 X
B. PVO/NGOs								
PVU	1,275	3.2 X	2,000	5.8 X	1,138	3.1 X	32	0.1 X
PVL	5,050	12.6 X	2,000	5.8 X	4,178	11.4 X	2,592	7.3 X
C. International Agricultural Research Centers								
D. Universities								
E. Non-Profit Organizations								

AC/SI AGGREGATE ANALYSIS
SPECIAL INTEREST CODES
(U.S. Dollars Thousands)

SPECIAL INTEREST	FY 1992 ESTIMATE		FY 1993 PLANNED		FY 1994 PROPOSED		FY 1995 PROPOSED	
	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM
III. Research and Development Activities								
A. Applied Research								
RSS SOCIAL SCIENCE RESEARCH	585	1.5 X	200	0.6 X	380	1.0 X	344	1.0 X
RDC DEMOGRAPHIC DATA COLLECTION	1,250	3.1 X			950	2.6 X	800	2.2 X
ROR OPERATIONAL RESEARCH	330	0.8 X	60	0.2 X	228	0.6 X	192	0.5 X
B. Basic Research (if not applied or development)								
RBS BASIC RESEARCH (if not applied or development)							520	1.5 X
C. Development								
IV. Training								
TMA TRAINING, MALE	60	0.2 X	150	0.4 X	210	0.6 X	90	0.3 X
TFE TRAINING, FEMALE	240	0.6 X	100	0.3 X	292	0.8 X	160	0.5 X
TUS TRAINING, U.S.-BASED	57	0.1 X	50	0.1 X	70	0.2 X	150	0.4 X
TTN TRAINING, THIRD COUNTRY-BASED	300	0.8 X	75	0.2 X	310	0.8 X	610	1.7 X
TIC TRAINING, IH-COUNTRY	5,958	14.9 X	1,175	3.4 X	3,967	10.8 X	3,223	9.0 X
TPU TRAINING, PUBLIC	50	0.1 X	125	0.4 X	175	0.5 X	75	0.2 X
TPV TRAINING, PRIVATE	394	1.0 X	250	0.7 X	350	1.0 X	150	0.4 X
NDN NATURAL RESOURCES MANAGEMENT	23,500	58.8 X	14,000	40.3 X	12,400	33.8 X	10,000	28.0 X

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AC/SI SUMMARY REPORT
 (U.S. Dollars Thousands)

	FY 1992	FY 1993	FY 1994	FY 1995
	ESTIMATE	PLANNED	REQUEST	PROPOSED

PROJECT NUMBER: 687-0102 TITLE: AG. EXP LIBERALIZATION SUPPORT (MPA/TA)

AGAB AGRIBUSINESS	40 X				
SI CODE: RUR					514
TOTAL AC CODE:	35 X				1,286

EDET HUMAN RES DVLPMT FOR EDUCATIONAL INSTITUTIONS

SI CODE: PSD	80 X				294
SI CODE: TIC	90 X				330
SI CODE: TPV	80 X				294
SI CODE: TUS	10 X				36

TOTAL AC CODE: 10 X 367

PEBO BUSINESS DEVELOPMENT PROMOTION

SI CODE: IMS	30 X				220
SI CODE: PRT	80 X				588
SI CODE: RUR	20 X				147

TOTAL AC CODE: 20 X 735

PETI TRADE AND INVESTMENT PROMOTION

SI CODE: PRT	80 X				1,029
SI CODE: RUR	20 X				257

TOTAL AC CODE: 35 X 1,286

PROJECT TOTAL 100 X 3,675 0 0 0

PROJECT NUMBER: 687-0107 TITLE: POPULATION SECTOR SUPPORT (APPROPOP)

HEDD DIARRHEAL DISEASE CONTROL/ORAL REHYDRATION THERAPY

SI CODE: CHS	100 X	100 X	100 X		1,000				
SI CODE: INS	50 X	50 X	50 X		500	760	380	320	640
SI CODE: PBL	100 X	100 X	100 X		1,000	760	380	320	640
SI CODE: PSD	30 X	30 X	30 X		300	228	192	192	192
SI CODE: PVL	5 X	5 X	5 X		50	38	38	32	32
SI CODE: PVU	5 X	5 X	5 X		50	38	38	32	32
SI CODE: ROR	30 X	30 X	30 X		300	228	192	192	192
SI CODE: RSS	30 X	30 X	30 X		300	228	192	192	192
SI CODE: TFE	20 X	20 X	20 X		200	152	128	128	128
SI CODE: TIC	20 X	20 X	20 X		200	152	128	128	128

MADAGASCAR (687)
 FY 1994 ANNUAL BUDGET SUBMISSION
 AC/SI SUMMARY REPORT
 (U.S. Dollars (thousands))

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
SI CODE: TTH	2 X	2 X	2 X	20		15	12
TOTAL AC CODE:	10 X	10 X	10 X	1,000		760	640
PNCH FAMILY PLANNING CONTRACEPTIVES							
SI CODE: CIT	100 X	100 X	100 X	2,500		1,900	1,600
SI CODE: TIC	50 X	50 X	50 X	1,250		950	800
TOTAL AC CODE:	25 X	25 X	25 X	2,500		1,900	1,600
PHSD FAMILY PLANNING PROGRAM DEVELOPMENT							
SI CODE: IMS	80 X	60 X	60 X	1,500		1,140	960
SI CODE: PBL	100 X	100 X	100 X	2,500		1,900	1,600
SI CODE: RDC	50 X	50 X	50 X	1,250		950	800
SI CODE: TIC	20 X	20 X	20 X	500		380	320
SI CODE: TTH	10 X	10 X	10 X	250		190	160
TOTAL AC CODE:	25 X	25 X	25 X	2,500		1,900	1,600
PHSD FAMILY PLANNING SERVICE DELIVERY							
SI CODE: IMS	50 X	50 X	50 X	2,000		1,520	1,280
SI CODE: PVL	100 X	100 X	100 X	4,000		3,040	2,560
SI CODE: TIC	50 X	50 X	50 X	2,000		1,520	1,280
TOTAL AC CODE:	40 X	40 X	40 X	4,000		3,040	2,560
PROJECT TOTAL	100 X	100 X	100 X	10,000	0	7,600	6,400

PROJECT NUMBER: 687-0110 TITLE: SUS. APPROACHES VIA ENV. MGT (SAVEM)

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
EYFR FORESTRY							
SI CODE: ODV	50 X	50 X	50 X	600	1,200	660	
SI CODE: IMS	100 X	100 X	100 X	1,200	2,400	1,320	
SI CODE: MRM	100 X	100 X	100 X	1,200	2,400	1,320	
SI CODE: PBL	50 X	50 X	50 X	600	1,200	660	
SI CODE: PVL	25 X	25 X	25 X	300	600	330	
SI CODE: PVU	25 X	25 X	25 X	300	600	330	
SI CODE: REF	100 X	100 X	100 X	1,200	2,400	1,320	
SI CODE: RUR	80 X	80 X	80 X	960	1,920	1,056	
SI CODE: SGC	40 X	40 X	40 X	480	960	528	
SI CODE: TIC	10 X	10 X	10 X	120	240	132	
TOTAL AC CODE:	30 X	30 X	30 X	1,700	2,400	1,320	
EYMP ENVIRONMENTAL MGMT, PLANNING AND POLICY							

MADAGASCAR (687)
FY 1994 ANNUAL BUDGET SUBMISSION

AC/SI SUMMARY REPORT
(U.S. Dollars Thousands)

	X FY92	X FY93	X FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
SI CODE: BDV	50 X	50 X	50 X	1,200	2,400	1,320	
SI CODE: IMS	100 X	100 X	100 X	2,400	4,800	2,640	
SI CODE: NRM	100 X	100 X	100 X	2,400	4,800	2,640	
SI CODE: PBL	100 X	100 X	100 X	2,400	4,800	2,640	
SI CODE: PVL	25 X	25 X	25 X	600	1,200	660	
SI CODE: PVU	25 X	25 X	25 X	600	1,200	660	
SI CODE: REF	100 X	100 X	100 X	2,400	4,800	2,640	
SI CODE: RUR	60 X	60 X	60 X	1,440	2,880	1,584	
SI CODE: TIC	10 X	10 X	10 X	240	480	264	
TOTAL AC CODE:	60 X	60 X	60 X	2,400	4,800	2,640	
EVNR WATER RESOURCES MANAGEMENT							
SI CODE: BDV	50 X	50 X	50 X	200	400	220	
SI CODE: IMS	100 X	100 X	100 X	400	800	440	
SI CODE: NRM	100 X	100 X	100 X	400	800	440	
SI CODE: PBL	50 X	50 X	50 X	200	400	220	
SI CODE: PVL	25 X	25 X	25 X	100	200	110	
SI CODE: PVU	25 X	25 X	25 X	100	200	110	
SI CODE: REF	100 X	100 X	100 X	400	800	440	
SI CODE: RUR	50 X	50 X	50 X	200	400	220	
SI CODE: TIC	10 X	10 X	10 X	40	80	44	
SI CODE: TWM	50 X	50 X	50 X	200	400	220	
TOTAL AC CODE:	10 X	10 X	10 X	400	800	440	
PROJECT TOTAL	100 X	100 X	100 X	4,000	8,000	4,400	0

PROJECT NUMBER: 687-0112 TITLE: DEBT FOR NATURE SWAP

EVFR FORESTRY							
SI CODE: BDV	75 X			675			
SI CODE: NRM	100 X			900			
SI CODE: PBL	75 X			675			
SI CODE: RUR	100 X			900			
SI CODE: TIC	75 X			675			
TOTAL AC CODE:	60 X			900			
EVMP ENVIRONMENTAL MGMT, PLANNING AND POLICY							
SI CODE: BDV	75 X			281			
SI CODE: IMS	75 X			281			
SI CODE: NRM	100 X			375			
SI CODE: PBL	75 X			281			

MADAGASCAR (607)
 FY 1994 ANNUAL BUDGET SUBMISSION

AC/SI SUMMARY REPORT
 (U.S. Dollars Thousands)

X FY92 X FY93 X FY94/95 FY 1992 ESTIMATE FY 1993 PLANNED FY 1994 REQUEST FY 1995 PROPOSED

SI CODE: RUR 100 X 375
 SI CODE: TIC 75 X 281
 TOTAL AC CODE: 25 X 375

ENVR WATER RESOURCES MANAGEMENT
 SI CODE: HRM 100 X 225
 SI CODE: PBL 50 X 112
 SI CODE: PYU 100 X 225
 SI CODE: RUR 100 X 225
 SI CODE: TIC 75 X 168

TOTAL AC CODE: 15 X 225

PROJECT TOTAL 100 X 1,500 0 0 0 0

PROJECT NUMBER: 607-0113 TITLE: KNOWLEDGE/EFF APPL/POL FOR ENVR MGT

EWP ENVIRONMENTAL MGMT, PLANNING AND POLICY
 SI CODE: INS 80 X 2,160 4,320
 SI CODE: HRM 100 X 2,700 5,400
 SI CODE: POL 75 X 2,025 4,050
 SI CODE: RUR 100 X 2,700 5,400
 SI CODE: SPR 100 X 2,700 5,400

TOTAL AC CODE: 90 X 2,700 5,400

PSMG PUBLIC SECTOR ADMINISTRATION AND MANAGEMENT

SI CODE: INS 90 X 270 540
 SI CODE: HRM 100 X 300 600
 SI CODE: PBL 100 X 300 600
 SI CODE: RUR 10 X 30 60

TOTAL AC CODE: 10 X 300 600

PROJECT TOTAL 100 X 3,000 6,000 0 0 0

PROJECT NUMBER: 607-0115 TITLE: KNOWLEDGE/EFF APPL/POL FOR ENVR MGT (MPA)

EWP ENVIRONMENTAL MGMT, PLANNING AND POLICY
 SI CODE: BOV 100 X 15,000 10,000
 SI CODE: DEC 90 X 13,500 9,000
 SI CODE: EPR 25 X 3,750 2,500
 SI CODE: INS 80 X 12,000 8,000

TOTAL AC CODE: 295 X 34,250 24,500

MADAGASCAR (687)
 FY 1994 ANNUAL BUDGET SUBMISSION
 AC/SI SUMMARY REPORT
 (U.S. Dollars Thousands)

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
SI CODE: HRM	100 %	100 %	100 %	15,000		8,000	10,000
SI CODE: PBL	75 %	75 %	75 %	11,250		6,000	7,500
SI CODE: RUR	80 %	80 %	80 %	12,000		6,400	8,000
SI CODE: SPR	100 %	100 %	100 %	15,000		8,000	10,000
TOTAL AC CODE:	100 %	100 %	100 %	15,000		8,000	10,000
PROJECT TOTAL	100 %	100 %	100 %	15,000	0	8,000	10,000

PROJECT NUMBER: 687-0116 TITLE: POPULATION POLICY REFORM (PA)

PNPD FAMILY PLANNING PROGRAM DEVELOPMENT

SI CODE: EPR	70
SI CODE: PBL	700
SI CODE: RBS	70
SI CODE: TIC	140
SI CODE: TTH	70
SI CODE: VDI	140

TOTAL AC CODE: 700

PNSD FAMILY PLANNING SERVICE DELIVERY

SI CODE: IMS	150
SI CODE: RBS	60
SI CODE: SPR	300
SI CODE: TIC	30
SI CODE: TTH	30
SI CODE: TUS	30

TOTAL AC CODE: 300

PROJECT TOTAL	0	0	0	0	0	0	1,000
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PROJECT NUMBER: 687-0117 TITLE: POPULATION POLICY REFORM (NPA)

PNPD FAMILY PLANNING PROGRAM DEVELOPMENT

SI CODE: EPR	210
SI CODE: PBL	2,100
SI CODE: RBS	210
SI CODE: TIC	210
SI CODE: TTH	210
SI CODE: VDI	420

TOTAL AC CODE: 2,100

PNSD FAMILY PLANNING SERVICE DELIVERY

MADAGASCAR (687)
 FY 1994 ANNUAL BUDGET SUBMISSION
 AC/SI SUMMARY REPORT
 (U.S. Dollars Thousands)

	FY 1992	FY 1993	FY 1994	FY 1995
	ESTIMATE	PLANNED	REQUEST	PROPOSED
X FY92 X FY93 X FY94/95				
SI CODE: IMS				450
SI CODE: RBS				180
SI CODE: TIC				90
SI CODE: TTH				90
SI CODE: TUS				90
TOTAL AC CODE:				900

PROJECT TOTAL 0 0 0 3,000

PROJECT NUMBER: 687-0118 TITLE: COMMERCIAL AGRICULTURE PROMOTION

AGAB AGRIBUSINESS				
SI CODE: PSD	50 X	0 X	375	
SI CODE: TMM	50 X	0 X	375	
TOTAL AC CODE:	25 X	25 X	750	750
AGIF AGRICULTURAL INFRASTRUCTURE				
SI CODE: CPF	50 X	0 X	75	
SI CODE: DEC	50 X	0 X	75	
TOTAL AC CODE:	5 X	5 X	150	150
AGPP AGRICULTURAL POLICIES & PLANNING				
SI CODE: APP	10 X	0 X	210	
SI CODE: PSD	20 X	0 X	420	
SI CODE: SPR	50 X	0 X	1,050	
SI CODE: TIP	20 X	0 X	420	
TOTAL AC CODE:	70 X	70 X	2,100	2,100

PROJECT TOTAL 100 X 100 X 3,000 3,000

PROJECT NUMBER: 687-0119 TITLE: COMMERCIAL AGRICULTURE PROMOTION

AGAB AGRIBUSINESS				
SI CODE: PSD	50 X	50 X	1,250	500
SI CODE: TMM	50 X	50 X	1,250	500
TOTAL AC CODE:	25 X	25 X	2,500	1,000
AGIF AGRICULTURAL INFRASTRUCTURE				
SI CODE: CPF	50 X	50 X	250	100
TOTAL AC CODE:	50 X	50 X	250	175

PROJECT TOTAL 100 X 100 X 3,000 3,000

MADAGASCAR (687)
 FY 1994 ANNUAL BUDGET SUBMISSION
 AC/SI SUMMARY REPORT
 (U.S. Dollars Thousands)

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
SI CODE: DEC	50 X	50 X		250	100	175	
TOTAL AC CODE:	5 X	5 X		500	200	350	
AGPP AGRICULTURAL POLICIES & PLANNING							
SI CODE: APP	10 X	10 X		700	280	489	
SI CODE: PSD	20 X	20 X		1,400	560	979	
SI CODE: SPR	50 X	50 X		3,500	1,400	2,450	
SI CODE: TIP	20 X	20 X		1,400	560	979	
TOTAL AC CODE:	70 X	70 X		7,000	2,800	4,900	
PROJECT TOTAL	100 X	100 X		0	10,000	4,000	7,000

PROJECT NUMBER: 687-0510 TITLE: PROGRAM DEV AND SUPPORT							
PDAS PROGRAM DEVELOPMENT AND SUPPORT							
SI CODE: PBL	50 X	50 X		712	500	380	380
SI CODE: RSS	20 X	20 X		285	200	152	152
TOTAL AC CODE:	100 X	100 X		1,425	1,000	760	760
PROJECT TOTAL	100 X	100 X		1,425	1,000	760	760

PROJECT NUMBER: 687-ATLA TITLE: AFRICAN TRNG. FOR LEADERSHIP & SKILLS							
ED10 HUMAN RESOURCE DEVELOPMENT FOR INDIVIDUALS							
SI CODE: INS	100 X	100 X		1,200	1,200	1,200	1,200
TOTAL AC CODE:	100 X	100 X		1,200	1,200	1,200	1,200
PROJECT TOTAL	100 X	100 X		1,200	1,200	1,200	1,200

PROJECT NUMBER: 687-HRDA TITLE: HUMAN RESOURCE DEVELOPMENT ASSISTANCE							
EDE1 HUMAN RES DVLPMNT FOR EDUCATIONAL INSTITUTIONS							
SI CODE: INS	50 X	50 X		50	125	175	75
SI CODE: TIC	100 X	100 X		100	250	350	150
SI CODE: TPV	50 X	50 X		50	125	175	75
TOTAL AC CODE:	50 X	50 X		100	250	350	150
ED10 HUMAN RESOURCE DEVELOPMENT FOR INDIVIDUALS							
SI CODE: PBL	15 X	15 X		15	37	52	22

MADAGASCAR (887)
FY 1994 ANNUAL BUDGET SUBMISSION

AC/SI SUMMARY REPORT
(U.S. Dollars Thousands)

	FY 1992	FY 1993	FY 1994	FY 1995
	ESTIMATE	PLANNED	REQUEST	PROPOSED
X FY92 X FY93 X FY94/95				
SI CODE: PRT	50 X	50 X	175	75
SI CODE: PSD	50 X	50 X	175	75
SI CODE: TFE	40 X	40 X	140	60
SI CODE: TIC	50 X	50 X	175	75
SI CODE: TMA	80 X	60 X	210	90
SI CODE: TPU	50 X	50 X	175	75
SI CODE: TPW	50 X	50 X	175	75
SI CODE: TTH	30 X	30 X	105	45
SI CODE: TUS	20 X	20 X	70	30
TOTAL AC CODE:	50 X	50 X	350	150
PROJECT TOTAL	100 X	100 X	700	300

PROJECT NUMBER: 887-SPA- TITLE: SPECIAL PROJECT ASSISTANCE SUPPORT

AGAB AGRIBUSINESS

SI CODE: TMS	75 X		3	3
SI CODE: RUR	50 X		2	2
SI CODE: TVM	50 X		2	2

TOTAL AC CODE:

EDAL ADULT LITERACY

SI CODE: RUR	100 X		0	0
SI CODE: VDI	50 X		4	4

TOTAL AC CODE:

EDEC BASIC EDUCATION FOR CHILDREN

SI CODE: EDU	50 X		0	0
SI CODE: RUR	100 X		16	16

TOTAL AC CODE:

EYFR FORESTRY

SI CODE: EEF	50 X		4	4
SI CODE: RUR	100 X		0	0

TOTAL AC CODE:

MEDO DIARRHEAL DISEASE CONTROL/DRAL REHYDRATION THERAPY

SI CODE: CHS	100 X		4	4
SI CODE: RUR	50 X		2	2

TOTAL AC CODE:

PROJECT TOTAL

	0	0	40	40
PROJECT TOTAL	100 X	100 X	40	40

MADAGASCAR (687)
 FY 1994 ANNUAL BUDGET SUBMISSION
 AC/SI SUMMARY REPORT
 (U.S. Dollars Thousands)

X FY92 X FY93 X FY94/95 FY 1992 FY 1993 FY 1994 FY 1995
 ESTIMATE PLANNED REQUEST PROPOSED

PROJECT NUMBER: 687-T111 TITLE: COMMERCIAL AGR PROMOTION SUPPORT

AGAB AGRIBUSINESS
 SI CODE: PSD 50 X 50 X 625 875 750
 SI CODE: TWN 50 X 50 X 625 875 750

TOTAL AC CODE: 25 X 25 X 1,250 1,750 1,500

AGIF AGRICULTURAL INFRASTRUCTURE
 SI CODE: CPF 50 X 50 X 125 175 150
 SI CODE: DEC 50 X 50 X 125 175 150

TOTAL AC CODE: 5 X 5 X 250 350 300

AGPP AGRICULTURAL POLICIES & PLANNING
 SI CODE: APP 10 X 10 X 350 489 420
 SI CODE: PSD 20 X 20 X 700 979 840
 SI CODE: SPR 50 X 50 X 1,750 2,450 2,100
 SI CODE: TIP 20 X 20 X 700 979 840

TOTAL AC CODE: 70 X 70 X 3,500 4,900 4,200

PROJECT TOTAL 100 X 100 X 5,000 7,000 6,000

REPORT TOTAL 40,000 34,700 36,700 35,700

MADAGASCAR (887)
 FY 1994 ANNUAL BUDGET SUBMISSION

AGGREGATION OF AC/SI CODES FOR SPECIAL ISSUES
 (U.S. Dollars Thousands)

	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
(1) Child Survival Funding	1,000	--	764	644
(2) Other Health	--	--	--	--
(3) Environment	23,200	13,400	12,408	10,008
(4) Energy	--	--	4	4
(5) Forestry	4,800	8,000	4,408	8

Refer to ABS Guidance Attachment B for aggregation basis

The above summaries are aggregations of ACs and SIs. Other aggregations consist of ACs only and can be derived from AC section of the Aggregate Analysis Report

MADAGASCAR (687)
 FY 1994 ANNUAL BUDGET SUBMISSION

CONGRESSIONAL INTEREST ATTRIBUTION
 (U.S. Dollars Thousands)

PROJECT NUMBER	PROJECT TITLE/AREA	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
687-0102	AG. EXP LIBERALIZATION SUPPORT (MPA/TA)				
687-0107	POPULATION SECTOR SUPPORT (APPROPOP)	9,000	0	6,840	5,760
	POPULATION	1,000	0	760	640
	TOTAL HEALTH	1,000	0	760	640
	CHILD SURVIVAL	1,000	0	760	640
687-0110	SUS. APPROACHES VIA ENV. MGT (SAVEN)	4,000	8,000	4,400	0
	MAT RSRCE MGT	4,000	8,000	4,400	0
	ENVIRONMENT	4,000	8,000	4,400	0
687-0112	DEBT FOR MATURE SWAP	1,500	0	0	0
	MAT RSRCE MGT	1,500	0	0	0
	ENVIRONMENT	1,500	0	0	0
687-0113	KNOWLEDGE/EFF APPL/POL FOR ENVIR MGT	3,000	6,000	0	0
	MAT RSRCE MGT	2,700	5,400	0	0
	ENVIRONMENT	2,700	5,400	0	0
687-0115	KNOWLEDGE/EFF APPL/POL FOR ENV MGT (MPA)	15,000	0	8,000	10,000
	MAT RSRCE MGT	15,000	0	8,000	10,000
	ENVIRONMENT	15,000	0	8,000	10,000
687-0116	POPULATION POLICY REFORM (PA)	0	0	0	1,000
	POPULATION	0	0	0	1,000
687-0117	POPULATION POLICY REFORM (MPA)	0	0	0	3,000
	POPULATION	0	0	0	3,000
687-0118	COMMERCIAL AGRICULTURE PROMOTION				
687-0119	COMMERCIAL AGRICULTURE PROMOTION				
687-0510	PROGRAM DEV AND SUPPORT				
687-ATLA	AFRICAN TRNG. FOR LEADERSHIP & SKILLS				
687-HRDA	HUMAN RESOURCE DEVELOPMENT ASSISTANCE				
687-SPA-	SPECIAL PROJECT ASSISTANCE SUPPORT	0	0	16	16
	BASIC EDUCATION	0	0	8	8
	ENVIRONMENT	0	0	4	4
	TOTAL HEALTH	0	0	4	4
	CHILD SURVIVAL	0	0	4	4

MADAGASCAR (887)
 FY 1994 ANNUAL BUDGET SUBMISSION
 CONGRESSIONAL INTEREST ATTRIBUTION
 (U.S. Dollars Thousands)

PROJECT NUMBER	PROJECT TITLE/AREA	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
687-T111	COMMERCIAL AGR PROMOTION SUPPORT	0	14,000	12,400	10,000
		23,500	13,400	12,400	10,000
		9,000	0	6,840	9,760
		1,000	0	764	644
		1,000	0	764	644

REPORT TOTAL: BASIC EDUCATION 0 16 16
 NAT RSRC MGT 23,500 14,000 12,400 10,000
 ENVIRONMENT 23,200 13,400 12,400 10,000
 POPULATION 9,000 0 6,840 9,760
 TOTAL HEALTH 1,000 0 764 644
 CHILD SURVIVAL 1,000 0 764 644

TABLE IV D : CENTRAL/REGIONAL BUREAU SUPPORT NEEDS
(U. S. Dollars Thousands)

CENTRAL PROJ. #	CENTRAL PROJECT TITLE	MISSION PROJ. #	PROJECT TITLE	FY1993 PLAN	FY1994 PROP.	CORE
936-3023	DEMOGRAPHIC AND FAMILY HEALTH SURVEYS	687-0107	POPULATION SECTOR SUPPORT (APPROPOP)		600	YES
936-3057	CENTRAL CONTRACEPTIVE PROCUREMENT	687-0107	POPULATION SECTOR SUPPORT (APPROPOP)	500	500	YES
936-5446	DECENTRALIZATION: FINANCE AND MANAGEMENT	687-0113	KNOWLEDGE/EFF APPL/POL FOR ENVIR MGT	150	150	YES
* 936-5447	AGRICULTURE MKTG IMPROVEMENT STRATEGIES	687-0102	AG. EXP LIBERALIZATION SUPPORT (NPA/TA)	500	500	YES
936-5453	ACCESS TO LAND, WATER & OTHER NATURAL RES	687-0113	KNOWLEDGE/EFF APPL/POL FOR ENVIR MGT	200	200	YES
936-5555	ENVIRONMENTAL/MAT RES POLICY & TRAINING	687-0113	KNOWLEDGE/EFF APPL/POL FOR ENVIR MGT	400	400	YES
AFR REGIONAL		687-0510	PROC DEV & SPT	200	200	YES
WEST AFR. MGT TRG						
AFR REGIONAL ELECTORAL ASS		687-0510	PROC DEV & SPT	100	300	YES

* AMIS II FOLLOW ON PROJECT FY 93/94

MADAGASCAR (807)
 FY 1994 ANNUAL BUDGET SUBMISSION

TABLE V : PROPOSED PROGRAM RANKING

RANK	PROJECT	MCC LEVEL	TITLE	PROGRAM FUNDING (\$000)	
				APPROP	INCR
	687-0107		POPULATION SECTOR SUPPORT (APPROPOP)	SS	7,600
	687-0110		SUS. APPROACHES VIA ENV. MGT (SAVEN)	SS	4,400
	687-0115		KNOWLEDGE/EFF APPL/POL FOR ENV MGT (NPA)	SS	8,000
	687-0118		COMMERCIAL AGRICULTURE PROMOTION	SS	3,000
	687-0119		COMMERCIAL AGRICULTURE PROMOTION	SS	4,000
	687-ATLA		AFRICAN TRNG. FOR LEADERSHIP & SKILLS	SS	1,200
	687-HRDA		HUMAN RESOURCE DEVELOPMENT ASSISTANCE	SS	700
	687-0510		PROGRAM DEV AND SUPPORT	SS	400
			TOTAL MCC REQUEST		29,300
			INCREMENT LEVEL		
1	687-T111		COMMERCIAL AGR PROMOTION SUPPORT	A1	7,000
2	687-0510		PROGRAM DEV AND SUPPORT	SS	360
3	687-SPA-		SPECIAL PROJECT ASSISTANCE SUPPORT	SS	40
			TOTAL INCREMENT REQUEST		7,400
			TOTAL REQUEST		36,700

ANNEX D: PROGRAM FOCUS SUMMARY

(Thousands)

Objective Project Activity	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 REQUEST
Objective # 1 - MARKET DEVELOPMENT				
Project 1 Ag.Exp Lib Spt (MAELSP)	3675	-	-	-
Project 2 International Rice Research Inst (IRRI)	-	-	-	-
Project 3 Comm Ag. Promotion/NPA/Project	-	13000	7000	7000
Project 4 PL480, T-III Comm Ag Promotion Support	-	5000	7000	6000
Project 5 AEPRP Financial Mkt Development (FMD)	-	14500	-	-
Project 6 Afr Trng Leadership/Skills (ATLAS)	400	400	400	400
Project 7 Human Resources Development	200	500	700	300
Totals for Objective # 1	4275	33400	15100	13700
Objective # 2 - ENVIRONMENT				
Project 1 Sus.Approaches/Viable Envir. Mgt. (SAVEM)	4000	8000	4400	-
Project 2 Know/Eff Appl/Pol Envr Mgt (KEPEM) NPA/PA	18000	6000	8000	10000
Project 3 Debt for Nature Swap	1500	4000	-	-
Project 4 Environmental PVO Grants	-	-	-	-
Project 5 Afr Trng Leadership/Skills (ATLAS)	400	400	400	400
Totals for Objective # 2	23900	18400	12800	10400
Objective # 3 - POPULATION				
Project 1 Population Sector Support (APPROPOP)	10000	-	7600	6400
Project 2 SEATS BRIDGE Buy-in FY91	-	-	-	-
Project 3 ORT/PRITECH	1000	-	-	-
Project 4 Population Policy Reform NPA/PA	-	-	-	4000
Project 5 PL480 Title II/Nutrition Program with CRS	2400	2332	2596	2700
Project 6 Demo Health Survey/Census	310	160	-	-
Project 7 CS/EPI UNICEF	197	-	-	-
Project 8 Afr Trng Leadership/Skills (ATLAS)	400	400	400	400
Totals for Objective # 3	14307	2892	10596	13500
All other Projects/Activites				
Project 1 Electoral Assistance/116E Human Rights	155	-	-	-
Project 2 Self Help	110	110	110	110
Project 3 PL 480 Emergency Food Aid	1700	6000	-	-
Project 4 Program Development &Support (PD&S)	1425	1000	760	760
Project 5 AVOTRA Orphanage	-	-	-	-
Project 6 Special Project Assistance Peace Corps	-	-	40	40
Total All Other	3390	7110	910	910

LOCAL CURRENCY NARRATIVE - Table VIA

The A.I.D. program to Madagascar generated no new counterpart funds in FY 91 and 92. Past generations were used during the period, however, for a variety of activities. These included natural resource projects, vaccination programs, energy studies, and rural infrastructure development. Funds were also used to support GOM recurrent budgetary costs and to create trust funds to support the mission's local operating expenses. USAID and the GOM have plans to use the remaining disaster relief funds (PL Title II) to alleviate the current drought affecting the southern part of the country and to use the DFA generated funds to improve the counterpart fund management system in GDRM ministries through the acquisition of computer equipment and technical assistance.

USAID Madagascar has made efforts to resolve local currency problems that all donors have faced over the past few years. These reside primarily in the GOM's inability or unwillingness to allocate the totality of agreed upon amounts to mutually identified activities. Several meetings have been held to address this issue as well as to program remaining funds with notable success. We have accomplished the following:

1. Consolidation of 23 existing U.S. local currency counterpart fund accounts into four;
2. Accounting for past programming of approximately \$25 million equivalent in outstanding local currency balances;
3. Identification of an additional \$5 million to be made available for ongoing projects;
4. GOM approval of \$3.835 million for the AID OE trust fund account, including a first tranche deposit in May of \$617,500;
5. Agreement on programming the balance of \$1.5 million over the next two years for drought rehabilitation in the South and other mutually agreed priorities;
6. Resolution of a serious bottleneck in the release of local currency funds for ongoing AID-funded projects; and
7. A plan to computerize counterpart funds management along with technical assistance and training for Ministry of Budget and Plan and Ministry of Finance personnel in collaboration with other donors.

Efforts are underway to assist the government to develop improved system and procedures for local currency management. This will in turn permit them to produce more informative reports which will in turn permit USAID and other donors to insure that funds are being allocated and disbursed to agreed upon activities in a timely way.

Future Local Currency generation will be programmed directly in support of our CPSP strategy priorities for a few selected on-budget activities contained in the Public Investment Plan.

MADAGASCAR (687)
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AFRICA BUREAU

TABLE VIA : AFR LCEXP ACTION PLAN
(\$thousands)
FY 1991 ACTUAL

TARGET	ESF	DFA	PL480
1-1 ECONOMIC STABILITY	0.0	0.0	0.0
1-2 REDUCED GOVERNMENT INVOLVEMENT	0.0	0.0	0.0
1-3 KEY PUBLIC SERVICES: FAMILY PLANNING	0.0	0.0	0.0
CHILD SURVIVAL	0.0	0.0	250.0
OTHER HEALTH	0.0	0.0	100.0
BASIC EDUCATION	0.0	0.0	0.0
TRANSP INFRSTRU	0.0	4,730.0	250.0
2-1 COMMODITY MARKETS	0.0	0.0	0.0
2-2 FACTOR MARKETS	0.0	0.0	0.0
3-1 NATURAL RESOURCE MGT	0.0	0.0	440.0
3-2 AGRIC TECHNOLOGY DEVEL	0.0	589.0	250.0
3-3 JOB SKILLS & PRODUCTIVITY	0.0	0.0	75.0
4-1 REDUCE INSTABILITY	0.0	0.0	0.0
4-2 FAMINE PREPAREDNESS	0.0	0.0	0.0
4-3 FOOD & INCOME	0.0	0.0	125.0
4-4 AGRIC PRODUCTION & UTIL	0.0	2,630.0	250.0
FY TOTALS:	0.0	7,949.0	1,740.0

MADAGASCAR (887)
 FY 1994 ANNUAL BUDGET SUBMISSION

AFRICA BUREAU
 TABLE VIA : AFR LCEXP ACTION PLAN
 (\$ thousands)
 FY 1992: ESTIMATE

TARGET	ESF	DFA	PL480
1-1 ECONOMIC STABILITY	0.0	0.0	0.0
1-2 REDUCED GOVERNMENT INVOLVEMENT	0.0	0.0	0.0
1-3 KEY PUBLIC SERVICES: FAMILY PLANNING	0.0	0.0	50.0
CHILD SURVIVAL	0.0	0.0	200.0
OTHER HEALTH	0.0	0.0	50.0
BASIC EDUCATION	0.0	0.0	0.0
TRANSP INFSTRU	0.0	0.0	250.0
2-1 COMMODITY MARKETS	0.0	0.0	0.0
2-2 FACTOR MARKETS	0.0	0.0	0.0
3-1 NATURAL RESOURCE MGT	0.0	0.0	400.0
3-2 AGRIC TECHNOLOGY DEVEL	0.0	0.0	200.0
3-3 JOB SKILLS & PRODUCTIVITY	0.0	750.0	0.0
4-1 REDUCE INSTABILITY	0.0	0.0	0.0
4-2 FAMINE PREPAREDNESS	0.0	0.0	500.0
4-3 FOOD & INCOME	0.0	0.0	150.0
4-4 AGRIC PRODUCTION & UTIL	0.0	0.0	200.0
FY TOTALS:	0.0	750.0	2,000.0

MADAGASCAR (687)
 FY 1994 ANNUAL BUDGET SUBMISSION

AFRICA BUREAU
 TABLE VIA : AFR LCEXP ACTION PLAN
 (\$thousands)
 FY 1993: PLANNED

TARGET	ESF	DFA	PL480
1-1 ECONOMIC STABILITY	0.0	0.0	0.0
1-2 REDUCED GOVERNMENT INVOLVEMENT	0.0	0.0	0.0
1-3 KEY PUBLIC SERVICES:FAMILY PLANNING	0.0	0.0	150.0
CHILD SURVIVAL	0.0	0.0	250.0
OTHER HEALTH	0.0	0.0	100.0
BASIC EDUCATION	0.0	0.0	0.0
TRANSP INFSTRU	0.0	0.0	450.0
2-1 COMMODITY MARKETS	0.0	250.0	0.0
2-2 FACTOR MARKETS	0.0	0.0	0.0
3-1 NATURAL RESOURCE MGT	0.0	0.0	600.0
3-2 AGRIC TECHNOLOGY DEVEL	0.0	250.0	350.0
3-3 JOB SKILLS & PRODUCTIVITY	0.0	0.0	300.0
4-1 REDUCE INSTABILITY	0.0	0.0	0.0
4-2 FAMINE PREPAREDNESS	0.0	0.0	0.0
4-3 FOOD & INCOME	0.0	250.0	150.0
4-4 AGRIC PRODUCTION & UTIL	0.0	250.0	250.0
FY TOTALS:	0.0	1,000.0	2,600.0

MADAGASCAR (007)
 FY 1994 ANNUAL BUDGET SUBMISSION

AFRICA BUREAU
 TABLE VIA : AFR LCEXP ACTION PLAN
 (\$thousands)
 FY 1994: PROPOSED

TARGET	ESF	DFA	PL480
1-1 ECONOMIC STABILITY	0.0	0.0	0.0
1-2 REDUCED GOVERNMENT INVOLVEMENT	0.0	0.0	0.0
1-3 KEY PUBLIC SERVICES:FAMILY PLANNING	0.0	0.0	0.0
CHILD SURVIVAL	0.0	0.0	0.0
OTHER HEALTH	0.0	0.0	0.0
BASIC EDUCATION	0.0	0.0	0.0
TRANSP INFSTRU	0.0	3,500.0	3,000.0
2-1 COMMODITY MARKETS	0.0	0.0	0.0
2-2 FACTOR MARKETS	0.0	0.0	0.0
3-1 NATURAL RESOURCE MGT	0.0	0.0	0.0
3-2 AGRIC TECHNOLOGY DEVEL	0.0	0.0	0.0
3-3 JOB SKILLS & PRODUCTIVITY	0.0	0.0	0.0
4-1 REDUCE INSTABILITY	0.0	0.0	0.0
4-2 FAMINE PREPAREDNESS	0.0	0.0	0.0
4-3 FOOD & INCOME	0.0	0.0	0.0
4-4 AGRIC PRODUCTION & UTIL	0.0	3,500.0	3,000.0
FY TOTALS:	0.0	7,000.0	6,000.0

TABLE VII - Schedule of Evaluations Completed and Planned
FY 1992, FY 1993, and FY 1994Evaluation Officer: JOAN JOHNSONTitle: PROGRAM OFFICER

Project/ Sector	Evaluation Activities (1)	Date of Evaluation	Date Sent to AID/W (3)	PACD (4)	Funding Level (5)
1992					
MAESLP #687-0102	Trng Component	8/92	10/92	8/95	\$38,000
Amber Mtn #687-0103	" Final	1/92	8/92	12/92	\$60,000
IRRI Rice Research #6876-0105	Interim	3/92	9/92	12/94	\$40,000
Debt Swap #687-0112	Interim	2/92	8/92	9/95	\$30,000
UNICEF/USAID * EPI Evaluation	Impact Evaluation	5/92	9/92	6/92	\$10,000
1993					
Ranomafana #687-0106	Final Eval & Audit	6/93	8/93	8/93	\$100,000
SAVEM #687-0110	Interim	10/93	12/93	3/96	\$240,000
1994					
KEPEM #687-0113/0115	Interim	2/94	6/94	5/97	\$60,000
APPROPOP #687-0107	Interim	8/94	10/94	5/99	\$180,000
Commercial Agriculture Promotion #687-0118/0119	TBD	TBD	TBD	TBD	TBD
Financial Markets Development AEPRP	TBD	TBD	TBD	TBD	TBD

* Child Survival Activity Funded through PL480 counterpart funds.

MADAGASCAR (607)
 FY 1994 ANNUAL BUDGET SUBMISSION

TABLE XI : PL480 TITLE III

(Dollars in Millions, Tonnage in Thousands)

	ESTIMATED FY 1992 \$	MT	PROPOSED FY 1993 \$	MT	REQUESTED FY 1994 \$	MT
USER SPECIFIED	0.0	0.0	1.5	2.0	2.0	2.0
TRANSPORTATION	0.0	0.0	1.5	0.0	1.5	0.0
RICE						
	\$343/MTM	0.0	0.0	3.5	10.0	5.0
		0.0	0.0	6.5	12.0	6.5
TOTAL						17.0

MADAGASCAR (687)
 FY 1994 ANNUAL BUDGET SUBMISSION
 TABLE XIII: PL480 TITLE II

SPONSOR NAME: CATHOLIC RELIEF SERVICES - USSC

A. MATERNAL AND CHILD HEALTH		(THOUSANDS) KG	DOLLARS
NUMBER OF RECIPIENTS (000)	COMMODITY		
108.0	INS. CORN SOYA MASA FLOUR	3,240.0	910.4
108.0	RICE	1,944.0	667.0
108.0	VEGOIL	648.0	529.0
	TOTAL MATERNAL AND CHILD HEALTH	5,832.0	2,106.4
B. SCHOOL FEEDING		(THOUSANDS) KG	DOLLARS
NUMBER OF RECIPIENTS (000)	COMMODITY		
18.8	INS. CORN SOYA MASA FLOUR	338.4	95.0
18.8	RICE	338.4	116.0
18.8	VEGOIL	85.0	69.4
	TOTAL SCHOOL FEEDING	761.8	280.4
C. OTHER CHILD FEEDING		(THOUSANDS) KG	DOLLARS
NUMBER OF RECIPIENTS (000)	COMMODITY		
5.0	INS. CORN SOYA MASA FLOUR	120.0	33.7
5.0	RICE	120.0	41.2
5.0	VEGOIL	30.0	24.4
	TOTAL OTHER CHILD FEEDING	270.0	99.3
D. FOOD FOR WORK		(THOUSANDS) KG	DOLLARS
NUMBER OF RECIPIENTS (000)	COMMODITY		
2.0	RICE	54.0	18.5
0.4	VEGOIL	1.2	1.0
	TOTAL FOOD FOR WORK	55.2	19.5
E. MONETIZATION			

MADAGASCAR (887)
 FY 1994 ANNUAL BUDGET SUBMISSION
 TABLE XIII: PL480 TITLE II

F. GENERAL RELIEF	NUMBER OF RECIPIENTS (000)	COMMODITY	(THOUSANDS)	
			KG	DOLLARS
	10.0	IMS.CORN SOYA MASA FLOUR	80.0	16.9
	10.0	RICE	100.0	61.7
	10.0	VEG OIL	15.0	12.2
		TOTAL GENERAL RELIEF	255.0	90.8
6. OTHER				

**FY 1994 ABS
MADAGASCAR (687)**

RESEARCH AGENDA

HEALTH, POPULATION AND NUTRITION

FY 92

Study of legal and regulatory constraints to delivery of family planning.

Feasibility of introducing NORPLANT (hormonal implant contraceptive) to local population.

FY 93

Operations Research on the delivery of family planning services especially in community based distribution, placing family planning services into enterprises.

Feasibility of local production of contraceptives.

Testing of Information Education Communication (IEC) messages.

Study of Cost containment/recovery in the health sector, especially as it related to the delivery of Family Planning.

AGRICULTURE

Commercial Agriculture Program:

A number of research activities will be carried out under the framework of the Commercial Agriculture Program (No. 687-0119) design. These include:

- Studies of rice related policies to promote an efficient, competitive and predictable market. Analyses will be done on rice pricing and marketing strategies, as well as investment and trade policies.
- Studies to identify seed related policies designed to promote a private sector seed industry, and to assure that quality seed, such as rice, fruits, vegetables and oil seeds are available to support commercial agriculture.
- Export related policies to remove barriers and monopolies to non-traditional exports of agricultural products.

The output of this research will be a policy agenda for negotiation with the Government of Madagascar to promote agricultural diversification and commercialization in high potential zones, and to expand market linkages within and among regions in Madagascar, and external markets.

MAELSP Program:

Under the Madagascar Agricultural Export Liberalization Support Project (MAELSP No. 687-0102), studies will be undertaken to develop new approaches to agribusiness development, to identify the impact of Government interventions on decisions by producers and traders to invest in agricultural exports, and to determine ways to eliminate remaining legal, institutional and procedural constraints to expanded exports. The output of this research will be a revised policy agenda to expand production and trade of non-traditional agricultural export commodities.

ENVIRONMENT**KEPEM Program:**

The Knowledge and Effective Policies for Environmental Management Program (KEPEM No. 687-0115) will undertake socio-economic field studies in up to six areas located near national parks or protected forest reserves to identify needed policy and legislative changes which encourage local management of natural resources. Elements to be tested will include land tenure, access and use rights of natural resources, and conflict resolution. Improved legislation will be tested on a pilot basis for relevance on a national scale.

PROJECT AMENDMENT NARRATIVE - I

PROJECT TITLE: Sustainable Approaches to Viable Environmental Management (SAVEM)

PROGRAM NUMBER: 687-0110

PROGRAM FUNDING LEVEL: (000s)

FY 93
Revised LOP \$29,700

PROJECT AMENDMENT DESCRIPTION: The project purpose, to identify and initiate systems (including institutions, methods, and behaviors) for the management of protected areas of Madagascar and the peripheral zones adjoining those areas on a sustainable basis remains unchanged as well as all other subobjectives and project activities to be implemented. However, during the initial project start-up activities, it was determined that two of the three project components, the Biodiversity Planning Service (BPS) and the Grant Management Unit (GMU) were underfunded by \$3.1 million. Therefore, this amount is needed to fully carry out the planned activities for these two components.

This requested increase will add an additional \$3.1 million to the LOP, thus increasing LOP from 26.6 million to 29.7 million.

DESIGN SCHEDULE: A PP Amendment will be prepared in first Quarter FY 93. Obligation is planned for third Quarter FY 93.

CURRENT STATUS: Since the authorization project of SAVEM in September 1991, the following activities have started. The technical assistance teams for ANGAP and GMU have arrived. The Operational Program Grant for the BPS is expected to be finalized by the end of FY 92 with the team arrival by the first Quarter of FY 93.

Delegation of Authority is with the USAID Director.

PROGRAM TITLE: Commercial Agriculture Promotion

PROGRAM NUMBER: 687-0118 (Project)
687-0119 (NPA)

PROGRAM FUNDING LEVELS: \$48 million over 4 years
DFA/NPA - \$24 million
DFA/PA - \$6 million
Title III - \$18 million

FY93 Request 13,000 (PA \$3 million/NPA \$10 million)

MAJOR DEVELOPMENT PROBLEMS ADDRESSED: After almost 20 years of socialist ideology and a command economy which replaced market signals and incentives in the productive sector, competitive trade of both food and export crops diminished. Government agricultural policies discouraged production for the market, thereby leaving farmers to revert to home consumption strategies. The agriculture sector grew at an average annual rate of 0.6% between 1970 and 1980, well below the estimated population growth rate of 2.8%, and declined at -0.1% between 1980 and 1983.

Despite Government efforts in the mid 1980s to inject growth in the economy through structural adjustment and market liberalization, there was a limited response in the agricultural sector. Three basic constraints remained: agricultural price and trade distortions; low level of effective demand; and pervasive deficiencies of rural markets related to inadequate rural infrastructure, inappropriate government interventions and regulation of commodity and input markets, inefficient provision of public services, and deficiencies in the rural financial markets.

These underlying constraints discouraged the expansion of regional trade and competitive markets throughout Madagascar, and fostered an environment of regional isolation, fragmented markets, and a lack of information transmission. All of these impediments are linked to inadequate physical and institutional market infrastructure, and legal and financial impediments facing economic operators. The key problem which the Commercial Agricultural Promotion Program will address, therefore, is the pervasive lack of competitive market linkages within and among selected high potential agricultural zones in Madagascar. A second problem is the lack of foreign exchange for needed agricultural inputs such as seeds, fertilizer, and farm and transport machinery to accelerate the production of a marketable surplus.

The Commercial Agricultural Promotion Program will support price and market liberalization policy reforms started in the mid 1980s to provide farmers with opportunities to increase production of surplus rice, off-season crops, and non-traditional export crops. Non-rice agricultural activities in the central highlands, where market conditions are favorable, has already begun to respond positively to these incentives. The Commercial Agricultural Promotion Program will support this trend. Increases in rural incomes and marketable agricultural products from off-season and surplus production in high potential zones will stimulate market linkages

among regions, between rural and urban areas, and between Madagascar and the world economy, and will contribute to a reversal of the process of impoverishment of rural households. Interventions will be directed to those agricultural sectors and regions for which multiplier effects on the overall economy will be largest. Linkage models for the Malagasy economy show that a policy based on the intensification of the small-farm sector in the high-potential, densely populated areas of Madagascar will accelerate the development of the entire rural economy, increase the size of the domestic market, as well as provide sizable off-farm employment opportunities.

Alternatives considered to inject growth into the economy included a strategy of rice commercialization, and specific commodity development such as livestock and fisheries. These, however, were rejected as not being able to address cross-sectoral issues to promote market linkages.

PROGRAM PURPOSE: The purpose of the Commercial Agricultural Promotion Program is to promote agricultural diversification and commercialization in selected high potential zones. Inter-regional trade of surplus production from high potential zones will contribute to the achievement of the Mission's CPSP Strategic Objective No. 2 - *High Potential Zone Growth Multiplies National Market Activity*. Together with a proposed FY 93 Financial Market AEPRP Program linked to Strategic Objective No. 1 - *Increase Private Investment*, and a planned future program to promote expanded locally-managed market services, the CPSP Sub-Goal to *Stimulate and Multiply Competitive Market Linkages* will be achieved. CPSP outlines were reviewed with AFR Office Directors in the field in March 92. This program was put forth as a priority new start for FY 93 (see ANTAN 2144 Para 9.)

The Program will promote the intensification of the small-farm sector and the rural non-farm sector, and facilitate inter-regional trade. Market linkages will be strengthened as entrepreneurs search for cheaper inputs and more profitable product markets. Beneficiaries will include small farmers, collectors and traders, and market operators. Women are expected to benefit directly, since many offseason crops and non-traditional exports tend to employ women. Interventions will be directed to support business associations including small-holder producers' associations.

PROGRAM DESCRIPTION: The Commercial Agricultural Promotion Program will include three activity areas:

- Policy dialogue leveraged through balance of payments support.
- Sectoral import supply.
- On-budget local currency programming for rural infrastructure maintenance and promoting commercialization in high potential zones.

Policy dialogue will address reform from among the following areas:

1. Rice related policies to promote an efficient, competitive, and predictable market. An Interministerial National Rice Policy Committee will be advanced to analyze and develop rice pricing, marketing, investment and trade policies. Possible policy and institutional changes to be addressed by the Committee will:

- Help adopt an effective crop information and forecasting system.
- Help formulate a rice import and marketing strategy to assure even supply and minimize price swings.

2. Seed related policies which assure that quality seed such as rice, fruits, vegetables and oil seeds, are available to support commercial agriculture. Proposed policies will:

- Liberalize private seed production, multiplication, imports and distribution.
- Establish quality control, inspection, sanitary protection, and certification standards.
- Formulate a National Seed Policy which defines and protects the roles of the public and private sectors.
- Privatize parastatal seed multiplication and distribution centers.

3. Export related policies to remove barriers and monopolies to non-traditional exports. Proposed policies will:

- Create a law on the formation of business associations, and update laws on the activities of cooperatives and professional organizations.
- Modernize and simplify the legislative, judicial and regulatory framework for international and domestic trade.
- Update the regulatory framework on health, sanitation norms and quality standards.

Commodities to be imported under the NPA may include improved seed, fertilizer, equipment for road rehabilitation and maintenance, farm implements, tool and die machines, and telecommunications equipment. Title III commodities could include wood products, edible oils, or rice.

Local currency generations will be used as matching funds for local private use in road/market rehabilitation and maintenance, seed multiplication and certification/inspection, marketing credit, guarantee funds for local investors, or support to producers associations. The Program will be implemented by an Interagency Steering Committee under the chairmanship of the Minister of Agriculture.

A planned complementary projectized technical assistance component (\$6 m) will consist of: one Senior Policy Analysis Coordinator to run the policy dialogue on seed, rice and export issues; one Seed Policy/Industry Expert to look after the technical aspects of the seed industry; and one Research Assistant to coordinate scope of work preparation and analysis of policy related studies.

Other donor programs will complement the price and trade policy dialogue on rice and non-traditional export crops targeted under the Program. The World Bank will coordinate interventions on remaining price and trade distortions for the major export crops of vanilla, cloves and coffee, and a number of other important domestic activities such as wheat, cotton, oilseeds and dairy products. The FED and Swiss Government are leading the effort on road rehabilitation and maintenance in high-potential areas. The on-going USAID-financed Rice Research Project (IRRI No. 687-0105), and Agricultural Export Liberalization Support Project (MAELSP No. 687-0102) are providing important technological and institutional support to expand the production of rice and non-traditional agricultural exports.

The Commercial Agricultural Promotion Program will be managed out of a proposed new Office of Market Business Development. A USDH Agricultural Business Officer (to be recruited), assisted by an FSN Agricultural Economist, will be responsible for coordinating the policy dialogue and monitoring the progress and impact of the program.

The Mission plans an FY 93 and FY 94 obligation for the NPA of \$10 million and \$4 million respectively, and \$3 million in FY1993/1994 for the Project component. There are two policy issues requiring AID/W resolution. First is the CIP versus Cash Transfer issue. A targeted CIP is preferred in order to maximize U.S. source procurement and directly support agricultural sector impact needs. The Mission has previous experience with a CIP which was audited in 1991 and provides lessons for managing future CIPs. PAIP design will examine merits of a CIP in relation to the foreign exchange regime, private sector demand, and local currency programming. The second issue refers to Title III modalities and availabilities in FY 93. A combined NPA/Title III multi-year agricultural policy reform program is proposed which will require separate modalities and approval tracks. A phased Title III will depend on food availabilities in view of Southern African drought relief needs. Bureau guidance will be needed to develop the Title III portion of the design.

DESIGN SCHEDULE: A PAIP Design team will be fielded in June-July. The PAIP will be submitted to AID/W for review in September 1992, as the Title III component requires AFR review. PAAD completion and Mission approval in the field is planned for May 1993. Obligation is scheduled for June 1993.

PROGRAM TITLE: Financial Market Development (FMD)

PROGRAM NUMBER: 687-AEPRP (funding Source)

PROGRAM FUNDING LEVEL: \$14.5 MILLION
FY93

MAJOR DEVELOPMENT PROBLEM ADDRESSED: The major development problem addressed by this program is the inadequate level of domestic savings in Madagascar. Gross Domestic Savings as a percentage of GDP was 11 percent in 1989. The comparable figure for low-income countries (excluding China and India) was 18 percent. A significant factor explaining the low savings rate is the state of the financial sector. Until recently, the public sector played a preponderant role in mobilizing domestic and foreign resources and in allocating them to investment projects. As the private sector's role in the economy increases, the financial system will have to take a greater role in the mobilization and allocation of resources and in ensuring the efficiency of investments.

Institutions in the 1990s will need to mobilize small-scale savings. Recent evidence indicates increased monetization of the rural sector in response to liberalization of the economy. Madagascar lacks an effective large-scale grassroots savings system that can capture the considerable savings potential of the rural and informal sectors.

A high savings rate is essential to financing the level of investment consistent with adequate job creation. The labor force grew by 2.7 percent between 1980 and 1985, 2.9 percent between 1985 and 1990. It is expected to rise to 3.2 percent within the next five years. Annual new entrants into the labor force will average 175,000 during the period 1991-1995.

The Government of Madagascar has been working closely with the World Bank to develop a financial sector strategy. The Bank produced a report in March, 1992, entitled Madagascar Financial Policies for Diversified Growth: Choices for a Market Economy. The strategy is based on achieving three objectives: 1) increasing financial savings, 2) enhancing the efficiency of investment, and 3) lowering the costs and risks of financial transactions.

The core of the problem of the weak financial sector is government efforts to capture for its budgetary requirements the assets of the financial sector. This is done, first and foremost, by denying the Central Bank an operating status independent of the Ministry of Finance. Secondary means are mandating that savings mobilized by some financial institutions be deposited in the Treasury.

The proposed financial sector strategy addresses these issues directly. It calls for revised Central Bank statutes, with a mandate to execute monetary policy. It calls for Central Bank-Treasury financial relations to take place through a government securities market and for a comprehensive review of Central Bank organizational structure, systems, methods, manpower and logistics. The strategy deals with all aspects of the financial sector; capital market developments, postal savings, social security funds, and payments systems.

PROGRAM PURPOSE: USAID/Madagascar will submit its CPSP in September 1992. CPSP outlines were reviewed with AFR Office Directors in the field in March 92. One Strategic Objective of the Mission's proposed strategy is to increase private investment. A target under this objective is "Financial market reforms increase domestic resources for the private sector". The AEPRP presented in this new program description will be USAID/Madagascar's principale tool to achieve this target. This program was put forth as a priority new start for FY 93 (see ANTAN 2144 Para 9). A larger flow of savings through the financial system to investors will lead to a higher level of investment and job creation than would be the case without the program.

Private investment recently in Madagascar has been in labor-intensive industries. Given the low-wages in the Malagasy economy this trend will continue. Labor-intensive industries tend to employ women at rates equal to or greater than men. New savings opportunities will be available equally to men and women. Consequently the beneficiaries of this program should be both men and women, especially those in the lower-income groups.

PROGRAM DESCRIPTION: The Financial Sector AEPRP for Madagascar will have three components. First, the independence and operations of the Central Bank. Policy measures will specify the nature of Central Bank-Treasury financial operations via a government securities market. These reforms will complement World Bank supported policy measures on the selection and tenures of board members and the adoption of a new Central Bank Charter. Technical assistance from the Federal Reserve Board will help the CB operationalize its new independence.

The second component is to establish the independence and improved operations of the Caisse d'Epargne de Madagascar (CEM). CEM is a public savings institution with offices in 208 towns, 250,000 depositors, and 35% of all individual term deposits. CEM is mandated to deposit its funds with the Treasury. It receives a below-market interest rate on its deposits, 6% compared to 12% on the money market and 13-14% in private banks. The CEM's inability to offer positive interest rates limits its ability to mobilize national savings despite its extensive presence in the country. AEPRP policy reform would provide the CEM with independent control over portfolio decisions. Technical assistance would strengthen marketing efforts, asset management and explore the feasibility of establishing credit operations.

The third component will be to support development of a competent, independent General Directorate of State (a GAO equivalent) and an accounting industry that will service increasingly transparent and accountable public and private sectors, by means of short-term training and technical assistance.

The anticipated scope of the program is three years and the anticipated level is \$14 million. NPA of \$10 million will be disbursed in two equal tranches against performance criteria. \$4.5 million will be projected for supporting technical assistance and training.

The program will be designed in collaboration with the Central Bank, Ministry of Finance, and Ministry of Post and Telecommunications (supervising Ministry of the CEM). Local private consulting firms will be employed for the institutional assessment of CEM.

The program will be consistent with the guidance contained in A.I.D. Policy Paper "Financial Markets Development" dated August 1988. No policy issues requiring AFR/W resolution are anticipated.

Mission management will reside with the mission economist. No USDH staff increase is planned as part of this program.

No research activities are planned. Participant training will be limited to short-term, with most of the training of CEM employees to be in-country. Central Bank employees will be trained in the US.

CIP VS. CASH GRANT: The mission's current thinking is that a cash grant is more appropriate than a CIP. The policy reform program is not linked to an importing sector. The allocation options being considered are : 1) disbursement to the Central Bank to support the Open General License import system, and 2) disbursement to the Ministry of Finance for payment of external debt (as is being done in the mission's environmental NPA). The latter option would ease the GOM financial burden when CEM funds are withdrawn from the Treasury.

DESIGN SCHEDULE

- a. PAIP Review and Approval - December 1992
- b. PAAD Review and Approval - May 1993
- c. Obligation - June 1993

FIELD DELEGATION

Mission requests delegation of authority to approve PAIP and PAAD in field in view of fact that program poses no policy issues and is a fairly straight forward program of financial sector reform as has been undertaken under previous AEPRPs.

PROJECT TITLE: Special Project Assistance Support to Peace Corps

PROJECT NUMBER: 687-SPA

PROJECT FUNDING LEVEL: (000s)

TOTAL LOP: \$200 DFA over 5 years

FY 94 Request: \$40

MAJOR DEVELOPMENT PROBLEMS ADDRESSED: After almost 20 years of socialist ideology many of the grassroots activities/microrealization activities aimed at people level impact have been discarded owing to lack of funds and expertise at the community level. In FY 1992 the GOM and the USG signed an agreement to begin a Peace Corps Program in Madagascar. Most of the volunteers will begin arriving in mid FY 1993.

In other countries Peace Corps Volunteers have played a major role in mobilizing community efforts for activities which are critical and varied to small communities.

PROJECT PURPOSE: To provide resources in support of community micro activities identified and initiated by Peace Corps Volunteers in conjunction with community leaders at the grassroots level. This will allow flexibility in the types of activities which will be decided upon by the volunteers and involved communities.

PROJECT DESCRIPTION: Types of activities could include but not be limited to environment, health, population, education, private sector development and other activities which correspond to stated development objectives of the country as well as that of USAID. Funds will be obligated through Limited Scope Grant Agreement with country Peace Corps Director such as used or PVO type arrangement.

DESIGN SCHEDULE: Mission will design an overall umbrella project with procedures for submitting proposals to USAID for consideration. DATE: FY 1993. Expertise: Mission Staff.

TABLE VIII(a)
 OPC-008-21697-000
 Mission: BAHAGSCH

PT 1994 ANNUAL BUDGET SUBMISSION
 OVERSEAS OPERATING EXPENSE/TRUST FUND REQUEST

EXPENSE CATEGORY	FY 1992 ESTIMATE			FY 1993					
	FMC CODE	OE	TF	INCREASES & DECREASES		OTHER INCREASES		TOTAL FY 1993 REQUEST	
				OE	TF	OE	TF	OE	TF
OFFICE OPERATIONS:									
Office Rent	0501	73.0	41.4	110.4	2.5				
Office Utilities	0502	3.0	7.3	10.3					
Building Maint/Repair	0503	23.0	40.0	63.0					
Eqpt. Maint/Repair	0508	0.4	30.0	30.4					
Communications	0509	40.0	0.0	40.0					
Security Guards	0510	0.0	10.0	10.0					
Printing	0511	2.0	5.0	7.0					
Site Visits - Mission	0513	10.5	10.0	31.6	100.0				
Site Visits - BHO/B	0514	0.0	10.0	10.0					
Information Meetings	0515	3.0	13.3	16.3					
Training Travel	0516	15.2	0.1	15.3					
Conference Travel	0517	42.9	4.4	47.3					
Other Operational Pyl	0518	43.6	10.0	54.4					
Supplies	0519	96.7	57.3	154.0					
TRLS	0520	25.0	0.0	25.0					
Consultant Contracts	0521	0.0	0.0	0.0					
Appt/Prof Svcs Cont	0522	0.0	0.0	0.0					
Spec. Studies/Analysis	0523	34.0	0.0	34.0					
IPP B/R Lease/Maint	0525	0.0	0.0	0.0					
IPP S/R Lease/Maint	0526	0.0	0.0	0.0					
Trans/Freight - 0540	0530	15.0	5.0	20.0					
Other Contract Svcs	0539	17.7	3.7	21.4					
Subtotal	0500	550.4	272.4	822.8					
OFF PROCUREMENT:									
Vehicles	0601	0.0	0.0	0.0					
Residential Furniture	0602	50.0	0.0	50.0					
Residential Equipment	0603	95.0	0.0	95.0					
Office Furniture	0604	70.0	10.0	80.0					
Office Equipment	0605	157.0	0.0	157.0					
Other Equipment	0606	90.0	0.1	90.1					
IPP B/R Purchases	0607	205.7	0.0	205.7					
IPP S/R Purchases	0608	23.7	0.0	23.7					
Trans/freight - 0600	0609	215.7	21.6	237.3					
Subtotal	0600	822.3	113.3	1,035.6					
590(c) IMPROVEMENTS									
	0700			0.0					
TOTAL OE COSTS		2,125.0	990.0	3,025.0					
Less PLUS		25.0	0.0	25.0					
TOTAL OE BUDGET REQUEST	0800	2,100.0	990.0	3,000.0					
INCREASES & DECREASES									
		OE	TF	OE	TF	OE	TF	OE	TF
NON-RECURRING		13.0				26.0		69.0	67.0
PRICE INCREASES		3.0		3.0				0.0	10.3
OTHER INCREASES		21.0	12.4	7.0				0.0	27.6
TOTAL		37.0	12.4	36.0		33.0		79.0	104.9
DECREASES		0.0		0.0		0.0		0.0	0.0
TOTAL		37.0	12.4	36.0		33.0		79.0	104.9
TOTAL FY 1993 REQUEST		2,137.0	1,002.4	3,036.0		373.0		3,409.0	1,109.8

SPECIAL INFORMATION:
 Local Currency Usage - 100.00
 Exchange Rate used in Calculations - 1,650.0
 BSR PTE - 10.0
 Trust Fund End-of-Year Balance (000'S) - 0.0

INCREASES & DECREASES
 NON-RECURRING
 PRICE INCREASES
 OTHER INCREASES
 TOTAL FY 1993 REQUEST

TABLE VIII(c)
 FPC: 1983-1987-8800
 Division: 0000000000

PT 1984 APRIL BUDGET SUBMISSION
 OVERSIC OPERATING EXPENSE/TOTAL FUND BUDGET

EXPENSE CATEGORY	FY83 CODE	TOTAL FY 1983 BUDGET		FY 1984						TOTAL FY 1984 BUDGET		
		06	TY	DECREASES & INCREASING	WAGE & PRICE INCREASES	OTHER INCREASES	06	TY	06	TY	TOTAL	UNITS
U.S. BUDGET ITEM:												
Other Salary	0105	0.0	0.0									
Education Allowance	0100	232.7	0.0	232.7	15.0							
Cost of Living Allow.	0100	0.0	0.0	0.0								
Other Benefits	0110	0.0	0.0	0.0								
Post Assign Travel	0111	04.0	0.0	04.0								
Post Assign Freight	0112	232.2	23.3	255.5	0.0							
Non Leave Travel	0113	85.7	0.0	85.7	5.0							
Non Leave Freight	0114	29.7	0.0	29.7	3.0							
Education Travel	0115	17.9	0.0	17.9	2.6							
U.S. Travel	0116	50.0	0.0	50.0	4.0							
Other Travel	0117	20.0	0.0	20.0	2.0							
Subtotal	0100	700.0	27.3	727.3	310.3							
F.O. BUDGET ITEM:												
F.O. Basis Pay	0201	0.0	3.0	3.0								
Overhead/Building Pay	0202	0.0	1.0	1.0								
Other Code 11 - FO	0203	0.0	0.0	0.0								
Other Code 12 - FO	0204	0.0	0.0	0.0								
Benefits - Foreign FO	0205	0.0	0.0	0.0								
Accrual Increases	0206	0.0	0.0	0.0								
Subtotal	0200	0.0	4.0	4.0								
CONTRACT PROGRAMS:												
U.S. FPC - 640	0302	173.0	0.0	173.0	6.0							
Other U.S. FPC Costs	0303	0.0	0.0	0.0								
FO FPC - 640	0304	110.2	372.7	482.9	11.0							
Other FO FPC Costs	0305	0.0	25.0	25.0								
Business Contracts	0306	0.0	29.0	29.0	1.0							
Accrual Increases	0307	79.0	0.0	79.0								
Subtotal	0300	372.0	426.7	798.7	27.0							
PERSONNEL:												
Residential Rent	0401	11.0	204.0	215.0	15.0							
Residential Utilities	0402	0.0	20.0	20.0								
Meals/Supplies	0403	0.0	24.0	24.0								
Living Quarters Allow	0404	0.0	0.0	0.0								
Security Benefits	0407	0.0	05.1	05.1	37.0							
Official Bus. Exp.	0409	0.0	0.0	0.0								
Representation Allow.	0409	1.1	0.0	1.1								
Subtotal	0400	12.0	253.1	265.1	52.0							

TABLE VIII(a)
 APC: 0001-21007-0000
 Mission: B13045C308

FF 1994 ANNUAL BUDGET SUBMISSION
 OPERISUS OPERATING EXPENSE/TRUST FUND BUDGET

EXPENSE CATEGORY	FPMC CODE	TOTAL FY 1993 BUDGET		TOTAL FY 1994 BUDGET		DECREASES & NON-RECURRING		WAGE & PRICE INCREASES		OTHER INCREASES		TOTAL FY 1994 BUDGET			
		OE	TF	OE	TF	OE	TF	OE	TF	OE	TF	OE	TF		
		TOTAL BUDGET		TOTAL BUDGET		TOTAL BUDGET		TOTAL BUDGET		TOTAL BUDGET		TOTAL BUDGET			
OFFICE OPERATIONS:															
Office Rent	0501	00.0	07.4	127.4	3.0							00.0	07.4	127.4	3.0
Office Utilities	0502	0.0	10.3	10.3								0.0	10.3	10.3	
Building Maint/Repair	0503	0.0	27.6	27.6				2.0				0.0	30.4	30.4	
Equip. Maint/Repair	0508	0.0	37.0	37.0							3.0	0.0	40.0	40.0	
Communications	0509	0.0	0.0	0.0								0.0	0.0	0.0	
Security Guards	0510	0.0	20.0	20.0	20.0							0.0	20.0	20.0	
Printing	0511	0.0	10.0	10.0								0.0	10.0	10.0	
Site Visits - Mission	0513	0.0	0.0	0.0	113.0							0.0	0.0	0.0	113.0
Site Visits - AID/R	0514	0.0	0.0	0.0	5.2	5.0	9.1					0.0	0.0	0.0	5.2
Information Meetings	0515	5.3	17.5	22.8	0.0	1.7						0.0	0.0	0.0	1.7
Training Travel	0516	10.0	25.0	35.0	0.0	0.0						0.0	0.0	0.0	0.0
Conference Travel	0517	50.2	17.4	67.6	0.0	0.0						0.0	0.0	0.0	0.0
Other Operational Trl	0518	20.0	11.1	31.1	0.0	0.0	17.5					0.0	0.0	0.0	17.5
Supplies	0519	00.0	00.0	100.0	0.0	0.0	19.7					0.0	0.0	0.0	19.7
PLAS	0520	25.0	0.0	25.0			9.3	6.7				25.0	0.0	25.0	
Consultant Contracts	0521	0.0	0.0	0.0								0.0	0.0	0.0	
Sign/Post Area Cost	0522	0.0	0.0	0.0								0.0	0.0	0.0	
Rep. Buildings/Hallways	0523	125.0	0.0	125.0			25.0					100.0	0.0	100.0	
Rep. 277 Area/Blind	0525	0.0	0.0	0.0								0.0	0.0	0.0	
Rep. 277 Area/Blind	0526	0.0	0.0	0.0								0.0	0.0	0.0	
Rep. 277 Area/Blind	0528	13.0	5.0	18.0					1.5			13.3	18.3	31.8	
Trans/Freight - 0530	0530	0.0	0.0	0.0								0.0	0.0	0.0	
Trans/Freight Area	0539	0.0	0.0	0.0								0.0	0.0	0.0	
Trans/Freight Area	0540	501.1	333.5	834.6			70.0	0.0	0.0	0.0	6.7	64.0	634.0	393.9	828.7
VEHICLE PROCUREMENT:															
Vehicles	0001	115.0	0.0	115.0	0.0		55.0					60.0	0.0	60.0	0.0
Residential Furniture	0002	22.5	5.0	27.5						1.5		24.0	5.0	29.0	
Residential Equipment	0003	52.5	0.0	52.5			9.4	0.0				43.1	0.0	43.1	
Office Furniture	0004	64.5	0.0	64.5			9.0					35.5	0.0	35.5	
Office Equipment	0005	4.7	0.0	4.7						1.0		5.0	0.0	5.0	
Other Equipment	0006	20.0	5.0	25.0						51.0		71.4	0.0	71.4	
IMP S/P Purchases	0007	50.4	0.0	50.4						57.5		107.9	0.0	107.9	
IMP S/P Purchases	0008	21.2	0.0	21.2						3.0		24.2	0.0	24.2	
Trans/Freight - 0009	0009	107.0	0.0	107.0			73.4	16.4	0.0	110.5	0.0	183.9	0.4	184.3	
Subtotal	0000	606.7	10.0	616.7			200.0	0.0	0.0	300.0		300.0	0.0	300.0	2.0
050(c) SUPPLEMENTARY															
TOTAL OE COSTS			2,025.0	1,200.0	3,025.0		030.9	123.4	41.2	21.3	300.7	102.1	2,025.0	1,200.0	3,025.0
Less FIAS			25.0	0.0	25.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OE BUDGET REQUEST	0000		2,000.0	1,200.0	3,000.0		030.9	123.4	41.2	21.3	300.7	102.1	2,000.0	1,200.0	3,000.0

SPECIAL INFORMATION:
 Local Currency Usage - 1
 Exchange Rate used in Calcul
 BSW PTE
 Trust Fund End-of-Year Balan

100.00
 2,300.00
 14.00
 0.00

TABLE VIII(b) FSN ACCRUED VOLUNTARY SEVERANCE LIABILITY

Orgno: 687
Mission: MADAGASCAR

FUNDING SOURCE	FY 1992			FY 1993			FY 1994		
	FNDH	FN PSC	TOTAL	FNDH	FN PSC	TOTAL	FNDH	FN PSC	TOTAL
OEA	0.0	19.6	19.6	0.6	78.8	79.4	0.7	79.9	80.6
IGA		0.0	0.0			0.0			0.0
HHA		0.0	0.0			0.0			0.0
FDAP		0.0	0.0			0.0			0.0
DFA	0.0	0.0	0.0	0.0	1.1	1.1	0.0	1.2	1.2
ESF		0.0	0.0			0.0			0.0
SAI		0.0	0.0			0.0			0.0
Other: 1/		0.0	0.0			0.0			0.0
TOTAL	0.0	19.6	19.6	0.6	79.9	80.5	0.7	81.1	81.8

Exchange rate used in calculations: FY92 - 1,950 FY93 - 2,145 FY93 - 2,360

1/ If other funding sources are used, please list each one separately.

TABLE VIII(c)
 BPC: 21687
 MISSION: MADAGASCAR

WORKFORCE CATEGORY	FY 1992			FY 1993			FY 1994					
	OE	TF	PROG	TOTAL	OE	TF	PROG	TOTAL	OE	TF	PROG	TOTAL
U.S. Direct Hire	10.0			10.0	13.6			13.6	14.6			14.6
F.N. Direct Hire		0.3		0.3		1.0		1.0		1.0		1.0
U.S. PSC	3.5		4.5	8.0	5.0		5.0	10.0	3.9		5.0	8.9
F.N. PSC		58.0	3.0	61.0		64.5	4.8	69.3		68.0	5.0	73.0
OTHER U.S. GOV'T.				0.0			0.5	0.5			1.0	1.0
OTHER INSTITUTIONAL			9.7	9.7			18.3	18.3			25.9	25.9
MANPOWER CONTRACTS		1.0		1.0		1.0		1.0		1.0		1.0
TOTAL FTE	13.5	59.3	17.2	90.0	18.6	66.5	28.6	113.7	18.5	70.0	36.9	125.4

FILE NAME:
 RANGE NAME:

MADAGASCAR (687) TABLE VIII (d)
NARRATIVE FOR OPERATING EXPENSES/TRUST FUND
EXPLANATIONS FOR CHANGES

USAID Madagascar has straight lined its dollar Operating Expense budget (OE) for the ABS period at \$2.1 million per annum. Approved staff increases in support of new program activities will be accomplished by varying the overall use of the funds within the allotted ceiling. Trust Fund (TF) accounts for an average of 34% of the total operating year budgets from FY92 to FY94 net of the 636C Requirements. To the maximum extent possible, TF will be used to pay Mission's core expenses for the Malagasy staff salaries and benefits and for the local support costs of USDH personnel.

USAID Madagascar recently negotiated the equivalent of \$3.8 million in local currency as a replenishment to its Trust Fund Agreement through 1995. Since these funds are denominated in Malagasy Francs, which devalues annually, the Mission will maximize their use in FY93 and FY94. The Mission has used a conservative inflation rate of 10% annually in the analysis.

SUMMARY CHART

	FY1992		TF		FY1993		TF		FY1994		TF	
	OE	%		%	OE	%		%	OE	%		%
U100	326.5	15.5%	10.3	1.1%	789.0	37.6%	27.3	2.4%	783.7	37.3%	8.6	0.8%
U200	0.0	0.0%	5.3	0.6%	0.6	0.0%	6.1	0.5%	0.7	0.0%	6.3	0.5%
U300	195.6	9.3%	291.3	32.4%	374.6	17.8%	418.6	37.4%	407.9	19.4%	425.8	36.5%
U400	130.2	6.2%	207.4	23.0%	13.0	0.6%	314.7	28.1%	6.1	0.3%	359.0	29.9%
U500	525.4	25.0%	272.4	30.3%	476.1	22.7%	333.5	29.8%	409.8	19.5%	383.9	32.8%
U600	822.3	43.9%	113.3	12.6%	446.7	21.3%	19.8	1.8%	491.8	23.4%	5.4	0.5%
OE/TF	2,100.0	100.0%	800.0	100.0%	2,100.0	100.0%	1,120.0	100.0%	2,100.0	100.0%	1,200.0	100.0%
636C					500.0		80.0		300.0		8.0	
TOTAL	2,100.0		800.0		2,600.0		1,200.0		2,400.0		1,200.0	

NOTE: U500 excludes FAAS costs

UCODE 100 SERIES

OE for USDH rose to 37% in FY93 and FY94 from 15.5% in FY92 in support of the Mission's increase in its FTE level to 14.6 from 10. Significant cost increases are foreseen in U106 - Education Allowance at \$30,800 per dependent for the Away From Post Allowance. Post Assignment Travel for new personnel and the reassignment of existing staff to AID/W totals \$328.0 U111/U112 in FY93. In FY94, the entitlement travel for existing personnel is \$204.8 U116 with Home Leave Travel/Freight at \$178.7 U113/114.

UCODE 200 SERIES

Mission received a FTE for one Direct Hire Foreign National Position in 1992. This FTE was designated for the Controller's Office for the establishment of a Class B Cashier position.

UCODE 300 SERIES

The rapid growth in the Mission local hire staff seen in previous ABS has started to stabilize. The focus is now on training the existing staff to enable them to assume greater responsibility in the overall operations of the Mission. Salaries and benefits for FSN-PSC average 35% of the total TF budgets. The increase in U304 to \$372.7 in FY93 is due to the addition of 11 FTEs to support new USDH staff and to fill voids in key positions. The FY94 U304 at \$377.8 is inflation driven.

The Mission will continue to provide hands on training to the Malagasy staff through local hire PSCs and a limited appointment of an offshore contractor. The FY93 USPSC - U302 at \$173.6 OE is due to the addition of an OE funded Food Aid Specialist to manage the PL480 and Famine Relief Programs and a Program/Training Assistant to implement the HRDA projects.

The FY92 FN - PSC- U304 at \$96.5 - FY92 is mainly due to the contracting of a TCN Chief Accountant. This position was approved by AFR/CONT Bureau with a defined scope of work to assist the Mission with its conversion to a MACS Lan Network and to reinforce the training of the local staff in the Controller's Office.

Accrued Severance Benefits - U307, a new category, escalated to \$78.8 OE in FY93 from \$19.6 OE in FY92 since 80% of the FSN employees hired in FY91 will become eligible for the benefit in FY93 per the compensation plan.

UCODE 400 SERIES

Mission incurred \$128.6 - OE in residential rents, utilities and maintenance and repairs costs in FY92 due to short falls in TF. All FY93-FY94 leases will be paid and negotiated in TF. The FY93 increase in the residential security guard contract - U401 to \$65.1 - TF is inflation driven.

UCODE 500 SERIES

The Mission is attempting to fund more of the Office's operations from TF. Net of FAAS costs, the total OE costs for UCODE 500 SERIES declined from \$525.4 in FY92 to \$409.8 in FY94. The offsets are an increase in TF from \$272.4 in FY92 to \$393.9 in FY94. TF will be used to totally fund in-country travel for Mission personnel U513 in FY93 and FY94 and to fund the transportation costs for travel scheduled in UCODES 515-U518. This tactic will enable the Mission to conserve OE normally spent for travel for utilization elsewhere against Mission's critical operations.

UCODE 600 SERIES

The Mission maximized its build up of NXP assets to support its expanding operations between FY91-FY92. The FY93 and FY94 - UCODE 600 SERIES budgets at 22% of total OE are attributed mainly to the replacement of existing assets. In FY92 - U607 - \$205.7 OE has been reserved for the purchase and installation of the MACS Lan Network and peripheral computer equipment. In FY92 - U606 - \$ 157.4 OE has been obligated for the installation of a telecommunication system which will enable the Mission to communicate directly with AID/W and other field operations.

636C REQUIREMENTS

The Mission has budgeted \$500,000 OE in FY93 plus \$80,000 from TF and \$300,000 OE in FY94 for the purchase of residential property. This will provide some relief to our OE/TF budget in future years since adequate residential property is already scarce and rents are expected to continue to escalate as the city's finite land is exhausted.

TABLE VIII(a)
 CONTROLLED BUDGET BREAKDOWN
 BY: FISCAL YEAR - 1993
 Division: 0000000000

FISCAL YEAR	CONTROLLED BUDGET	FY 1993 ESTIMATE			FY 1993			TOTAL FY 1993 REQUEST		
		06	17	TOTAL	INCREASES			06	17	TOTAL
					WAGE & PRICE	OTHER				
DIRECT BUDGET:										
0100	Other Salary	0.0	0.0	0.0						
0106	Education Allowances	30.0	0.0	30.0						
0106	Cost of Living Allow.	0.0	0.0	0.0			3.0			
0110	Other Benefits	0.1	0.0	0.1						
0111	Post Mission Travel	18.4	0.0	18.4						
0112	Post Mission Freight	22.0	2.3	24.3						
0113	Home Leave Travel	4.0	0.0	4.0						
0114	Home Leave Freight	4.0	0.0	4.0						
0115	Education Travel	0.1	0.0	0.1						
0116	Other Travel	0.0	0.0	0.0						
0117	Other Travel	0.0	0.0	0.0						
0100	Subtotal	86.5	2.3	88.8			65.7			
INDIRECT BUDGET:										
0201	Other Salary	0.0	3.4	3.4						
0202	OverTime/Shiftwork Pay	0.0	0.0	0.0						
0203	Other Code 11 - PB	0.0	0.0	0.0						
0204	Other Code 12 - PB	0.0	0.0	0.0						
0205	Benefits - Normal PB	0.0	0.0	0.0						
0206	Accrued Sick Leave	0.0	0.0	0.0						
0206	Accrued Sick Leave	0.0	0.0	0.0						
0206	Subtotal	0.0	3.4	3.4						
CONTRACT PROGRAMS:										
0301	Other S. PSC Costs	0.0	0.0	0.0						
0302	Other S. PSC Costs	0.0	0.0	0.0						
0304	PB PSC - S&S	12.0	0.0	12.0						
0305	Other PB PSC Costs	0.0	0.0	0.0						
0306	Summer Contract	0.0	0.0	0.0						
0307	Accrued Sick Leave	0.0	0.0	0.0						
0300	Subtotal	12.0	0.0	12.0						
OTHERS:										
0401	Residential Rent	0.0	0.0	0.0						
0402	Residential Utilities	0.0	0.0	0.0						
0403	Auto/Repairs	0.0	0.0	0.0						
0404	Living Quarters Allow	0.0	0.0	0.0						
0405	Security Guards	0.0	0.0	0.0						
0406	Official Inv. Exp.	0.0	0.0	0.0						
0406	Depreciation Allow.	0.0	0.0	0.0						
0400	Subtotal	0.0	0.0	0.0						
TOTAL										
		98.5	2.3	100.8			65.7			

TABLE VIII(a)
 CONTROLLER BUDGET BELLOW
 APC: 1984-85-21687-0000
 Mission: UNDISBURSED

EXPENSE CATEGORY	FISC CODE	FY 1982 ESTIMATE			FY 1983						
		OE	YF	TOTAL	DECREASES & PRICE INCREASES			TOTAL FY 1983 REQUEST			
					OE	YF	OE	YF	OE	YF	TOTAL
OFFICE OPERATIONS:											
Office Rent	0501	0.0	10.4	10.4							
Office Utilities	0502	0.4	1.1	1.5							
Building Maint/Repair	0503	3.4	0.0	3.4							
Equip. Maint/Repair	0500	0.0	3.0	3.0							
Communications	0505	0.0	0.0	0.0							
Security Guards	0510	0.0	1.0	1.0							
Printing	0511	0.1	0.3	0.4							
Site Visits - Mission	0513	0.0	0.0	0.0							
Site Visits - R/R/W	0514	0.0	0.0	0.0							
Information Meetings	0515	0.0	0.0	0.0							
Training Travel	0516	0.0	0.0	0.0							
Conference Travel	0517	3.0	5.0	8.0							
Other Operational Tr.	0510	0.0	4.4	4.4							
Supplies	0519	4.0	1.0	5.0							
Fuels	0520	1.3	0.0	1.3							
Consultant Contracts	0521	0.0	0.0	0.0							
Reg./Prof. Fees, Cont.	0522	0.0	0.0	0.0							
Spec. Studies/Analyses	0523	1.0	0.0	1.0							
APP R/W Lease/Build.	0525	0.0	0.0	0.0							
APP S/W Lease/Build.	0526	0.0	0.0	0.0							
Trans/Freight - 0500	0200	0.0	0.3	0.3							
Other Contract Svcs.	0200	0.0	0.2	0.2							
Subtotal	0500	24.0	35.2	59.2							
BUY PROCUREMENT:											
Vehicles	0601	0.0	0.0	0.0							
Residential Furniture	0602	5.0	0.0	5.0							
Residential Equipment	0603	0.7	0.0	0.7							
Office Furniture	0604	1.5	0.0	1.5							
Office Equipment	0605	7.0	0.0	7.0							
Other Equipment	0606	0.5	1.0	1.5							
APP R/W Purchases	0607	10.3	0.0	10.3							
APP S/W Purchases	0608	1.2	0.0	1.2							
Trans/Freight - 0600	0600	10.1	1.0	11.1							
Subtotal	0600	40.0	0.7	40.7							
03%(c) REQUIREMENTS											
	0000			0.0							
TOTAL OE COSTS			216.3	150.0	366.3						
Less FALS			1.3	0.0	1.3						
TOTAL OE BUDGET REQUEST	0000		213.0	150.0	365.0						

SPECIAL INFORMATION:
 Local Currency Stage - 3 100.00
 Exchange Rate used in Calculations 1,350.0
 RSW P/F 1.0
 Trust Fund End-of-Year Balance 0.0

100.00
 2,145.0
 1.0
 0.0

TABLE 11(10)
 CONTROLLED BUDGET SUMMARY
 FISCAL YEAR 1994-95 (10/01-09/94)
 Division: MANAGED

EXPENSE CATEGORY	FISCAL CODE	TOTAL FY 1993 BUDGET			FY 1994			TOTAL FY 1994 BUDGET		
		06	07	TOTAL	INCREASES & DECREASES			06	07	TOTAL
					WAGE & PRICE INCREASES	OTHER INCREASES	NET			
U.S. BUDGET ITEM:										
Other Salary	0100	0.0	0.0	0.0						
Vacation Allowance	0106	31.0	0.0	31.0						
Cost of Living Allow.	0108	0.0	0.0	0.0		3.4				
Other Benefits	0110	0.0	0.0	0.0						
Post Annuity Travel	0111	0.0	0.0	0.0						
Post Annuity Freight	0112	0.0	0.0	0.0						
Non Leave Travel	0113	36.1	0.0	36.1						
Non Leave Freight	0114	13.0	1.3	14.3						
Vacation Travel	0115	0.0	0.0	0.0						
U.S. Travel	0116	0.0	0.0	0.0						
Other Travel	0117	0.0	0.0	0.0						
Subtotal	0100	70.1	1.3	71.4		3.4				
F.O. BUDGET ITEM:										
U.S. Basic Pay	0201	0.0	3.0	3.0						
Overtime/Holiday Pay	0202	0.0	1.0	1.0						
Other Code 11 - FO	0203	0.0	0.4	0.4						
Other Code 12 - FO	0204	0.0	0.0	0.0		0.2				
Benefits - Normal FO	0205	0.0	0.0	0.0						
Accrued Leave	0206	0.0	0.0	0.0						
Subtotal	0200	0.0	4.4	4.4		0.2				
CONTRACT PROGRAMS:										
U.S. FSC - S&S	0300	0.0	0.0	0.0						
Other U.S. FSC Grants	0301	0.0	0.0	0.0						
FO FSC - S&S	0302	02.4	14.3	16.7						
Other FO FSC Grants	0303	0.0	25.0	25.0						
Business Contracts	0304	0.0	2.5	2.5						
Accrued Leave	0305	2.2	0.0	2.2						
Subtotal	0300	14.6	41.8	56.4						
GRANTS:										
Academical Debt	0401	0.0	10.0	10.0						
Academical Stipend	0402	0.0	1.4	1.4						
Grants/Repairs	0403	0.0	1.0	1.0						
Living Quarters Allow	0404	0.0	0.0	0.0						
Security Bonds	0405	0.0	3.3	3.3						
Official Bus. Exp.	0406	0.0	0.0	0.0						
Representation Allow.	0407	0.0	0.0	0.0						
Subtotal	0400	0.0	15.7	15.7						

TABLE 111(a)
 CONTROLLER BUDGET RELEVANT
 BPC: F08L-02-21607-0000
 Mission: BUDGETS/CAL

EXPENSE CATEGORY	FPMC CODE	TOTAL FY 1993 REQUEST		INCREASES & DECREASES		FY 1994		TOTAL FY 1994 REQUEST	
		OE	TF	OE	TF	OE	TF	OE	TF
		06	07	06	07	06	07	06	07
OFFICE OPERATIONS:									
Office Rent	0501	0.0	10.4	0.0	10.4	0.0	10.4	0.0	10.4
Office Utilities	0502	0.0	1.3	0.0	1.3	0.0	1.3	0.0	1.3
Building Maint/Repair	0503	0.0	3.4	0.0	3.4	0.0	3.4	0.0	3.4
Equip. Maint/Repair	0504	0.0	3.7	0.0	3.7	0.0	3.7	0.0	3.7
Communications	0505	5.4	0.0	0.5	0.0	5.9	0.0	5.9	0.0
Security Guards	0510	0.0	2.1	0.0	2.1	0.0	2.1	0.0	2.1
Printing	0511	0.0	0.5	0.0	0.5	0.0	0.5	0.0	0.5
Site Visits - Mission	0513	0.0	6.5	0.0	6.5	0.0	6.5	0.0	6.5
Site Visits - AID/W	0514	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Information Meetings	0515	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Training Travel	0516	3.3	9.7	1.4	9.3	4.7	9.0	1.4	9.0
Conference Travel	0517	1.4	7.2	0.0	7.2	1.4	7.2	0.0	7.2
Other Operational Tr.	0518	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0519	4.3	2.0	0.0	2.0	4.3	2.0	0.0	2.0
PAAS	0520	1.3	0.0	0.0	1.3	1.3	0.0	0.0	1.3
Consultant Contracts	0521	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Light/Prot. Sves. Cont.	0522	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spec. Studies/Analysis	0523	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMP R/W Lease/Maint.	0524	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IMP S/W Lease/Maint.	0525	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trans/Freight - 0500	0526	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Contract Sves.	0529	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	0599	21.0	47.6	1.2	45.5	22.2	46.1	3.0	51.0
ITP PROCUREMENT:									
Vehicles	0601	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Residential Furniture	0602	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Residential Equipment	0603	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Office Furniture	0604	2.2	0.0	2.2	0.0	2.2	0.0	2.2	0.0
Office Equipment	0605	0.2	0.0	0.2	0.0	0.2	0.0	0.2	0.0
Other Equipment	0606	1.0	0.0	1.0	0.0	1.0	0.0	1.0	0.0
IMP R/W Purchases	0607	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0
IMP S/W Purchases	0608	1.1	0.0	1.1	0.0	1.1	0.0	1.1	0.0
Trans/Freight - 0600	0609	7.5	0.0	0.0	0.0	7.5	0.0	7.5	0.0
Subtotal	0699	25.0	0.0	0.0	0.0	25.0	0.0	25.0	0.0
SM(c) PROCUREMENTS									
0600	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OF COSTS		206.0	160.0	2.5	13.2	208.5	173.2	3.0	176.2
Less FMS		1.3	0.0	0.0	0.0	1.3	0.0	0.0	1.3
TOTAL OF BUDGET REQUEST 0000		204.7	160.0	2.5	13.2	207.2	173.2	3.0	174.9

SPECIAL INFORMATION:
 Local Currency Usage - 3
 Exchange Rate used is Calcut
 US\$M FYE
 Trust Fund End-of-Year Balan

100.00
 2,360.0
 1.0
 0.0

..... FY 1982

USDH By Backstop:	BS	Area of			
		Focus (1) WorkYears	Focus (2) WKYRS	Focus (3) WKYRS	Other
Carrar	01				
MacKenzie	01				
Johnson	02				
Gurley	03				
Hunter	04				
Thomas	10	1.0			
Rushin-Bell	10		1.0		
Martin	11				
Vacant	21	1.0			
Vacant	21	1.0			
Vacant	30		1.0		
Stover	80			1.0	
Vacant	83				
Brown	84				
Vacant	84				
FNDH					
U.S. PSCs		1.0	2.0	0.3	
F.N. PSCs		3.3	3.0	2.0	
Other U.S. Gov't				0.5	
Other Institutional		3.6	5.3	0.8	
Manpower Contracts					
Total Workforce		10.9	12.3	4.6	0.0

..... FY 1983

USDH By Backstop:	BS	Area of			
		Focus (1)	Focus (2)	Focus (3)	Other
Carrar	01				
MacKenzie	01				
Johnson	02				
Gurley	03				
Breen	04				
Thomas	10	1.0			
Rushin-Bell	10		1.0		
Martin	11				
Vacant	21	1.0			
Vacant	21	1.0			
Vacant	30		1.0		
Stover	50			1.0	
Vacant	83				
Brown	84				
Hammink	84				
FNDH					
U.S. PSCs		2.0	2.0	2.0	
F.N. PSCs		5.0	3.0	3.0	
Other U.S. Gov't				1.0	
Other Institutional		4.0	10.6	3.5	
Manpower Contracts					
Total Workforce		14.0	17.6	10.5	0.0

..... FY 1984

USDH By Backstop:	BS	Area of			
		Focus (1)	Focus (2)	Focus (3)	Other
Carrar	01				
MacKenzie	01				
Johnson	02				
Gurley	03				
Breen	04				
Thomas	10	1.0			
Rushin-Bell	10		1.0		
Martin	11				
Vacant	21	1.0			
Vacant	21	1.0			
Vacant	30		1.0		
Stover	50			1.0	
Vacant	83				
Brown	84				
Hammink	84				
FNDH					
U.S. PSCs		2.5	2.0	2.0	
F.N. PSCs		5.0	3.0	3.0	
Other U.S. Gov't				1.0	
Other Institutional		5.1	13.0	7.0	
Manpower Contracts					
Total Workforce		15.1	20.0	14.0	0.0

**MADAGASCAR (687)
FY 1994 ABS****TABLE VIII (a) NARRATIVE**

The Mission's three top program sectors will require staff with strong technical and managerial skills in Agriculture; Business, Industry and Private Enterprise; Natural Resources and Energy Management, and Health Science, and Population - Backstops 10; 21; 30, and 50. We have indicated the need to double our staff of employees in these categories from three to six starting in fiscal year 1992. In addition, we will need to supplement our U.S. direct hire staff with U.S. personal services contractors and institutional contractors to implement the programs described in this ABS.

We will be unable to manage our existing projects and those to begin implementation by the end of this fiscal year or early fiscal year 1993 without the increased staffing in the numbers and mix of technically strong employees in all of our focus areas, but especially in our first area of agricultural marketing and business development. In this area we are expected to manage projects totalling \$52.8 million over the next three fiscal years; Our second focus area, which will concentrate on environmental protection, is expected to total \$55.1 million in projects. Our third area, which relates to health, nutrition and population, will consist of projects worth \$27.8 million. The U.S. direct hire staffing in the four backstops will be critical to our ability to oversee the increasingly large contract staff which will implement these projects, and to ensure the prudent management of U.S. Government resources. This is why early recruitment to fill these vacancies must be given high priority.