

November 29, 1990

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FROM: AFR/PD/SA, Cynthia Rozell *N. Rozell*

SUBJECT: Malawi Project Implementation Reports (PIRs) for the  
Period April 1, 1990 - October 31, 1990

Please find attached the PIR for Malawi.

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I. ADMINISTRATIVE INFORMATION

COUNTRY: MALAWI  
PROJECT TITLE: Health Institutions Development Project  
PROJECT NUMBER: 612-0211  
DATE OF REPORT: September 30, 1990  
FIELD PROJECT OFFICER: Gary W. Newton  
AID/W BACKSTOP OFFICER: Sidney Bliss, AFR/PD/SAP  
IMPLEMENTING AGENCY: Howard University (HU), Ministry of Works (MOW), Ministry of Health (MOH)  
MAJOR CONTRACTORS/AMOUNTS: Howard University: \$7,410,753  
CDK Construction Co: \$1,000,000  
Hope Clark Architects: \$147,620  
DATE OF LAST EVALUATION AND/OR AUDIT: Evaluation, September 1988  
DATE OF NEXT EVALUATION AND/OR AUDIT: None Planned  
WAIVERS PROCESSED DURING THE REPORTING PERIOD: None

III. PERFORMANCE INFORMATION

A. PROJECT PURPOSE

To assist the MOH in upgrading and institutionalizing its health manpower training capacity in support of the national primary health care and child spacing program.

B. PROGRESS TOWARDS MEETING EOPS

The Project came to an end on 30 September 1990. The project purpose was generally achieved. Under the PHICS Project, as amended on 25 September 1990, USAID is continuing to support MOH efforts to institutionalize and sustain pre- and in-service PHC training programs undertaken by the HID Project.

1. Bilateral Grant Agreement: EOPS accomplished. Extension to the Lilongwe School for Health Sciences (LSHS) completed, and inaugurated in May 1988.
2. Howard University Cooperative Agreement:  
EOPS for this component have generally been accomplished. The capacity of MOH training institutions has been increased through the

II. FINANCIAL DATA:

DATE OF AUTHORIZATION: 07/17/84  
AUTHORIZED LOP (\$000): (ORIGINAL): \$3,700  
(AMENDED): \$14,775  
DATE OF INITIAL OBLIGATION: 08/31/84  
PACD (ORIGINAL): 12/31/89; REVISED: 09/30/90

CUMULATIVE TO DATE  
(\$US 000)

CUMULATIVE OBLIGATIONS: \$ 8,768  
CUMULATIVE COMMITMENTS: \$ 8,693  
CUM. ACCRUED EXPENDITURES: \$ 8,604  
PIPELINE \$ 164

construction noted above, and participant training and TA. The volume and quality of MOH/CS services provided by the MOH has been increased through the revision of pre-service training curricula for key cadres of frontline health workers and the implementation of in-service training programs for MAs and HAs, and for most categories of health workers in Family Health and AIDS.

C. PROJECT OUTPUTS

MAJOR LOGFRAME OUTPUT TARGETS

OUTPUT STATUS

1. MA and HA pre- and in-service training programs improved and expanded. 1. Completed.
2. MOH staff trained in Family Health. 2. To be finalized under the PHICS Project amendment (612-0231).
3. Tutors trained 3. The number of tutors trained for the various programs exceeded the targeted figure.

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

The phase-out amendment designed in early CY1990 was executed by the REDSO/RCO and signed by Howard University. Objectives and activities included in the amendment were accomplished. The Lilongwe Project office has been closed, all participant trainees have returned, all in-service training has been completed, and Project assets have been inventoried and turned over to Government.

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

1. An amendment to the FHICS Project was designed, negotiated, and signed on 25 September 1990. Among other things, the amendment provides support to the MOH to finish three in-service training programs (AIDS, Family Health and Health Assistants) begun under the HID Project. The amendment also provides continued support to the MOH to help institutionalize and sustain pre- and in-service PHC training with which the HID Project was associated.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AGENT

1. Complete reimbursement of outstanding claims by May 31, 1991 (8 months after PACD). HPN with FMO.
2. Prepare Project Assistance Completion Report. HPN by end December 1990.
3. Monitor planned FY89 and FY90 A-110 Federal audits of Howard University. Review findings pertaining to HID Project. HPN with FMO, ongoing.
4. Review status of actions related to project close-out for which HU is responsible. Inform HU in writing of any outstanding actions/issues and reiterate the TDD. HPN by end Dec. 1990.
5. Review HID financial status, and, if necessary, complete de-ob/re-ob for remaining funds. HPN with FMO/PAE by end March '91.

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

1. Mid-term evaluation completed Sept. 1988.
2. No final evaluation planned.

3

ADMINISTRATIVE INFORMATION

COUNTRY: Malawi  
PROJECT TITLE: Rural Enterprises and Agribusiness Development Institutions (READI) 612-0214  
PROJECT NUMBER: 612-0214  
DATE OF REPORT: October 12, 1990  
FIELD PROJECT OFFICER: Stephen T. Norton  
AID/W BACKSTOP OFFICER: Lisa Franchetti, AFR/PD/SA  
IMPLEMENTING AGENCY: DEMATT, INDEFUND, MUSCCO and Ministry of Trade, Industry and Tourism (MITT)  
MAJOR CONTRACTORS/AMOUNTS: Africare, \$1,775,000 (PVO); CUNA/WOCCU, \$1,339,680 (PVO); VOCA, \$105,000 (PVO) and Deloitte, Haskins and Sells (DHS), \$195,000  
DATE OF LAST EVALUATION AND/OR AUDIT: Evaluation, September 1988 CUNA/WOCCU and Africare non-Federal audits, May-June 1990  
DATE OF NEXT EVALUATION AND/OR AUDIT: None  
WAIVERS PROCESSED DURING THE REPORTING PERIOD: None

III. PERFORMANCE INFORMATION

A. PROJECT PURPOSE

To strengthen, diversify and expand the economic activities of small and medium-size Malawian entrepreneurs, particularly those involved in agribusiness, rural employment-generating, import-substituting or FX-earning types of activities.

B. PROGRESS TOWARD MEETING EOPS

Significant progress has been made in terms of the requisite "building blocks" for expanding off-farm employment including:

- clear evidence of GOM awareness and appreciation of the current and potential role that the SME sector plays in job creation, raising standards of living and increasing incomes, and MITT's important role in sector coordination.
- recognition of need for additional incentives for SME expansion;
- recognition of need to further reduce policy barriers to SME development;
- increased viability of SME credit programs and institutions and expanded credit;
- increased rural and urban savings (through MUSCCO);
- improved and expanded business and technical advisory services (through DEMATT); and
- identified and promoted rural enterprise and agribusiness opportunities for INDEFUND and SEDOM credit consideration.

II. FINANCIAL DATA:

DATE OF AUTHORIZATION: 08/17/84  
AUTHORIZED LOP (\$000): (ORIGINAL): \$5,100 (AMENDED): \$8,970  
DATE OF INITIAL OBLIGATION: 08/31/84; AMENDED: 12/11/84, 3/27/87, 9/29/87, 1/11/89, 5/30/89 & 9/12/89  
PACD (ORIGINAL): 06/30/88; REVISED: 12/31/90  
CUMULATIVE TO DATE (\$US 000)  
CUMULATIVE OBLIGATIONS: 8,870  
CUMULATIVE COMMITMENTS: 7,963  
CUM. ACCRUED EXPENDITURES: 7,650  
PIPELINE: 1,220

Major management and information systems studies of MUSCCO and DEMATT were completed by Deloitte, Haskins and Sells/Malawi. Significant institutional improvements are being implemented.

All three participating institutions' 5-year institutional development plans beginning with the GOM 91/92 fiscal are being considered by their respective boards and by the GOM. These plans and corresponding budgets will be utilized during the design of the follow-on project.

C. PROJECT OUTPUTS

MAJOR LOGFRAME OUTPUT TARGETS

OUTPUT STATUS

1. Financial intermediaries serving small-scale entrepreneurs are strengthened

(i) MUSCCO: Financial self-sufficiency increased from 31% in 1988 to 40% at the end of July 1990, and the number of societies increased from 86 to 105, respectively. Twenty study clubs (prerequisite for creating a new society) are now in existence (including a USAID study club). Members shares/savings increased from MK937,000 in 1985 to MK2.9 million by June 1990. The September 1990 loan delinquency rate was 1.8%.

(ii) Indefund: With one quarter remaining, the projected CY 90 profit is above the original estimate. The conservative board was restructured with two new Malawi

Development Corp. representatives and a reduction from two to one representatives from Indebank. Restructuring was achieved through MED Program's MK1.0 million contribution to MDC.

2. Small and medium scale entrepreneurial economic activities expanded

(i) MUSCCO: Loans to members increased from MK990,000 in 1985 to MK3.0 million by June 1990.  
(ii) Indefund: During the period, 15 new projects were approved of which 3 were for USAID credit support totaling MK544,000. Three projects are for a tannery in Lilwende, tobacco farm and maize seed farm.  
(iii) DEMATT: Its Women's Program has generated 13 projects which have been funded by SEDOM (11 already started operations). An additional 17 loan applications are pending (13 with SEDOM, 1 with indefund and 2 with MUSCCO). Over 60 BAS/TAS contracts have been signed with current or would-be entrepreneurs and 100 more are being assessed.

3. Better coordinated and more effective support services provided by the private sector

(i) June PIC meeting demonstrated continuing excellent coordination among READI-funded institutions and other SME institutions plus MTIT.  
(ii) The National Bank of Malawi has approved a MK2.0 million working capital lending scheme for SMEs. Indefund will pass approved loans to the National Bank for working capital support.  
(iii) A VOCA volunteer completed a 6-week consultancy to assist in the formation of a chili growers' and exporters' association. Other VOCA consultancies are being planned.

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

1. Design of follow-on project requires important consensus within GOM (i.e. MTIT, MOL, EP&D and MOF) on direction of GOM and sector institutions. Management study of MTIT and recently-commenced Optimal SME Institutional Set-Up study

should greatly facilitate what may be a protracted process. Follow-on project design will need to have flexibility built in to permit responsiveness to what may be a changing environment.

2. Uncertainties over DEMATT's General Manager and decisions being made by him have raised serious concerns over the organization's viability and potential to meet the demands of the SME sector.

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

1. The continued rapid growth of both rural and urban MUSCCO societies is having a significant impact on national savings.  
2. Coordination and mutual support among READI-supported institutions and other SME and commercial institutions (e.g. MEDI and National Bank) has clearly demonstrated the viability of the sector's overall program.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTHS AND ACTION AGENT

1. Draft Action Memo/PP Supplement and PIL to extend PACD to September 30, 1991; Norton; November.  
2. Draft and execute Don Henry contract amendment to extend services through June 1991; Norton/MTIT/Henry; November/December.  
3. Draft PIO/T and grant amendment to extend WOCCU grant to September 30, 1991; Norton/WOCCU; November/December.  
4. Project Coordinator and supported institutions assist USAID in follow-on project design; Norton/McCloud/Kambalame/Henry/etc; October-March.  
5. Attend PIC/annual SME institutions' meeting to discuss draft document from Optimal SME Institutional Set-Up study; McCloud/Kambalame; December.  
6. Convene SME sector donor working group to discuss above study and USAID's and other donors' plans for the sector; Norton/McCloud/Kambalame/etc; November/December.  
7. Do de-earmarkings and de-commitments; Norton/McCloud; December-February.  
8. Transfer project management responsibility to McCloud; Norton/McCloud; December-February.

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

Mission's comments on draft of Africare's NFA submitted to RIG/Nairobi in September. Comments on draft of CUNA/WOCCU NFA to be submitted by November.

ADMINISTRATIVE INFORMATION

COUNTRY: Malawi  
 PROJECT TITLE: Malawi Agricultural Research and Extension (MARE)  
 PROJECT NUMBER: 012-0215  
 DATE OF REPORT: 10/15/90  
 FIELD PROJECT OFFICER: Joanne T. Hale  
 AID/W BACKSTOP OFFICER: Lisa Francnet  
 IMPLEMENTING AGENCY: Ministry of Agriculture  
 MAJOR CONTRACTORS/AMOUNTS: Consortium for International Development - \$7,210,932  
 DATE OF LAST EVALUATION AND/OR AUDIT: Mid-Term Evaluation, January 1989  
 Non-Federal Audit/Peat Marwick, December 1989  
 Non-Federal Audit/Price Waterhouse, July 1989  
 DATE OF NEXT EVALUATION AND/OR AUDIT: Final Evaluation - July-August 1991  
 WAIVER PROCESSED DURING THE REPORTING PERIOD: None

II. FINANCIAL DATA:

DATE OF AUTHORIZATION: 07/18/85  
 AUTHORIZED LOP (\$000): (Original): \$14,000  
 (Amended): \$15,000  
 DATE OF INITIAL OBLIGATION: 07/18/85; Amended: None  
 PACD (ORIGINAL): 09/30/90; Revised: 09/30/92  
 Cumulative to date  
 CUMULATIVE OBLIGATIONS: 15,000,000  
 CUMULATIVE COMMITMENTS: 13,016,319  
 CUM. ACCRUED EXPENDITURES: 10,808,045  
 PIPELINE: 4,131,355

III. PERFORMANCE INFORMATION

A. PROJECT PURPOSE

To improve the Ministry of Agriculture's institutional capacity to increase productivity of traditional crops and to identify the most viable crops for diversifying smallholder production.

B. PROGRESS TOWARD MEETING EOPS

1. Training Unit: Fully operational and trained 60 trainers in improved teaching methodologies.
2. Agricultural Research Council developed research and budget priorities for crop year 1990-91 and agreed to a specific research five year plan which focuses on diversification.
3. The Cereals Commodity Research Unit identified two improved flint hybrids which averaged 200% yield increases over traditional varieties and meets village processing and storage requirements; these improved varieties have been released to National Seed Co. for multiplication of 500 tons for crop year 1990/91; seeds expected to increase maize productivity in 1991/92.
4. An Adaptive Research Team has discovered that fertilizer recommended levels developed on research stations may not be appropriate for actual field conditions. This information will be fed back into research units for further testing and refinement. It is expected that fertilizer recommendations will be adjusted downward for specific locations. This represents a "first challenge" to fertilizer recommendations. MARE-financed returned trainees directly contributed to these efforts.

5. The Department of Agriculture developed extension strategies for 1990-1995 period. MARE-financed Out-Reach Activities have disseminated poultry feed information (using more local inputs) to smallholders; the MARE-financed Pilot Communications Project approach has now been adopted by all ADUs (August 1990).

6. Women's Program Section has been strengthened: their vegetable production, poultry, piggery, fish-farming, cattle fattening and sunflower production have advanced the diversification program and the importance of women in agriculture.
7. Private sector linkages through MARE TA has promoted increases in sunflower.

C. PROJECT OUTPUTS

MAJOR LOGFRAME OUTPUT TARGETS      OUTPUT STATUS

1. MOA Agricultural Training Unit established.      Staff of training unit selected and operational; funding levels in support of the 1990/91 Training workplan were finalized by MOA; 35 participants of off-shore long-term training have returned with MSc. qualifications and are strengthening rice irrigation programs, sorghum production, and agro-forestry, diversification efforts.

<p>Agricultural Research System for rating and setting research priorities is developed.</p>	<p>A research-setting agenda exercise was carried out in May, 1990 and was instrumental in setting more rational budget allocations for research.</p>
<p>Strengthened commodity research on economically viable technologies for smallholders</p>	<p>The Adaptive Research Teams in the AUs and at headquarters have been strengthened by returning participants who collaborate among researchers, extension workers and farmers in horticulture, cassava production, and vegetables. This collaboration enhances greater farmer feedback into research agenda.</p>
<p>Expanded Adaptive Research Teams identifying technologies which are economically and socially appropriate for smallholder farming systems</p>	<p>8 out of 9 participants of off-shore training have returned and are instrumental in testing bean production, sweet potato, and wheat technologies which are to be released for smallholder adoption after final field testing.</p>
<p>Improved agricultural communications services to greater numbers of smallholders.</p>	<p>A MARE-financed consultant was a key participant in a workshop for senior MUA officials; in this workshop, the MARE-financed "interactive farmer-extension" approach was adopted nationwide.</p>
<p>Strengthen Women's Program Section for increasing participation in agricultural programs.</p>	<p>34 Farm Home Assistants supported by MARE funds graduated and upgraded their skills at the Natural Resources College; a report of a survey of Income Generating Activities (IGAs), which highlighted marketing constraints, has been sent to MOA.</p>

PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

PROBLEM/ISSUE:

(A) Some of the Women IGAs are inappropriately located i.e. rural poultry and cattle-fattening projects are too far from feed input and delivery of final products to consumers; rural-based projects need to be better designed to fit the availability of input and output marketing structures (i.e. fishing projects located near lakes are more appropriate than rural poultry projects located near lakes);

(B) Adjust fertilizer recommendations.

STEPS TO RESOLVE:

(A) Department of Agriculture has requested short-term consultants to the Women's Program in economic analysis of IGA projects and in training women in agroforestry projects.

(B) August 1991 Annual National Research System meetings to address fertilizer recommendation adjustments.

RECOMMENDED ACTION: Issue PIL and PIO/T's for re-allocation of funds to permit TAs under CID contract; liaison with REDSU/Nairobi to expedite CID Contract Amendment.

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

1. The Agricultural Training Branch (ATB) has been recognized as a role model to be used by other agencies, i.e. OPC has requested MARE-financed ATB to present their office design and strategies. Training branches are being created in Health and Local Government based on MOA-MARE model.
2. Pipeline issues have been addressed. A detailed analysis of all MARE activities was undertaken and budget line item re-allocations were subsequently effected.
3. A MOA assessment of priority MARE activities to be undertaken in the final 2 years of the project include the extension of 2 MARE long term consultants (T. Cusack and T. Bunderson) in order to sufficiently strengthen the 2 newly established MOA units where they currently work: Agro-Forestry Unit and the Agricultural Research Data.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AGENT

- ACTION AGENTS:
1. GOM to submit claims that are more than 1 year overdue; Steve Shumba; January 1991.
  2. Reprogram U.S. \$1.4 million to more closely meet the new needs of the MOA; J. Hale; November 1990.
  3. Issue a PIL to re-allocate MARE project funds; J. Hale; November 1990.
  4. Issue PIO/Ts to amend CID TA Contract; J. Hale; November 1990.
  5. Issue PIO/Ps for overseas training; Chris Kaliu; January 1991.
  6. Scope of Work for Final Evaluation; J. Hale, March 1991.
  7. Track budget provision for PCP; S. Shumba, March 1991.

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

Peat Marwick disallowed some costs associated with the High Analysis Demonstration Plots and recommended that GOM should pay the U.S. Treasury. Meanwhile USAID/Malawi has gone back to REDSU with a counter proposal; cable to be sent to RIG/Nairobi regarding outstanding audit recommendations.

**I. ADMINISTRATIVE INFORMATION**

**COUNTRY:** Malawi  
**PROJECT TITLE:** Commercial Transport  
**PROJECT NUMBER:** 612-0218  
**DATE OF REPORT:** Oct. 16, 1990  
**FIELD PROJECT OFFICER:** David E. McCloud  
**AID/W BACKSTOP OFFICER:** Sidney Bliss  
**IMPLEMENTING AGENCY:** Ministry of Transport and Communications (MOTC)  
**MAJOR CONTRACTORS/AMOUNTS:** Trans-Send Int'l Corp., \$2,322,132; DEMATT, \$80,940; and three PSCs, \$411,718, \$343,877 and \$300,500  
**DATE OF LAST EVALUATION AND/OR AUDIT:** Deloitte, Haskins & Sells Assessment, November, 1985  
**DATE OF NEXT EVALUATION AND/OR AUDIT:** Evaluation, September, 1991 (PACD extension planned to 12/31/91)  
**WAIVERS PROCESSED DURING THE REPORTING PERIOD:** None

**III PERFORMANCE INFORMATION**

**A. PROJECT PURPOSE**

To increase Malawi's international road transport capability and security through development of the Malawian international trucking industry and to provide both short and medium-term support to Malawi's training institutions and the MOTC's emergency planning and inspection program.

**PROGRESS TOWARD MEETING FOPS**

1. a. The Malawi international vehicle fleet at present handles 30% of the total cargo up from almost nothing before 1984, when most cargo travelled on rail.  
 b. From May 1989 to August 1990, project rigs have handled 42 million litres of fuel, representing 50% of Malawi's total requirement, and travelled over 3.0 million kilometers. About K13 million (\$5.0 million at exchange rate \$1.0 = MK2.6) gross total has been saved which prior to project inception would have accrued to foreign haulers.
2. Transport operators are very committed to the training program and contribute financially to the upgrading training Programs for themselves and their drivers through Road Transport Operators Association (RTOA). DEMATT provides the training. This is an indication of entrepreneurial development on the part of the operators which has come about because of the financial benefits they are deriving from the project. Operators have acquired additional rigs, expanded their facilities and moved into new transport activities, at least in part using returns from project activities.

**II. FINANCIAL DATA**

**DATE OF AUTHORIZATION:** 02/17/84  
**AUTHORIZED LOP (\$000):** (ORIGINAL): \$5,000 (AMENDED): N/A  
**DATE OF INITIAL OBLIGATION:** 08/31/84; AMENDED: N/A  
**PACD (ORIGINAL):** 02/28/88; REVISED: 12/31/90  
**CUMULATIVE TO DATE (\$US 000)**  
**CUMULATIVE OBLIGATIONS:** 5,000  
**CUMULATIVE COMMITMENTS:** 4,089  
**CUM. ACCRUED EXPENDITURES:** 3,906  
**PIPELINE:** 1,094

**C. PROJECT OUTPUTS**

**MAJOR LOGFRAME OUTPUT TARGETS**

**OUTPUT STATUS**

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Efficient management in MOTC; on-the-job training of MOTC staff:</li> <li>2. Trained owner operators and internationally qualified drivers:</li> <li>3. Well-equipped Malawian transporters engaged in international transport:</li> </ol> | <p>Management efficiency improved through on-the-job training by overseas training; staff shortages, however, have reduced efficiency recently; transport economist trained under the project has left government service. Data processing has been computerized and is functioning, but greater computer capacity is required.</p> <p>Basic driver training programs have been done; a total of 50 drivers have been trained and they are fully incorporated in the haulage industry.</p> <p>Four of the twelve (12) equipment recipients have reinvested their profits into additional fuel hauling equipment; others have expanded their facilities and have opened new transport businesses.</p> |
|--|--|

Special training programs established for Malawian transporters and drivers:

DEMAIT, RTOA, Agmin, and a contractor will conduct a specialized drivers' training program in Oct-Nov. Some of the participants will be selected to undergo a special program to train Industry Driver Trainers.

**D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES**

1. The following is an update on the trailer problem described in detail in the PIR for the period October 1, 1989 - March 31, 1990. RIG/I submitted its report mid-September, 1990. In its report, RIG/I is recommending that a bill of collection be issued to Trans-Sand in the amount of \$330,000, which represents the cost of repairs plus the cost of fuel lost due to the trailer problem. This report has been discussed with the Ministry of Transport and Communications, which will discuss the report's contents with the Ministry of Justice to determine what legal action the Government of Malawi (GOM) should take. It is expected that the GOM will issue a bill of collection, but possibly in a larger amount to include as well lost profits of operators whose trailers have been out of action during trailer repairs. The GOM will report back to USAID once a response has been received from Trans-Sand. It is possible that USAID will be asked to take action if Trans-Sand's response is unsatisfactory to the GOM.
2. The brake testing equipment which was ordered and received (mostly) about four years ago has not yet been installed, and it is questionable whether the equipment is functional and whether whatever additional parts which are necessary are available. The GOM is attempting to get the supplier to come to Malawi and sort out the problem, and a trip which was scheduled for September was postponed because the parts for the equipment are not yet completed. USAID has informed the GOM that no additional project funds will be available as payment to the supplier, either for additional equipment or for installation. Also, USAID has informed the GOM that before the PP Supplement is finalized, a decision must be made about the equipment - whether it is functional or whether new equipment should be procured. The GOM is required to submit to USAID some certification about the state of the existing equipment before project funds will be allocated to cover the cost of constructing the pits.

**E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS**

A draft Project Paper Supplement document has been completed with the exception of some input required from MOTC.

**F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME**

1. **ACTIVITY:** Complete and issue PP Supplement and extend PACD to Dec. 31, 1991. Organize procurement of additional horses (and possibly trailers with counterpart funds).

**RESPONSIBLE OFFICER:** PDO McCloud and GOM

**ACHIEVEMENT TARGET DATE:** December, 1990

2. **ACTIVITY:** Work toward resolution of financial issue - how to pay for costs of repairs and modifications to trailers, and cost of lost fuel.

**RESPONSIBLE OFFICER:** PDO McCloud and GOM

**ACHIEVEMENT TARGET DATE:** January, 1991

3. **ACTIVITY:** Develop mutually acceptable list of local currency activities using project counterpart funds.

**RESPONSIBLE OFFICER:** PDO McCloud and GOM

**ACHIEVEMENT TARGET DATE:** December, 1990

**G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS**

**1. Evaluation**

Evaluation planned for September 1991, assuming PACD extension to 12/91.

**I. ADMINISTRATIVE INFORMATION**

COUNTRY: Malawi  
PROJECT TITLE: Malawi Rural Development Linkages Project (OPG)  
PROJECT NUMBER: 612-0220  
DATE OF REPORT: October 12, 1990  
FIELD PROJECT OFFICER: Indira Biswas Benbow  
AID/W BACKSTOP OFFICER: Lisa Franchett  
IMPLEMENTING AGENCY: USAID/Malawi  
CONTRACTORS/AMOUNTS: Save the Children Federation/U.S.A.  
  
DATE OF LAST EVALUATION AND/OR AUDIT: June 20 - July 27, 1988  
DATE OF NEXT EVALUATION AND/OR AUDIT: PACR November, 1990  
Non-federal audit May 1990 (Phase I only)  
  
WAIVERS PROCESSED DURING THE REPORTING PERIOD: None

**III. PERFORMANCE INFORMATION**

**A. PROJECT PURPOSE**

- Develop the capacity of selected communities to increasingly assume an active role in needs assessment, problem analysis, and the management and implementation of integrated project activities.
- Provide a model of sustainable and replicable development to the Government of Malawi (GOM) which demonstrates reinforced horizontal and vertical linkages between rural communities and existing government services.

**B. SUMMARY OF PROJECT IMPACT**

The end-of-project evaluation in July 1988 (for the first grant) concluded that project objectives had been largely realized. The Malawi Rural Development Linkages Project (MRDLP) has created twenty Area Development Committees (ADCs) in two catchment areas which effectively involve local communities in the planning and implementation of development activities. In addition, linkages between the various GOM service delivery ministries and communities have been strengthened. The project has also made significant contributions to infrastructure development. Many of the MRDLP development activities will be sustained after the project, but questions remain about the replicability of the Save the Children (SCF) approach given the GOM's limited resources.

**II. FINANCIAL DATA:**

DATE OF AUTHORIZATION: 08/25/83  
AUTHORIZED LOP (\$000): (ORIGINAL): \$1,250  
(AMENDED): \$1,370  
DATE OF INITIAL OBLIGATION: 08/25/83  
PACD (ORIGINAL): 08/03/88; REVISED: 09/30/90  
  
CUMULATIVE TO DATE (\$US 000)  
  
CUMULATIVE OBLIGATIONS: 1,370  
CUMULATIVE COMMITMENTS: 1,370  
CUM. ACCRUED EXPENDITURES: 1,370  
PIPELINE: 0

**INSTITUTION BUILDING:**

SCF's integrated approach to rural development places great emphasis on institution building. Sensitizing villagers to development activities they can themselves undertake and helping them establish community action organizations are major steps in creating village development institutions. In addition, several SCF personnel trained under Rural Development Linkages have been hired by the public or private sector and will carry their village development knowledge to other institutions.

**TECHNICAL ASSISTANCE:**

The provision of technical assistance to the village level has been a major feature of MRDLP. SCF has provided expatriate and Malawian technical advisors and administered major training efforts for villagers in areas such as small enterprise, agriculture, forestry, health, and education. The project has enhanced local capacities to organize village development activities as well as increased local technical knowledge.

## LINKAGES AND DIALOGUE WITH THE THE PUBLIC SECTOR:

SCF has intensified its policy dialogue with both government and the private sector over the last year in order to enhance the likelihood of project sustainability and replicability. Major GOM achievements include: hiring of all SCF CDAs in both impact areas as Government CDAs starting 10/1/90; introduction of market days at six new market places; GOM agreement to take over SCF demonstration gardens in Mkhota and in Mzuzu ADD; and discussions regarding agricultural and forestry income generating activities in schools. The impact of policy dialogue with the GOM in terms of furthering or changing policies has been limited by the impact areas' distance from national government and by the relatively narrow focus of project work.

## PRIVATE SECTOR DEVELOPMENT:

The Project worked with and through the private sector, when appropriate. At the village level, this meant purchasing supplies from small shopkeepers whenever possible. At the national level, this included collaboration with SEDOM, DEMATT, MUSCCO and other non-governmental organizations. In addition, several SCF staff trained under the project are now working in the private sector (mainly for NGOs), and the project has contributed to increased demand for private sector goods and services among the villagers.

## RECURRENT COSTS:

SCF has taken major steps to make MRDLP projects self-sustaining. Emphasis has been placed on leadership training for area development committees and entrepreneurial training for villagers, rather than financial support of projects. Villagers have used their increased technical knowledge to keep better financial records, to obtain raw materials, and to upgrade the quality of goods such as soap and pottery. This technical training has been essential to strengthening villagers' capacity to sustain themselves without outside support.

According to SCF's phase-over plan, in the long run, MRDLP should be supported by village revolving funds and income generated through various villagers' activities, supplemented by some technical assistance from the GOM or NGOs. To date, the GOM has picked up salary and support costs for nine CDAs who are working in the two impact areas and has promised to fund two additional CDAs. Local communities, NGOs, and/or the GOM have taken over maintenance of several project activities which have a good chance of sustainability such as income-generating projects and revolving seed funds. Proceeds from the seeds sold to farmers and women's groups have gone into providing the capital for community-managed seed revolving funds for future years. In the Mbalachanda impact area, in conjunction with GTZ, ten beekeeping clubs are upgrading the quality of their honey. Their mutual goal is production of export quality honey.

## REPLICABILITY:

If the GOM had the time, resources, and the trained and dedicated staff of SCF, the MRDLP could be replicated. Critical factors are (1) the capability to invest a large amount of multisectoral resources over a 5 to 6 year period and (2) the presence of a relatively stable (non-transient) target population with community action traditions.

At present, the GOM and/or the private sector cannot afford to replicate the resource-intensive MRDLP model, and therefore it is not a viable approach for Malawi. The integrated rural development approach may be feasible for other NGOs in the future, provided they are in a position to contribute the management-intensive effort made by SCF and the private and public sectors are more able to sustain an integrated rural development effort.

The most replicable component of MRDLP may be the income-generating activities carried out under the second grant. The project completion report will take a closer look at these income-generating activities and revolving funds in order to better assess their sustainability and replicability.

## C. PROJECT OUTPUTS

The LOGFRAME in the approved OPG proposal and the extension contained outputs focused at the goal and objective levels, with objectively verifiable indicators that were general and unquantified. Nonetheless, it is possible to quantify some of the projects accomplishments, and report on output status.

The twenty Area Development Committees (ADC's) have been active in planning and implementing projects in the areas of agriculture, health, small enterprise and education. Under the first grant, over 150 discrete development activities were implemented. Sector activities included: 100 literacy teachers trained and 80 adult literacy classes functioning, 80 homecraft groups established, over 20 revolving seed funds established, 2,000 vaccinations given, and 12 viable revolving drugs funds established. Infrastructure development included: 17 school blocks, 50 shallow wells, 29 borehole wells, 3 postal agencies and 2 bridges.

Under the second grant (the \$120,000 extension), infrastructure has been de-emphasized and food production and income-generating activities have been promoted.

The following are specific second grant outputs:

## Development of Community Services

- a) Major food production and agriculture outputs
- 2,000 MK worth of maize seed distributed
  - 62 schools received TA on vegetable gardening
  - 2 demonstration piggery projects
  - 1 dairy cattle project
  - 1 commercial beekeeping apiary and 10 beekeeping clubs
  - charcoal cooler used in dairy project
  - 61 poultry projects
  - 16 rabbitry projects
  - 1 charcoal brooder raising day-old chicks
- b) Major WID/Small-scale enterprise outputs
- 52 homecraft groups received agriculture and nutrition training
  - 4 commercial soap making groups
  - 9 commercial baking groups
  - 6 commercial pottery groups
  - 2 groups producing knitted hats
  - Mkhota groundnut expelling project run on a commercial basis

## D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

None. A.I.D.- funded project activities ended on September 30, 1990.

## E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

The major accomplishments during the past six months were USAID/SCF agreement on a phase-over plan which addresses project sustainability issues, approval of a three-month no-cost PACD extension to 9/30/90, and preparation for project close-out.

During the three-month extension, SCF has taken major steps to make MRDLP projects self-sustaining. SCF's emphasis has been on the training of community groups to manage and maintain project activities, the development of a variety of revolving funds to finance operations, and on GOM takeover of technical assistance.

In addition, project close-out procedures were initiated in September and are proceeding well. SCF and USAID have agreed to final reporting requirements, and a preliminary outline and timetable for SCF's final report. SCF is currently working on the first draft of the final report.

## F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AGENT

1. ACTIVITY: Submit close-out inventory.  
RESPONSIBLE OFFICER: J.E. Wilmore (SCF)  
ACHIEVEMENT TARGET DATE: November 15, 1990
2. ACTIVITY: Field trip to Mbalachanda to gather information for project completion report.  
RESPONSIBLE OFFICER: I. Biswas Benbow (USAID/Malawi); J.E. Wilmore (SCF)  
ACHIEVEMENT TARGET DATE: Mid-November
3. ACTIVITY: Submission of draft final report.  
RESPONSIBLE OFFICER: J. E. Wilmore (SCF)  
ACHIEVEMENT TARGET DATE: November 30, 1990
4. ACTIVITY: Submission of SCF final program and financial reports  
RESPONSIBLE OFFICER: J.E. Wilmore (SCF)  
ACHIEVEMENT TARGET DATE: December 31, 1990
5. ACTIVITY: Submission of project completion report.  
RESPONSIBLE OFFICER: I. Biswas Benbow (USAID/Malawi)  
ACHIEVEMENT TARGET DATE: January 31, 1991

## G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

Phase I audit did not disclose any major weaknesses and therefore the Phase II audit did not take place.

#0245J

Malawi Fertilizer Subsidy Removal PIR for April - September 1990

I. ADMINISTRATIVE INFORMATION

COUNTRY: Malawi  
PROJECT TITLE: Malawi Fertilizer Subsidy Removal  
PROJECT NUMBER: 612-0225.B (Project Component Only)  
DATE OF REPORT: October 9, 1990  
FIELD PROJECT OFFICER: Roberta Mahoney  
AID/W BACKSTOP OFFICER: Jerry Wolgin, AFR/DP/PAR  
IMPLEMENTING AGENCY: Ministry of Finance  
MAJOR CONTRACTORS/AMOUNTS: Nathan Associates (Evaluation - \$147,705)  
Deloitte & Touche (SFRF study - \$74,470;  
Divestiture work - \$921,955)

DATE OF LAST EVALUATION AND/OR AUDIT: Program Impact Evaluation: April, 1990  
RIG Audit: April 1987

DATE OF NEXT EVALUATION AND/OR AUDIT: None planned

WAIVERS PROCESSED DURING THE REPORTING PERIOD: None

II. FINANCIAL DATA:

DATE OF AUTHORIZATION: 09/18/85  
AUTHORIZED LOP: \$1,900,000  
DATE OF INITIAL OBLIGATION: 09/24/85  
PACD (ORIGINAL): 03/31/89; REVISED: 09/30/90

CUMULATIVE TO DATE OBLIGATIONS: \$1,900,000  
COMMITMENTS: 1,893,889  
ACCRUED EXPENDITURES: ?  
PIPELINE: ?

A. PROGRAM OBJECTIVES:

The MFSRP had two components:

- (1) \$13.1 million (subsequently reduced to \$8.0 million) to support removal of Malawi Government subsidies on fertilizers over a three year period while simultaneously introducing and increasing the supply of more cost efficient, concentrated fertilizers. (Note: Since this component was curtailed in late 1987 and has been reported upon extensively, it will no longer be covered in the PIR).
- (2) \$1.9 million for technical assistance, studies and training in support of the fertilizer subsidy removal program and other elements of the Malawi Government's structural adjustment program.

B. PROGRESS TOWARD MEETING EOPS:

As explained in the Project Outputs section, this component has provided important resources to further the Mission's policy dialogue and to strengthen the GOM's planning, management and budgetary capacities and to improve the Agricultural Development and Marketing Corporation's (ADMARC) operational efficiency.

C. PROGRAM OUTPUTS:

The program impact assessment, conducted not long before the program was discontinued, enabled the Mission to encourage the GOM to substantially raise (by 35%) maize producer prices in order to regain relative profitability and to increase fertilizer prices (on average almost 30%), even though the Government was unable to meet the performance target (i.e. the CP) for program disbursement.

Acting on the recommendations of another Program-funded study, the GOM completely separated the national fertilizer supply system from ADMARC, established it as an independent trust, and took steps to strengthen its administration and operations.

The \$921,955 committed as companion funding to the \$500,000 Parastatal Divestiture project assistance has provided important technical support to the restructuring of ADMARC and development of capital markets. To date, short-term technical assistance has been provided for: development of a divestiture and restructuring strategy; valuation of assets; and establishment of a Unit Trust.

Under the component, USAID also financed the National Symposium on Agricultural Policies for Growth and Development (November 1988) which served to broaden the dialogue on food security and helped establish a consensus, within the GOM and between donors, on the principal policy and technical constraints to smallholder sector development. Out of this seminar emerged the outline for a new World Bank-led, multi-donor \$160 million agriculture sector adjustment program.

Finally, about 40 key officials, including four Principal and Deputy Secretaries, have received training in such diverse, critical fields as: project analysis and program management; performance auditing; public taxation policy; national budgeting; debt management and control; foreign investment negotiations; food and ag. policy; and public enterprise policy and management.

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

None

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

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F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTHS AND ACTION AGENT

- (1) Verify no outstanding actions with contractor (e.g. claims, reports, etc) -- Mahoney/Nkosi, December.
- (2) Project Completion Report -- Mahoney/Benbow/Nkosi, December.

G. STATUS

N/A

Parastatal Divestiture PIR for April - September 1990

I. ADMINISTRATIVE INFORMATION

COUNTRY: Malawi  
PROJECT TITLE: Parastatal Divestiture  
PROJECT NUMBER: 612-0227  
DATE OF REPORT: October 9, 1990  
FIELD PROJECT OFFICER: Roberta Mahoney  
AID/W BACKSTOP OFFICER: Jerry Wolgin, AFR/DP/PAR  
IMPLEMENTING AGENCY: Ministry of Finance and the Agricultural Development and Marketing Corporation (ADMARC)  
MAJOR CONTRACTORS/AMOUNTS: Deloitte Haskins & Sells: \$591,598 under this Project, plus \$921,956 from Fertilizer Subsidy Removal (612-0225.B)  
DATE OF LAST EVALUATION AND/OR AUDIT: Mid-term Evaluation, March, 1989  
DATE OF NEXT EVALUATION AND/OR AUDIT: EOP/Impact Evaluation, late FY 91  
WAIVERS PROCESSED DURING THE REPORTING PERIOD: None

II. FINANCIAL DATA:

DATE OF AUTHORIZATION: 08/15/86  
AUTHORIZED LOP (\$000): NPA: \$15,000,000  
PA: \$500,000 Planned: \$591,598  
DATE OF INITIAL OBLIGATION: 08/19/86  
PACD (ORIGINAL): 08/18/88; REVISED: 12/31/90  
Program TOD: 09/30/90  
CUMULATIVE TO DATE  
OBLIGATIONS: NPA: \$15,000,000 PA: \$591,598  
COMMITMENTS: 12,126,148 591,598  
ACCRUED EXPENDITURES: 12,126,148 550,000  
PIPELINE: 2,873,852 -

III. PERFORMANCE INFORMATION

A. PROJECT PURPOSE

- (1) More efficient utilization of resources through the movement of resources from the public to the private sector;
- (2) Inject critically needed foreign exchange into the economy; and
- (3) Increase the amount of credit available to the banking system for lending to private borrowers.

B. PROGRESS TOWARD MEETING EOPS

- (1) More efficient utilization of resources through privatization. Good progress has been made in moving assets out of ADMARC, into the hands of Malawians and national and international firms. Most of the estates have been divested, with several turning handsome profits after years of loss-making. Five firms have been privatized; the capital infusion in several cases and new management have markedly improved operations. Particularly noteworthy this period was a broadening of market participation. Bidders are no longer excluded because of ethnic origin.

ADMARC's overall financial position has dramatically improved during the last two years, a reversal attributed in part to the Divestiture Program; after successive years of loss-making, the Corporation registered a MK 9.6 million profit for the year ending 3/31/89, and this year the profits are estimated to have risen to MK 26.0 million. ADMARC's crop marketing operations have improved with the strengthened capital position and as Corporation management is now able to concentrate on their primary function.

- (2) Inject critically needed foreign exchange into the economy: \$12,126,148, or 81% of program funds, have been released.
- (3) Increase availability of credit (not quantifiable)
  - Co-financing facility established for estate purchases
  - ADMARC's commercial banking overdraft lessened as its liquidity increased due to asset sales and greater efficiency.
  - GOM has yet to act on recommendations of the capital market study.

C. PROJECT OUTPUTS

MAJOR LOGFRAME OUTPUT TARGETS

OUTPUT STATUS

- (1) Privatization of at least MK30.0 million in assets
  - (a) Farming estates: about 85% complete - of 25 estates, 18 have been sold to Malawian individuals or firms, 2 were donated to CCAM, 4 loan arrangements were written off, and one will be purchased by Government after price is agreed. One of the original 8 was initially repossessed by ADMARC for non-payment, and then resold (Chasato).

(b) Other assets:

Tier I - Complete Divestiture

- Lever Brothers: sold
- PEW: sold
- Cattle Feedlot: sold
- Maldeco: sold

Tier II - Divestiture/Transfer

- Fincom (20%), National Bank (61%), Stage Coach (40%): all approved for transfer
- Holding Company, ESOP also being pursued as a possibility for Stage Coach (all are candidates for a Unit Trust)

Tier III - Partial Divestiture:

- National Seed: sold
- National Oil (NOIL); sale in process to Cargill (55%) and CDC (22.5%)
- Grain and Milling and Cold Storage; interested parties being pursued, including Cargill and CDC
- Auction Holdings: final sale documentation for 8% being finalized; 51% to be transferred to Holding Company (candidate for a Unit Trust)

Tier IV - Restructuring or Retention

- ADMARC Canning: sold
- Dwangwa Sugar and SUCOMA, Indebank, Malawi Tea Factory, Manica Freight Services, Press Income
- Note: approved for transfer to Holding Company (Indebank asset is also a candidate for a Unit Trust)
- Cotton Ginners: initial transfer to Holding Company; eventual partial sale, perhaps to CARGILL

(2) Strategic plans for the disposition or management of remaining assets

A proposal for the disposition of remaining assets has been received by the Mission and is currently under review. The proposal speaks clearly of the Holding Company and references the future Unit Trust. The Unit Trust, however, seems at least two years away from operation.

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

- (a) GOM decision on Unit Trust and Capital Market Development recommendations

Although new legislation was required to permit establishing any new organizations or mechanisms, the GOM remains very slow in formulating position on Deloitte recommendations in this regard; reports were submitted in July/August 1989. The draft strategic plan for remaining assets addresses the Unit Trust in a very superficial manner.

- (b) Establishment of Holding Company

The Mission has received a draft strategic plan which is currently under review. The discussion of the mechanics of the Holding Company needs to be developed further

- (c) Draft Strategic Plan for ADMARC ASSETS

The Mission will work with the MOF regarding further development of discussion, operations, and plans for both the Holding Company and Unit Trust.

- (d) Unit Trust Actions

If Government decides to go ahead with Unit Trust, Mission may explore continuation of Deloitte's contract for this specific purpose.

- (e) Contract close-out and Project completion

PACD is 12/31/90; the Project TDD is, therefore, 9/30/91. Expenditure accruals are as planned. The Program TDD for requesting disbursement was 9/30/90. Mission must decide soon on the adequacy of the Strategic Plan for remaining assets and effect release of funds, if appropriate.

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

- (a) Eight more estates have been sold, with disbursements made against four of them.
- (b) Maldeco and Cattle feedlot sales concluded.
- (c) Strategic Plan submitted, referencing further sales in process as well as description of the disposition of remaining assets.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AGENT

- (a) GOM review of Deloitte study and decision on proceeding with Unit Trust: October/November, MOF/Mahoney/Deloitte to follow up.

- (b) Establishment of Holding Company
  - waive stamp duty: October/November, MOF
  - institutional arrangements/transfer of assets: November/December, Deloitte & ADMARC
- (c) Project wind-down
  - "Review strategic plan" and decide regarding final release of funds: October, USAID (Mahoney)
  - release funds (PIL, Cable, FR); November/December Mahoney
  - Deloitte contract completion: December -- decision on extension for Unit Trust
  - Letter to GOM and Deloitte re TDD, reports and claims: December, Mahoney
- (d) Draft PES: November, USAID (Nkosi)
- (e) Decide whether to have final evaluation or include in SET as retrospective study; January; Mahoney, Nkosi, McCloud.

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

N/A

**ADMINISTRATIVE INFORMATION:**

COUNTRY: Malawi  
PROJECT TITLE: Human Resources and Institutional Development  
PROJECT NUMBER: 612-0230  
DATE OF REPORT: September 1, 1990  
FIELD PROJECT OFFICER: Kenneth R. Rikard  
AID/W BACKSTOP OFFICER: Sidney Bliss, AFR/PD/SA  
IMPLEMENTING AGENCY: Department of Personnel Management and Training (DPM&T) and Office of the President and Cabinet (OPC)  
MAJOR CONTRACTORS/AMOUNTS: Academy for Educational Development (AED) with subcontractors Institute of International Education (IIE) and Aurora Associates \$2,874,414  
DATE OF LAST EVALUATION AND/OR AUDIT: March 1990  
DATE OF NEXT EVALUATION AND/OR AUDIT: March/April 1991  
WAIVERS PROCESSED: None

**II. FINANCIAL DATA:**

DATE OF AUTHORIZATION: 07/21/87  
AUTHORIZED LOP (\$000): (ORIGINAL): \$18,000  
DATE OF INITIAL OBLIGATION: 08/18/87; AMENDED: 02/29/88, 03/16/90 & 06/01/90  
PACD (ORIGINAL): 09/30/95

**CUMULATIVE TO DATE (\$US 000)**

CUMULATIVE OBLIGATIONS: 11,824  
CUMULATIVE COMMITMENTS: 8,357  
CUM. ACCRUED EXPENDITURES: 4,718  
PIPELINE: 7,106

**III. PERFORMANCE INFORMATION:**

**A. PROJECT PURPOSE**

- 1) To strengthen, broaden and improve the efficiency of Malawi's post-secondary degree and non-degree training institutional capacity to supply the public and private sectors with critically needed and experienced professional, technical, managerial and administrative human resources.
- 2) To improve the efficiency and overall effectiveness of existing professional, technical, managerial and administrative human resources employed in the private and public sectors.

**B. PROGRESS TOWARD MEETING EOPS**

The key actions taken during this period to ensure the attainment of project objectives are:

- 1) The development and initiation of a 17 Point Action Plan which provides for the implementation of key recommendations of the Mid-Term Evaluation: (a) placing a moratorium on the approval of any new activities for a period of 9-12 months to permit the evaluation of all current activities; and (b) establishing and implementing a monitoring and evaluation system for all grantees to identify those activities likely to result in sustained organizational strengthening and thus worthy of continued/additional resources.
- 2) The establishment of a line item for in-country costs in DPM&T budget and the commitment that MK 2 million will become available in late October 1990 have resolved a longstanding implementation problem and permit the launching of several programs with considerable in-country costs.

- 3) The expansion of the Women's Scholarship Program in Non-Traditional Areas at the University of Malawi to increase the number of scholarships and broaden the fields of study. Women in development objectives also advanced by the appointment to the Project Coordinating Committee of a representative of the National Commission for Women in Development.
- 4) The approval of a proposal for the use of \$1 million in the health sector represents an important first step in addressing the management needs in this priority sector.

**C. PROJECT OUTPUTS**

**MAJOR LOGFRAME OUTPUT TARGETS**

**OUTPUT STATUS**

- |  |   |
|--|---|
| a) Strengthen post-secondary training institutional capacity | The University of Malawi continues as the major recipient of HRID support; implementation progresses steadily at the following colleges<br><br>Chancellor College: The Masters Degree in Educational Management and the Certificate of Education Program, both completed during Summer 1990, are slated for evaluation by HRID Working Group. The Masters Degree in the Sociology of Women Program begins October 1990 with six students. The faculty member in the U.S. pursuing a Masters in this |
|--|---|

specialty will return in September 1991 to head the program. The project at the Center for Social Research to undertake economic research into the area of Women in Development progresses with a faculty member in U.S. pursuing a Ph.D. degree, technical assistance now being sought for the Center and computers in place. The technical advisor to introduce the specialty of Transport Economics into the new Masters program arrived in September. An Economics faculty member departed for U.S. in August 1990 to begin a Ph.D. in this specialty; a Masters Degree in Transport Economics will be awarded in 1991 to another faculty member, also in the U.S. The Bachelor of Public Administration is introducing a specialty in personnel management in October 1990 with 20 students, all Personnel Officers in the Common Services. A training advisor in this subject should arrive by January 1991; limited commodities will be provided.

Polytechnic: The Conversion Program, jointly developed by the Malawi College of Accountancy and the Faculty of Business Studies, will begin in October 1990 with its courses in accounting and marketing. The prospect of HRID support toward the launching of an MBA program has been eliminated by the Evaluation recommendation, the moratorium on new projects and continued HRID concerns regarding the advisability of such a program at this time.

Bunda College of Agriculture: HRID is undertaking a major effort in strengthening the current programs at Bunda. Phase I of the three-part project will see two technical advisors, one in Agricultural Engineering and one in Chemistry assigned; two Ph.D. candidates in those subjects began

b) Enhanced professional and technical human resources in critical development Ministries

c) Increase in Malawian managers in the public and private sectors

study in U.S. in September 1990. This phase of support will also include study tours to the University of Swaziland, computers and software. The Women's Scholarship Program is discussed below in (e).

The key event in furtherance of this objective is the approval by the PCC in August of the proposal for the use of \$1 million health account funds. The first phase Delivery Order should be finalized by October 31, 1990. The Ministry of Works management development initiative progresses with the completion in July of 6-months technical assistance to streamline administrative/clerical procedures. Management development at top- and middle-level has begun with two-month technical assistance in June 1990, with the final phase set for October-November 1990. The establishment of the Data Processing Unit is underway with the technical advisor 8 months into his task. The Ministry of Local Government's project to establish a Management Training Unit within the Ministry will soon be underway with the expected arrival in October 1990 of a long-term advisor.

Public Sector: Chancellor College's launching of the personnel management specialty in its BPA program, discussed above in (a), is a major development for DPM&T, which will be sending the first twenty students, all Personnel Officers. DPM&T's staff development project for management training in the 3 Common Services is nearing completion with the last three of the ten candidates departed for training in the U.S. in September.

Private Sector: Associated Chambers of Commerce and Industry is in need of short term assistance to develop a plan to strengthen its capacity to serve the private sector. An administrative manager has been hired and now visiting the Chambers of Commerce in Harare and Mauritius. ESCOM's training program for switchgear operation is proceeding well with the likelihood that the one year contract of the training advisor will be extended nine-months to allow his participation in the third and final training session with the counterpart. Malawi Export Promotion Council sent one candidate for training in September 1990 with the second and final candidate scheduled for January 1991 departure. Malawi Bureau of Standards has one trainee who departed in September 1990 and one slated for next September.

d) Stronger institutional capacity in small and medium enterprise.

DEMATT's Medium Scale Enterprise Promotion Program is underway with the arrival in September of its technical advisor. Its institutional strengthening efforts are proceeding with training advisor and agro-industries advisor well into their assignments, training commodities in place and one staff returned from U.S. training, another still pursuing a degree in the U.S. The Certificate of Management Program offered by the Malawi College of Accountancy completed its final session in September 1990 and will be evaluated by HRID.

e) Increased number of women in professional, technical and managerial positions

The Women's Scholarship Program at the University of Malawi, supporting undergraduate and graduate education for women in non-traditional fields, numbered 62 recipients last academic year. Owing to the success of the

program and the recommendation of the Evaluation, the program is being expanded in 1990-91 to include more scholarships and more areas of study. The candidates and their fields of study will be determined by the University in October. Receptions to honor the scholarship recipients were held at the University in April and June. The Registrar for Women's Studies has been selected and should begin early in the first term, 1990. HRID's other activities at the University enhancing the role of women in development are discussed above in (a): the Sociology of Women in Development Program and the project in Economic Research into the subject of Women in Development. The National Commission on Women in Development sponsored a workshop from July 30 - August 3 on Access of Girls and Women to Education and Training Opportunities in Malawi. The Commission will be represented by one of its members on the Project Coordinating Committee, recognition of the importance of its mission to HRID.

f) Develop the capacity of DPM&T and development Ministries to plan, manage and utilize personnel effectively and efficiently.

The plan to introduce a Management Information System at DPM&T was delayed by contract difficulties and personnel problems in the MIS team. The computer equipment has now been installed and two short-term advisors assisted during September in getting this effort on course. Although DPM&T has underway the Bachelor in Public Administration Program and the staff development project, its plan for major institutional development is yet to be finalized.

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

The most pressing concern as we approach the mid-point of our project is that of the sustainability of our activities. It is intended that most HRID-supported activities be institutionalized yet as some of our activities near the end of such support we witness the bleak prospects for their continuation. The issue of sustainability thus moves to the fore at this stage of our project life. An institutionalization plan must be developed for each activity; its acceptance should be a prime condition for continued HRID support.

A growing concern during this period has been the future role of DPM&T as beneficiary of institutional strengthening. The lack of continuity of staff in DPM&T coupled with its minimal level of staffing brings into question the possibility of its developing and implementing an institutional strengthening plan for itself. DPM&T's future role in the project will thus be a major issue to be resolved during the next few months.

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

1. Planned: Reach Consensus with the Working Group (USAID/GOM/AED) on Evaluation Recommendations and develop Action Plan for implementation.  
Actual: Completed.
2. Planned: Submit Evaluation Summary to AID/W.  
Actual: Not yet accomplished.
3. Planned: Establish Monitoring and Evaluation System of Grantees, with responsibility for implementation in HRID Field Office.  
Actual: Draft M&E System completed; final version to be completed 30 November 1990.
4. Planned: Amend Project Documents to Reflect Changes in Project Objectives and Structure.  
Actual: Re-scheduled to be completed 30 November, 1990.
5. Planned: Amend Grant to add remaining FY 90 obligation of \$2.5 million.  
Actual: Completed.
6. Planned: Finalize plan for allocation of \$2.5 million.  
Actual: Completed.

7. Planned: Determine local Currency Allotment and prepare documentation.

Actual: Completed.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AGENT

1. Complete Programming of \$2.5 million (2nd tranche of FY 90 Obligation); Newton/Kaliu; December.
2. Prepare first phase Delivery Order with Field Office and HPN for \$1 million Health Sector Activities; Newton; October.
3. Collaborate with Field Office on Design of Monitoring and Evaluation System of Grantees; Kaliu/Newton; November.
4. Implement Monitoring and Evaluation System of Grantees with Field Office; Kaliu/Newton; May.
5. Establish Computerized Financial Tracking System of Funded Activities; Newton; December.
6. Program MK 2 million Local Currency for In-Country costs; Newton/Kaliu/Mahoney; December.
7. Project Paper/ProAg Amendments; Newton/Norton; December.
8. Meet with DPM&T re: staff turnover/continuity at DPM&T; Newton/Kaliu; November.
9. Ensure that institutionalization plan in place for each activity; Newton/Kaliu/Field Office; December.
10. Submit Evaluation Summary to AID/W; Benbow/Newton; October.

12

I. ADMINISTRATIVE INFORMATION

COUNTRY: Malawi  
PROJECT TITLE: Promoting Health Interventions for Child Survival  
PROJECT NUMBER: 612-0231  
DATE OF REPORT: September 30, 1990  
FIELD PROJECT OFFICER: Gary W. Newton  
AID/W BACKSTOP OFFICER: Sidney Bliss, AFR/PD/SA  
IMPLEMENTING AGENCY: Ministry of Health (MOH) and Ministry of Works (MOW)  
MAJOR CONTRACTORS/AMOUNTS: None  
DATE OF LAST EVALUATION AND/OR AUDIT: N/A  
DATE OF NEXT EVALUATION AND/OR AUDIT: Internal Project Review April 1991  
Mid-term evaluation July 1993  
WAIVERS PROCESSED DURING THE REPORTING PERIOD: None

II. FINANCIAL DATA:

DATE OF AUTHORIZATION: 06/30/89  
AUTHORIZED LOP (\$000): (ORIGINAL): \$15,000  
(AMENDED): \$20,443  
DATE OF INITIAL OBLIGATION: Amended 01/31/90, 03/29/90 & 09/25/90  
PACD (ORIGINAL): 06/30/97  
CUMULATIVE TO DATE (\$US 000)  
CUMULATIVE OBLIGATIONS: 11,430  
CUMULATIVE COMMITMENTS: 3,235  
CUM. ACCRUED EXPENDITURES: 679  
PIPELINE 10,751

III. PERFORMANCE INFORMATION

A. PROJECT PURPOSE

To increase the institutional capacity of the MOH and the MOW to deliver child survival services on a sustained basis, and to increase the supply and utilization of these services at the community and family level.

B. PROGRESS TOWARD MEETING EOPS

Project implementation began on 1 December 1989 following the MG's satisfaction of CPs. After ten months of implementation, many prerequisites to attaining EOPS have been achieved: Project implementation workshop held; Project committee constituted and beginning to function; Project coordinator, accountant, and PSC hired and trained; first LT TA hired and posted; Project budget integrated with MG budget; financial management system established and functioning; \$4.4 million earmarked to date via PILs/PIOs for TA, training, commodities and in-country activities; first batch of vehicles received; the \$1 million pipe contracting process completed; initial MOW training completed; and 72 additional MOH civil service staff positions to be Project-funded, approved and created.

In addition to Project start-up activities, the reporting period was dominated by the design and negotiation of a \$5.4 million amendment to incorporate health manpower and malaria activities into the Project. With the 25 September 1990 signing of the Grant Agreement Amendment, the Project's scope and goals have been broadened. Considerable attention was also devoted to ensuring that the research capacity developed in Mangochi district under the ACSI-CCCD MFRP Project is retained and institutionalized.

C. PROJECT OUTPUTS

MAJOR LOGFRAME OUTPUT TARGETS

OUTPUT STATUS

1. Strengthen the capacity of the MOH Health Education Unit (HEU), Health Information System (HIS), and Research Unit (RU,) and establish Epidemiology Unit and field research station, to support an expanded PHC/CS service delivery program.  
1. Eleven vehicles, 20 motorcycles, and 10 motor scooters arrived in-country. Health education equipment and computer systems ordered. Long-term TA for Epidemiology Unit under recruitment. IEC materials survey completed.

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2. Hire, post and train 550 new MOH community health workers and 150 supervisory and support staff.
  2. 72 new MOH posts formally created by GOM:
    - 24 Health Education Officers
      - 1 Principal Epidemiologist
      - 1 Epidemiologist
      - 6 Statistical Clerks
    - 30 Enrolled Community Health Nurses.
      - 6 Public Health Nurses
      - 3 Environmental Health Officers
      - 1 Documentation Officer.

Approval received for the hiring of 100 new HSA's.
3. Strengthen the capacity of the MOW Rural Water Supply Section to monitor, evaluate, and sustain an expanded rural piped water program.
  3. 63 Water Quality Monitoring Assistants and 190 water project committee members received training. Draft of the Centre for Social Research "Community Based Operation and Maintenance of Rural Water Supplies" Study completed. LT TA engineer arrived in country 4/90 and posted to MOW water department.
4. Construct 14 new piped water latrines.
  4. Six kilometers of pipe trench completed for the first 3 schemes. Tenders for PVC pipes and fittings awarded. Delivery 11/90. Survey and design of 4th scheme completed, and intake study of 5th scheme begun.

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

1. PROBLEM/ISSUE: PHICS is the first USAID health sector project to consolidate four previously separate projects (CCCD, Rural Water, HID and MMRP); to involve two Ministries; to involve institutional

development support to several units within the MOH and the LSHS; to be implemented without a contractor; to be integrated into the GOM budgeting process; and to utilize new implementation mechanisms such as the use of a PSA for the procurement of commodities and the use of AED for assistance with TA and training. These "firsts" underline the need for a high degree of communication with and support to the MOH and MOW.

RECOMMENDED ACTION: Increase frequency and quality of PHICS PCC meetings. Increase number of PILs offering written guidance on project implementation and distribute more widely. Increase support from HPN and FMO to assist MOH with planning and budgeting. Consider need for a second Project implementation workshop.

2. PROBLEM/ISSUE: Fundamental constraint remains paucity of MOH staff to plan, implement, and evaluate public health programs.

RECOMMENDED ACTION: The Project was designed to help address this constraint. MG procedures followed to create first batch of new positions. Consider need for ST TA to help expedite posting of new staff.

3. PROBLEM/ISSUE: Certain steps have been followed leading towards the retention and institutionalization of MMRP research capacity. The Project has assumed support for certain core costs of the Mangochi field research site. Some personnel issues have been resolved such as the payment of terminal benefits to MMRP project staff. However, a variety of issues remain to be resolved before the transition from MMRP to MOH field research station is complete.

RECOMMENDED ACTION: HPN support MOH efforts to resolve outstanding issues such as: the absorption and compensation of select MMRP staff into the MOH; the rental/purchase/construction of physical facilities such as a lab; obtaining final approval to proceed with the WHO/GPA-funded AIDS/HIV research study; the development of the MOH research agenda; and the provision of medical/technical oversight and supervision of the research station.

4. PROBLEM/ISSUE: The World Bank has been negotiating a new health sector loan credit with the GOM/MOH. The credit as outlined in a June 1990 Aide Memoire will involve support to several priority areas which USAID is also supporting through PHICS. A good deal of

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coordination among the Bank, MOH, and USAID has taken place to ensure complementarity of donor support. USAID summarized coordination issues in an 11 July 1990 letter to the PS/MOH.

RECOMMENDED ACTION: Continue coordination efforts during WB October 1990 visit. Continue to seek clarification from the MG and WB re: issues in the 07/11/90 letter.

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

1. Designed, negotiated and signed on 25 September 1990, a major Project amendment. Amendment No. Three broadened the scope of health sector activities supported by PHICS to include health manpower and institutional development; increased the grant funding by \$2,685,423, from \$8,715,000 to \$11,430,423; and increased planned LOP funding by \$5,443,000, from \$15,000,000 to \$20,443,000.
2. Completed negotiations and all administrative and budgetary steps necessary to retain and continue MMRP research capacity and assets after the 30 June 1990 termination of ACSI-CCCD support. With USAID support and Project funds, the MMRP has been incorporated into the MOH CHSU/Epidemiology Unit as a health research station and, we hope, ultimately institutionalized and sustained as such.
3. With WASH TA and CSR/MOW studies, the MOW has begun to outline new policies and strategies to increase community support for the operation, maintenance and sustainability of rural water schemes.
4. All necessary negotiations and procedures have been completed to implement the first major increase in the size of the MOH personnel "establishment". Over 70 new permanent civil service positions have been formally created, to be supported initially by PHICS and ultimately by the MG under the revenue budget. In addition, all necessary steps have been completed to begin implementation of the first major increase in the number of community health workers.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AGENT

1. Finalize revised workplan and budget for the remainder of MG FY 1990/91 to incorporate Amendment No. 3 activities; earmark, and advance funds, and draft workplan and budget for MG FY 1991/92. HPN with MOH by end October.

2. Finalize workplan, budget and all necessary documentation including delivery order(s), for TA and PT to be coordinated by AED. HPN with AED and MOH/MOW by mid-November. Recruit and post four LT advisors. HPN with HRDO and AED by end March 1991.
3. Finalize workplan, budget and documentation for TA to be obtained through non-AED mechanisms, including a possible buy-in to AVSC. HPN with MOH by mid-November. Meet priority MOH malaria TA needs through three Project-funded PIO/T buy-ins to CDC and VBC. HPN with MOH/CDC/VBC by end March 1991.
4. Hire, train and post 72 new MOH support personnel and 1000... HPN with MOH by end March 1991.
5. Through TA, training, and written guidance, provide increased support to the MOH and MOW to further improve knowledge and skills necessary to utilize PHICS resources in a timely manner to implement priority health activities. HPN with PID and FMO, by end December.
6. Design and begin implementation of Community Based Distribution (CBD) of child spacing information and services pilot project. HPN with MOH by end March 1991.
7. Review and utilize MMRP study results in, for example, the revision of health education messages and health workers' training curricula, and expedite actions listed in D.3. above.
8. Plan April 1991 Internal Project Review. HPN by end February 1991.
9. Arrange USAID/PHICS P.R. event in connection with the receipt of equipment/vehicles for the MOH HEU. HPN by end January 1991.
10. Continue coordination with MOH and World Bank to ensure complementarity of donor support to the health sector. HPN October 1990.
11. Develop issues paper for the November 1990 USAID/MG program review. HPN by end October 1990.

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

N/A

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ADMINISTRATIVE INFORMATION

COUNTRY: Malawi  
PROJECT TITLE: Services for Health, Agriculture, Rural and Enterprise Development (SHARED)  
PROJECT NUMBER: 612-0232  
DATE OF REPORT: October 16, 1990  
FIELD PROJECT OFFICER: Joanne Hale/Steve Norton  
AID/W BACKSTOP OFFICER: Lisa Franchett, AFR/PD/SA  
IMPLEMENTING AGENCY: Experiment in International Living (EIL) and Ministry of Finance  
MAJOR CONTRACTORS/AMOUNTS: EIL, \$4,900,000 (anticipated LOP \$14.2 million)  
DATE OF LAST EVALUATION AND/OR AUDIT: -  
DATE OF NEXT EVALUATION AND/OR AUDIT: April 1992  
WAIVERS PROCESSED DURING THE REPORTING PERIOD: Reduction of the non-A.I.D. contribution requirement from 25% to 12%.

II. FINANCIAL DATA:

DATE OF AUTHORIZATION: 08/21/90  
AUTHORIZED LOP: \$15,000,000  
DATE OF INITIAL OBLIGATION: Coop. Agreement: 08/28/90  
LSGA: 08/30/90  
PACD (ORIGINAL): 08/31/99  
CUMULATIVE TO DATE (\$000)  
OBLIGATIONS: 5,000  
COMMITMENTS: 4,900  
ACCRUED EXPENDITURES: 30  
PIPELINE 4,970

III. PERFORMANCE INFORMATION

A. PROJECT PURPOSE

To expand the amount and increase the impact of development activities of PVUs/NGOs in Malawi in the key areas of agriculture, off-farm employment and health, and to strengthen the capacity of Malawian NGOs to provide services with positive impact in those sectors.

B. PROGRESS TOWARD MEETING EOPS

Since the Cooperative Agreement with EIL was signed only one month before the end of the reporting period, there was no progress at this level.

C. PROJECT OUTPUTS

<u>MAJOR LOGFRAME OUTPUT TARGETS</u>	<u>OUTPUT STATUS</u>
1) Skills, knowledge and suitable technologies transferred through NGOs to key sector beneficiaries	Same as B
2) Up to 25 Malawian NGOs receive training and/or technical assistance	Ditto
3) "Institutional development" subgrants awarded to up to 20 Malawian NGOs	Ditto
4) "Development activities" subgrants awarded to up to 20 Malawian NGOs	Ditto

5) "Development activities" subgrants awarded to up to 8 U.S. or international PVOs in partnership with Malawi NGOs Ditto

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

GOM clearances for EIL's long-term staff (Messrs. Fox and Gonson) and short-term consultant (Mr. Rosner), which were requested in writing on August 23, have not been received. Further delay in clearances will delay EIL's official contacts with GOM representatives and registration of EIL as an NGO.

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

Entered into a Cooperative Agreement with EIL which has extensive experience in Africa with "umbrella" PVQ/NGO projects and is providing very experienced personnel to implement the Project.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTHS AND ACTION AGENT

- 1) Send PP and annexes to AID/W for duplication and distribution; Norton; October.
- 2) Complete Memorandum of Negotiation with EIL and send to MS/PPE and REDSO; Norton; October.
- 3) Assist EIL team members' arrivals/meetings and commencement of Project; Hale/Norton; October/November.
- 4) Transfer project documentation and remaining responsibilities from PID to AFS; Norton/Hale; October/November.

- 5) Complete PIO/Ts for Project Assistant and Secretary and sign contracts with selected candidates; Norton/Hale/MOF/Callahan; October/November.
- 6) Work with EIL on "official opening" of Project Management Unit office; Hale/EIL/GOM; November/December.
- 7) Work with EIL on 3 regional project introduction seminars; Hale/EIL; November-January.
- 8) Work with EIL on development of first annual workplan; Hale/EIL; November-March.
- 9) Draft Coop. Agreement amendment for FY 91 incremental obligation; Norton/Hale; November.

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

N/A

Malawi Enterprise Development PIR for April - September 1990

**I. ADMINISTRATIVE INFORMATION**

COUNTRY: Malawi  
 PROJECT TITLE: Malawi Enterprise Development Program  
 PROJECT NUMBER: 612-0233  
 DATE OF REPORT: 11 October, 1990  
 FIELD PROJECT OFFICER: Roberta Mahoney  
 AID/W BACKSTOP OFFICER: Jerry Wolgin, AFR/DP/PAR  
 IMPLEMENTING AGENCY: USAID/Malawi/MOF/MTIT/RBM  
 MAJOR CONTRACTORS/AMOUNTS: International Executive Services Corps (IESC) \$335,000

DATE OF LAST EVALUATION AND/OR AUDIT: Program Review, April - May, 1990  
 DATE OF NEXT EVALUATION AND/OR AUDIT: Late FY 1991  
 WAIVERS PROCESSED DURING THE REPORTING PERIOD: Dollar tracking requirement on final \$7 million obligation waived

**II. FINANCIAL DATA:**

DATE OF AUTHORIZATION: 26 August 1988  
 AUTHORIZED LOP (\$000): \$36,600,000  
 DATE OF INITIAL OBLIGATION: 29 August 1988  
 PACD (ORIGINAL): 30 September 1994

	Program	Project
CUMULATIVE OBLIGATIONS:	\$35,000,000	\$1,600,000
	\$29,900,000 DFA	
	5,100,000 ESF	
CUMULATIVE COMMITMENTS:	35,000,000	379,100
ACCRUED EXPENDITURES:	20,000,000	154,687
EARMARKS:	20,000,000	408,100
PIPELINE:	15,000,000	1,191,900

**III. PERFORMANCE INFORMATION**

**A. PROJECT PURPOSE**

To stimulate the growth of the private industrial and commercial sector and to enable, in the long run, an increase in employment and incomes derived from a strong, dynamic private sector.

**B. PROGRESS TOWARD MEETING EOPS**

Disbursements under the MED Program were divided into three tranches, with each disbursement contingent upon policy reform performance. First tranche conditions were entirely macroeconomic in orientation, and were met soon after the Program's authorization. First tranche monies helped the initial phase of import expansion which, in turn, allowed industrial capacity utilization within the country to more than double.

Second tranche conditionality emphasized both macroeconomic performance (60%) and SME development support (40%). The macroeconomic conditions were met, and funds (50% of second tranche) were released against this performance. The general operating environment continues to improve for the industrial and commercial sectors; recent oil price increases, however, threaten this economic recovery.

Second tranche conditionality performance related to SME development has lagged considerably.

Ambiguity in the Conditions themselves, unspecified responsibility within Government for action, and confusion between the MED Program and its wholly macroeconomic World Bank parallel, ITPAC, have all contributed to the problem. During this PIR cycle a review of the impact on SMEs of the Conditions was undertaken and a rearticulation of the conditions resulted. While dollar releases under the Program have lagged in SME support, local currencies have been effectively transferred to SME support institutions, ensuring their promotional work. The fact remains, however, that MED conditionality has not yet had the direct impact on SME development as was originally intended. This is discussed further in section D.

**C. PROJECT OUTPUTS**

MAJOR LOGFRAME OUTPUT TARGETS                      OUTPUT STATUS

1. First Tranche Conditions                      met
  - flexible XR maintained
  - import liberalization for 75% of raw materials and spare parts
  - streamlined industrial licensing
2. Second Tranche Conditions                      met 60%, 50% funds released
  - reduced import/export license requirements                      met
  - streamlined FX approval and payment procedures                      met
  - reduce GOM Budget deficit to GDP ratio                      met
  - establish support to the SME sector in a unit in Min. of Trade                      unmet, under review

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- issuance of policy statements regarding financing to SME support institutions unmet,  
under review

3. Third Tranche Conditions
- continued FX allocation liberalization, and agreed to further action met
  - further streamlined import and export licensing procedures and systems met
  - INDEFUND and SEDOM Deeds of trust reviewed and amended under review
  - SME subsector investment program established under review
  - efficient financial inter-mediation arrangements established under review
  - reduced GOM Budget deficit to GDP ratio for FY 1989/90 and FY 1988/89 met

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

1. PROBLEM/ISSUE: The principal issue facing MED implementation during this cycle was the rearticulation of SME related policy reforms in such a manner as to ensure their importance and achievement.

STEPS TAKEN TO RESOLVE: In April/May, USAID/Malawi, in conjunction with PPC and the Gemini Project, undertook a review of MED's SME related conditionality. The resulting report on SME related conditions addressed the Mission's desire for the MED Program to have an important influence on SME development in both policy reform and through local currency expenditures.

The draft revised conditions were shared with the Secretary to the Treasury in July and with the MED Working Group, including MTIT, during our quarterly meeting in August. Both audiences were receptive to the changes which, briefly, support substantial revisions to the Cooperatives Act, financial and administrative autonomy for a key SME service institution (DEMATT), ensure funding for more developmentally oriented lending through various institutions, and ensure that costs of implementing an automatic payroll deduction scheme for Credit Union savings of Government employees does not exceed the actual cost of implementing the program. The one remaining problem in this area is the commitment of the SME institution identified for increased autonomy to continue with the innovative SME development programs it has initiated over the last year. Much dialogue has ensued over this issue.

RECOMMENDED ACTION: Decide on the efficacy of supporting increased autonomy for the institution noted above and formally revise MED conditionality to allow for the agreed rearticulation. Disbursements could be made in two uneven (5/10) or three even (5/5/5) tranches, depending on the resolution of the autonomy question.

2. PROBLEM/ISSUE: Local currency generations require a comprehensive use plan.

STEPS TAKEN TO RESOLVE: Discussed issue with MTIT, Economic Planning and Development, and with Treasury.

RECOMMENDED ACTION: Raise as issue at Program Review and adopt pro-active stance in developing plan.

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

1. Planned: Review of SME related conditionality.  
Actual: Review undertaken, report prepared and shared with MTIT, Finance, EP&D.  
Comment: Must reach closure on revised second tranche conditionality.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AGENT

Action	Timing	Agent
1. Finalize and adopt revised SME conditionality (PAAD Amendment, Grant Agreement Amendment, PIL)	November	Norton/Mahoney/Working Group
2. Negotiate changes with GOM	Oct/Nov	Peasley/Norton/Mahoney
3. Adopt Project Component Expenditure Plan	Oct/Nov	Mahoney and Mission Program Committee
4. Develop Local Currency Use Plan	Jan-March	Mahoney, Mission, MED Working Group

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

Program Development & Support PIR for April - September 1990

I. ADMINISTRATIVE INFORMATION

COUNTRY: Malawi  
 PROJECT TITLE: Program Development and Support Funds  
 PROJECT NUMBER: 612-0234  
 DATE OF REPORT: October 12, 1990  
 FIELD PROJECT OFFICER: Roberta Mahoney  
 AID/W BACKSTOP OFFICER: Lisa Franchette, AFR/PD/SA  
 IMPLEMENTING AGENCY: Ministry of Finance/USAID  
 MAJOR CONTRACTORS/AMOUNTS: None (various Delivery Orders, purchase orders and small value contracts for short term technical assistance)

DATE OF LAST EVALUATION AND/OR AUDIT: -  
 DATE OF NEXT EVALUATION AND/OR AUDIT: -  
 WAIVERS PROCESSED DURING THE REPORTING PERIOD: Waiver to use PD&S funds to finance an unsolicited proposal for a research activity which extends beyond one fiscal year

II. FINANCIAL DATA:

DATE OF AUTHORIZATION: FY 89: 07/31/89; FY 90: 01/31/90  
 AUTHORIZED LOP: NA  
 DATE OF INITIAL OBLIGATION: FY 89 LSGA: 8/31/89; AMENDED 9/28/89  
 FY 90 LSGA: 1/31/90

	FY 89 Funds	FY 90 Funds
PACD (ORIGINAL):	9730790	9730791
CUMULATIVE TO DATE OBLIGATIONS:	\$1,125,342	327,218
COMMITMENTS:	1,090,166	317,671
ACCRUED EXPENDITURES:	1,125,342	317,671
PIPELINE:	N/A	9,547

III. PERFORMANCE INFORMATION

A. PROJECT PURPOSE

To provide a funding mechanism for the development and ancillary support of Mission program activities, including traditional development assistance, non-project assistance in support of economic policy reform, and food aid.

B. PROGRESS TOWARD MEETING EOPS

N/A

C. UTILIZATION AND PROGRAMMING OF FUNDS TO DATE

FY 89 PD & S

	LSGA: \$339,106
MOH/Howard University, PILS	6,675
NFA: Africare, PIO/T	27,526
NFA: CUNA/WOCCU, PIO/T	16,817
NFA: Save the Children, PIO/T	5,036
- Investment Mission Travel, PIL	45,000
- Investment Mission: Support Services, PIO/T	24,891
- SHARED design: Datex, Rigby, PIO/T	17,700
- Estate Survey, SARSA PIO/T No. 1	130,322
- FABLE Pre-design, PIO/T No. 1	30,000
- Program M & E system: MSI, PIO/T	35,000
Balance:	139

FY 90 PD & S

LSGA: \$150,000  
 Reobs: 177,218  
327,218

- Estate Survey, SARSA PIO/T No. 2 51,678
- HIID Smallholder Research, PIO/T 63,275
- HIID Amendment 1 (Reob) 157,783
- Fable P.O. (Reob) 19,435
- Estate Survey, SARSA, PIO/T Amend 1 10,000
- FABLE, PIO/T, No. 2 15,500

BALANCE: 9,547

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

Problem/Issue: Whether or not to use LSGA for umbrella obligation. Concerns are two-fold: delays in obtaining GOM clearances on PIO/Ts and cumbersome accounting procedures. Advantage is deob/reob facility and two year time frame.

Steps Taken to Resolve: Have spoken with RLA and Controller's office to work out Grant language to streamline both clearances and accounting.

Recommended Action: Obligate through LSGA.

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E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

Several important studies, notably estate survey and female access to basic and secondary education studies, undertaken and well received.

F. MAJOR ACTIONS NEXT SIX MONTHS

ACTIVITY: FY 91 PD & S Use Plan prepared

RESPONSIBLE OFFICERS: Mahoney, Norton, other USAID officers

TARGET DATE: November 1991

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

N/A

**I. ADMINISTRATIVE INFORMATION**

COUNTRY: Malawi  
 PROJECT TITLE: Regional Fisheries Department  
 PROJECT NUMBER: 690-0215.12  
 DATE OF REPORT: 10/15/90  
 FIELD PROJECT OFFICER: Joanne T. Hale/Stephen Shumba  
 AID/W BACKSTOP OFFICER: Sidney Bliss  
 IMPLEMENTING AGENCY: Department of Fisheries  
 MAJOR CONTRACTORS/AMOUNTS: Resource Development Associates (RDA) \$304,696  
 DATE OF LAST EVALUATION AND/OR AUDIT: Mid-Term Evaluation; April, 1986  
 DATE OF NEXT EVALUATION AND/OR AUDIT: Project Completion report, May 1990  
 WAIVERS PROCESSED DURING THE REPORTING PERIOD: None

**II. FINANCIAL DATA**

DATE OF AUTHORIZATION: 06/01/84  
 AUTHORIZED LOP (\$000): (ORIGINAL): \$420,000 (AMENDED): \$974,000  
 DATE OF INITIAL OBLIGATION: 06/17/84; AMENDED: none  
 PACD (ORIGINAL): 06/01/88; REVISED: 05/31/89

**CUMULATIVE TO DATE**

CUMULATIVE OBLIGATIONS: 974,000  
 CUMULATIVE COMMITMENTS: 812,625  
 CUM. ACCRUED EXPENDITURES: 684,160  
 PIPELINE 289,840

**III. PERFORMANCE INFORMATION**

**A. PROJECT PURPOSE**

To initiate and support a series of research and training activities to address information gaps in the sector and to facilitate GOM planning, coordination and management of the regional fisheries program for SADC member states.

**B. PROGRESS TOWARD MEETING EOPS**

The basic objectives of the project were achieved.

**C. PROJECT OUTPUTS**

**MAJOR LOGFRAME OUTPUT TARGETS**

**OUTPUT STATUS**

- |  |  |
|--|--|
| 1. Two Technical Studies planned                       | Documentation and training studies were completed and discussed by members.  |
| 2. Seven sub-committees and technical meetings planned | Fourteen sub committee and technical meetings were held during the project. This was twice the number of meetings planned. |
| 3. Eight seminars/workshops planned                    | Eight seminars/workshops were held.  |

**D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES**

PROBLEM/ISSUE: Deobligation of excess funds.

STEPS TAKEN TO RESOLVE: Cable sent to USAID/Harare to include tni deob into their FY 90 deob/reob plan. USAID/Harare, however, advised that it will be included in FY 91 deob/reob plan.

RECOMMENDED ACTION: Mission deobligate excess funds in FY 199

**E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS**

NIL

**F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AGEN**

ACTIVITIES: Deobligate excess funds in FY 1991.

RESPONSIBLE OFFICER: AFS/CONT

ACHIEVEMENT TARGET DATE: 06/30/91

**G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS**

None

**I. ADMINISTRATIVE INFORMATION**

**COUNTRY:** Malawi  
**PROJECT TITLE:** Northern Corridor  
**PROJECT NUMBER:** 690-0237  
**DATE OF REPORT:** Oct. 16, 1990  
**FIELD PROJECT OFFICER:** David E. McCloud  
**AID/W BACKSTOP OFFICER:** Sidney Bliss  
**IMPLEMENTING AGENCY:** Ministry of Transport & Communications (MOTC), Ministry of Works (MOW) and Malawi Railways (MR)  
**MAJOR CONTRACTORS/AMOUNTS:** Construction: CILCON \$2,932,916; Wade Adams \$2,539,658; and W.C. French \$3,889,201  
 Procurement: Slipway winches - Harnischfeger Corp. \$245,000; Gantry cranes for Malawi - Lifting Equipment Co. \$3,562,500; Gantry cranes for Tanzania - Industrial Plant (Kenya) \$3,306,598; Diesel Generators for Malawi - Brown & Clapperton \$393,418; Railway tank cars - Morewear Industries \$1,357,826; Tank containers - ZECO \$873,714

**DATE OF LAST EVALUATION AND/OR AUDIT** Mid-term evaluation, May 1989. Draft audit report received, but final report not yet received

**DATE OF NEXT EVALUATION AND/OR AUDIT** None

**WAIVERS PROCESSED:** None

**III. PERFORMANCE INFORMATION**

**A. PROJECT PURPOSE**

To improve Malawi's access to the coastal port of Dar-es-Salaam by providing, in conjunction with other donors, a comprehensive northern transport corridor through Malawi and Tanzania, along with the necessary linkages with road, lake and rail transport systems.

**B. PROGRESS TOWARD MEETING EOPS**

Specific EOPs as stated in logframe all require project outputs to be completed. Progress toward output completion is discussed in Section C below. Other indicators are discussed in this section.

- 1) Traffic on the Northern Corridor (NC) has not significantly increased over what was in 1989. During the period of Jan-August, 1990, 66,472 tons (12 per cent) of the total trade of 562,089 tons has passed through NC. 11.17 per cent passed through this route in 1989. Of the 66,472 tons, 30,643 tons (46.1 per cent) are liquid fuels. The general statistical picture of national trade: Jan-August, 1990 is as follows:

**II. FINANCIAL DATA**

**DATE OF AUTHORIZATION:** 07/01/86  
**AUTHORIZED LOP (\$000):** \$19,128  
**DATE OF INITIAL OBLIGATION:** 07/24/86; AMENDED: N/A  
**PACD (ORIGINAL):** 10/31/89; REVISED: 06/30/91

**CUMULATIVE TO DATE (\$US 000)**

**CUMULATIVE OBLIGATIONS:** 19,128  
**CUMULATIVE COMMITMENTS:** 18,981  
**CUM. ACCRUED EXPENDITURES:** 13,492  
**PIPELINE:** 5,699

Entry Point	Export		Import	
	General Cargo	Fuel	General Cargo	Fuel
Karonga	10,756	-	25,402	30,643
Mchinji	15,002	-	53,829	46,769
Mwanza	82,404	-	256,305	40,976
Total	108,162	-	335,530	118,388
	=====		=====	=====
Grand Total	562,086			

- General Cargo traffic is expected to increase once the cargo handling facilities are operational.
- 2) No significant change to report, the situation is as it was reported in the previous PIR about MCCL facilities in Tanzania and about the road rehabilitation projects.
  - 3) German-funded vessel is being assembled at the Monkey Bay Shipyard. Commissioning is planned for December 1990.

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C. PROJECT OUTPUTS

MAJOR LOGFRAME OUTPUT TARGETS      OUTPUT STATUS

1. Upgraded Facilities at Monkey Bay      Completed, and slipway winches are now installed.
2. Upgraded Facilities at Chilumba      Completed, with gantry cranes now being installed.
3. Upgraded Facilities at Chipoka      Completed, with gantry cranes now being installed.
4. Selected movable equipment:
  - a. Railway fuel tankers      Completion delayed due to late arrival of components from Germany.
  - b. Fuel tank containers      All have been received and commissioned.
  - c. Gantry cranes at Dar-es-Salaam and Mbeya      Under construction and commissioning expected by April, 1991.

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

1. The controversy between the GOM and Harnischfeger, the slipway winch manufacturer, was resolved and the winches have been installed.
2. Railway Fuel Tankers: MOW is to request a variation to the More Wear contract to include money for More Wear to sub-contract the inspection work. The MOW request is expected by the end of October. Manufacturing has been delayed due to the late shipment of components from Germany.

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

1. The fuel containers have been completed and commissioned; the gantry cranes for Tanzania are under construction; and the three lake sites are completed with the exception of gantry cranes which are being installed.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AGENT

1. ACTIVITY: Assist with resolution of Chipoka breakwater issue.  
RESPONSIBLE OFFICER: PDOs McCloud/Brands, Regional Engineer, and GOM.  
ACHIEVEMENT TARGET DATE: March, 1991

2. ACTIVITY: Organize environmental work  
RESPONSIBLE OFFICER: PDOs McCloud/Brands, GOM, and MR  
ACHIEVEMENT TARGET DATE: February 1991

3. ACTIVITY: Request GOM to review road and lake service tariffs, to see that they are set at economic levels.  
RESPONSIBLE OFFICER: PDOs McCloud/Brands  
ACHIEVEMENT TARGET DATE: April 1991

4. ACTIVITY: Attempt to organize opening ceremony at one USAID project site.  
RESPONSIBLE OFFICER: PDOs McCloud/Brands  
ACHIEVEMENT TARGET DATE: April, 1991

5. ACTIVITY: Close-out FARs  
RESPONSIBLE OFFICER: PDOs McCloud/Brands  
ACHIEVEMENT TARGET DATE: February, 1991

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

1. Evaluation

Most of the evaluation recommendations have been acted upon. The remaining issues to be discussed with the GOM are the following:

- Road and lake tariffs have not been reviewed. This will be requested once the organization of the Northern Corridor route is established.

- The issue of overall management of the corridor awaits an established Malawi Cargo Center Limited (MCCL). However, it will be one of MCCL's functions to promote corridor use.

2. Audit

Comments to the audit report have been made.

**I. ADMINISTRATIVE INFORMATION**

COUNTRY: Malawi  
 PROJECT TITLE: Regional Rail Systems Support (Malawi Component)  
 PROJECT NUMBER: 690-0247.12  
 DATE OF REPORT: 10/15/90  
 FIELD PROJECT OFFICER: David E. McCloud  
 AID/W BACKSTOP OFFICER: Sidney Bliss  
 IMPLEMENTING AGENCY: Malawi Railways  
 MAJOR CONTRACTORS/AMOUNTS: American Diesel Engineering Co. Inc/ \$240,536.83  
 DATE OF LAST EVALUATION AND/OR AUDIT: None  
 DATE OF NEXT EVALUATION AND/OR AUDIT: FY91 (Audit)  
 WAIVERS PROCESSED DURING THE REPORTING PERIOD: None

**II. FINANCIAL DATA**

DATE OF AUTHORIZATION: 08/15/88  
 AUTHORIZED LOP (\$000): (ORIGINAL): \$7,290,000 (AMENDED): N/A  
 DATE OF INITIAL OBLIGATION: 08/16/88  
 PACD (ORIGINAL): 04/30/93; REVISED: N/A  
 CUMULATIVE TO DATE (\$US 000)  
 CUMULATIVE OBLIGATIONS: 7,290  
 CUMULATIVE COMMITMENTS: 345  
 CUM. ACCRUED EXPENDITURES: 306  
 PIPELINE: 6,984

**III. PERFORMANCE INFORMATION**

**A. PROJECT PURPOSE**

To sustain the maintenance capability of Malawi Railways (MR) and improve its operational effectiveness.

**B. PROGRESS TOWARD MEETING EOPS**

All EOPS require that major pieces of equipment be in place. All major procurement actions are in progress, with contract awards having been made for the gang trolleys/trailers, steel sheeting and forklift, and awards for the spare parts expected by mid-November.

**C. PROJECT OUTPUTS**

**MAJOR LOGFRAME OUTPUT TARGETS**

**OUTPUT STATUS**

- |  |   |
|--|---|
| 1. Sustained maintenance capacity in MR for 19 Bombardier locos.                                     | Awards for spare parts for five overhauls are expected by mid-November. The project redesign scheduled for the second quarter of FY 91 will prepare the way for additional parts' orders. |
| 2. Improved derailment recovery capability established through the procurement of a 100 - ton crane. | Negotiations are in progress between Malawi Railways and the one eligible bidder.   |
| 3. Improved capability for repair of loco and wagon superstructure.                                  | A contract has been awarded for steel sheeting, with delivery expected within six months.   |

**C. PROJECT OUTPUTS**

**MAJOR LOGFRAME OUTPUT TARGETS**

**OUTPUT STATUS**

- |  |  |
|--|--|
| 4. Efficiency of engineering support increased through supply of gang trolleys and inspection trolleys.    | A contract has been awarded for trolleys and trailers, with delivery expected within six months. |
| 5. Storage building for Bombardier spare parts redesigned and refurbished for improved materials handling. | The building has been completed, and shelving has been ordered.                                  |
| 6. Computerized inventory system for parts introduced.   | On hold pending introduction of ODA-funded computer system.                                      |
| 7. Trained cadre of Malawian supervisors formed at MR workshop in Limbe                                    | Three supervisors have completed training at National Railways of Zimbabwe.                      |

**D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES**

1. PROBLEM/ISSUE: Malawi Railways continues to experience some difficulty executing procurement actions funded by A.I.D. and following specific A.I.D. regulations be followed.

STEPS TAKEN TO RESOLVE: Malawi Railways is being informed about specific procedures for each procurement action by letter. Also, frequent visits to Malawi Railways are being conducted by the project manager.

RECOMMENDED ACTION: During Project redesign, include different procurement mechanism, for example using either FINCOM or direct A.I.D. contracting.

2. **PROBLEM/ISSUE:** The problem/issue raised in the previous PIR in section III.D.2 has been resolved partially by having STV Engineers review and revise the spare parts list which was included in the tender document. Awards will be made in accordance with this revised list. The issues which remain are (a) what to do about future procurements of spare parts for overhauls and (b) what to do about procurement for periodic maintenance.

**STEPS TAKEN TO RESOLVE:** The project redesign scheduled for the second quarter of FY 91 will deal with both issues. As preparation for the redesign, an engineering firm will be contracted to prepare a detailed procurement plan. Maintenance parts may be procured before redesign.

**RECOMMENDED ACTION:** Follow above steps. Monitor use of spares and use information allocated to revise future procurement actions. Organize procurement action for parts for periodic maintenance for one year initially.

3. **PROBLEM/ISSUE:** The consultant hired to evaluate the one eligible recovery crane bid allegedly has attempted to convince A.I.D. to retender the procurement action and then to influence the drafting of new technical specifications to favor one specific European manufacturer.

**STEPS TAKEN TO RESOLVE:** Because the information received about this matter was provided by an interested party, no direct action could be taken. The matter was discussed with Malawi Railways, and USAID informed Malawi Railways and the consultant that a waiver to procure from Geographic Code 935 would not be granted. The consultant was urged to assist Malawi Railways to come to a negotiated agreement on technical specifications with the potential supplier.

**RECOMMENDED ACTION:** If consultant recommends rejecting supplier's technical offer, discuss alternatives with Malawi Railways, including hiring a second consultant, MR itself negotiating acceptable specifications, or deleting the procurement action. If consultant recommends accepting offer and MR is satisfied with the technical negotiations, proceed with contracting action.

4. **PROBLEM/ISSUE:** For the first two procurement actions which reached the contracting stage, MR first signed what were incomplete contract documents, and then sent the documents to suppliers for signatures and for the additional required contract sections (performance bond and warranty). In one case, the warranty received is unacceptable and must be revised. In the other case, no warranty has been received. In addition, in the first case, the contract amount excluded a permitted allowance for spare parts. There now is confusion because each contract has been signed by both respective parties.

**STEPS TAKEN TO RESOLVE:** Fundamental contracting procedures have been explained to MR staff involved with Project implementation. Direct contact has been made by one supplier with USAID to discuss the warranty issue. The USAID Project Manager has proposed a compromise position to MR, and has requested that this position be relayed to the supplier. Contact with the other supplier has not yet been made by MR, and the USAID Project Manager again has

proposed a response by MR to the supplier about the contract deficiencies.

**RECOMMENDED ACTION:** Attempt to reconcile tender document requirements, A.I.D. requirements, and signed contracts, through negotiated settlement between MR and supplier. During Project redesign, develop new mechanism for contracting which relies far less on MR administration. Continue attempts to have MR identify one responsible individual to handle supplier adherence to contract terms and conditions.

5. **PROBLEM/ISSUE:** The Project budget is under-funded particularly for the spare parts' procurement. Parts' requirements for the general overhauls in particular appear to have been significantly underestimated during project design, perhaps by 50%.

**STEPS TAKEN TO RESOLVE:** An engineering firm will be contracted to assess parts' needs and prepare detailed procurement plan as part of the Project redesign.

**RECOMMENDED ACTION:** Prepare revised procurement plan, determine its cost, and amend project accordingly.

6. **PROBLEM/ISSUE:** MR does not have a comprehensive plan for the general overhaul activity. Its staff appear to be qualified for the work, but lack experience for such a large-scale effort.

**STEPS TAKEN TO RESOLVE:** Numerous discussions have been held with the MR Management on this issue. For the moment, long-term TA has been ruled out, in part because of potential damage to the morale of the technical staff and consequent disruption to the Project. MR has accepted provision of short-term TA, and has accepted the participation of the International Executive Service Corps (IESC). If acceptable to all parties, IESC would be requested to provide short-term TA to assist with the planning and execution of the overhauls and with the upgrading of skills in the Supplies Project. In addition, IESC would negotiate a long-term relationship with a U.S. railway which could provide TA and training opportunities as required.

**RECOMMENDED ACTION:** Revise the Project Paper as necessary to include provision for TA.

**E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS**

1. Contract awards made for gang trolleys and trailers, steel sheeting and forklift.
2. Decision made to prepare PP Supplement as early as possible in FY 91.
3. STV Engineers contracted to prepare technical specifications for special tools and equipment.
4. Proposal to use IESC as mechanism for providing TA and establishing a long-term relationship between MR and a U.S. railway was accepted by all parties and negotiations have begun.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AGENT

1. **ACTIVITY:** Complete first spare parts procurement action.  
**RESPONSIBLE OFFICER:** David McCloud  
**ACHIEVEMENT DATES:** Awards by November 15; contracts by November 30.
2. **ACTIVITY:** Complete contracting process for gang trolleys/trailers, steel sheeting, recovery crane and forklift.  
**RESPONSIBLE OFFICER:** PDOs McCloud/Brands  
**ACHIEVEMENT DATES:** Trolleys/Trailers, steel sheeting and forklift - November 30;  
recovery crane - March 30, 1991
3. **ACTIVITY:** Initiate procurement of special tools and equipment.  
**RESPONSIBLE OFFICER:** PDOs McCloud/Brands  
**ACHIEVEMENT DATE:** Tender documents prepared by December 15.
4. **ACTIVITY:** Prepare major PP Supplement.  
**RESPONSIBLE OFFICER:** PDOs McCloud/Brands with SARP participation  
**ACHIEVEMENT DATE:** Analysis completed by February 28, 1991.  
Supplement prepared by March 31, 1991.
5. **ACTIVITY:** Add TA element to budget.  
**RESPONSIBLE OFFICER:** David McCloud  
**ACHIEVEMENT DATE:** October 31, 1990
6. **ACTIVITY:** Organize IESC participation  
**RESPONSIBLE OFFICER:** IESC representative and Malawi Railways  
**ACHIEVEMENT DATE:** December 15, 1990
7. **ACTIVITY:** Research use of Malawi Finance Company as procurement agent for project procurement actions.  
**RESPONSIBLE OFFICER:** David McCloud/William Brands  
**ACHIEVEMENT DATE:** January 30, 1991

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

N/A

I. ADMINISTRATIVE INFORMATION

COUNTRY: Malawi  
PROJECT TITLE: Mangochi Malaria Research Project (MMRP); Combatting Childhood Communicable Diseases (CCCD) Health Policy-Oriented Research  
PROJECT NUMBER: 698-0421.12  
DATE OF REPORT: September 30, 1990  
FIELD PROJECT OFFICER: R.W. Steketee, CDC/Atlanta and Gary Newton  
AID/W BACKSTOP OFFICER: Jim Shepperd, AFR/TR/HPN  
IMPLEMENTING AGENCY: Ministry of Health (MOH) and CDC Atlanta  
MAJOR CONTRACTORS/AMOUNTS: Price Waterhouse, \$39,000  
DATE OF LAST EVALUATION AND/OR AUDIT: Mid-term review, February 1989  
DATE OF NEXT EVALUATION AND/OR AUDIT: No final evaluation planned  
WAIVERS PROCESSED: None

II. FINANCIAL DATA:

DATE OF AUTHORIZATION: 07/14/87  
AUTHORIZED LOP (\$000): (ORIGINAL): \$216  
(AMENDED): \$451  
DATE OF INITIAL OBLIGATION: 07/14/87; AMENDED: 05/28/89  
PACD (ORIGINAL): 09/30/89; REVISED: 06/30/90  
CUMULATIVE TO DATE (\$US 000)  
CUMULATIVE OBLIGATIONS: \$451  
CUMULATIVE COMMITMENTS: \$449  
CUM. ACCRUED EXPENDITURES: \$414  
PIPELINE \$ 38

III. PERFORMANCE INFORMATION

A. PROJECT PURPOSE

The Mangochi Malaria Research Project (MMRP) was a longitudinal study of antimalarial chemoprophylaxis in pregnant women in Mangochi district, an area with a high incidence of chloroquine-resistant Plasmodium falciparum malaria. The objectives of the study were to assess the comparative efficacy of four regimens of antimalarial drugs given during pregnancy in terms of their ability to reduce the maternal placental malaria infection rate and the incidence of low birth weight in newborns. Although the sample size of 2448 infants was not adequate for detailed comparative analyses of infant survival by treatment group, infants were followed for the first year of life to assess survival and malaria-associated events. The overall purpose of the study was to inform and update MOH malaria control program policies and treatment regimen.

The four regimen tested among pregnant women attending antenatal clinics were: A) Chloroquine (CQ) treatment (25mg/kg) followed by weekly chemoprophylaxis (300 mg/week); B) CQ monthly treatment

(25 mg/kh/month); C) CQ weekly chemoprophylaxis (300 mg/weekly, no initial treatment: the Malawi National Policy); and D) Mefloquine (MQ) treatment (750 mg single dose) followed by weekly chemoprophylaxis (250 mg/week).

B. PROGRESS TOWARD MEETING EOPS

The MMRP came to an end on 30 June 1990. Final research results are not yet published. However, preliminary research results are available and have generated considerable interest within and outside Malawi. Findings will likely lead to changes in MOH malaria treatment and prevention policies and protocol.

C. PROJECT OUTPUTS

A total of 4220 women were enrolled in the study. Approximately 4% were either not pregnant or moved from the study area prior to delivery and were lost to follow-up. An additional 40% delivered their baby at home and, consequently, these newborns were not assessed for birthweight or gestational age and no information was

available on malaria infection at the time of delivery; the remainder were assessed for survival and followed through infancy.

The main study results are:

1. Malaria infection was most common in first pregnancy with 65% of primigravidas infected at the time of enrollment.
2. Among the chemoprophylaxis regimens tested, Regimen C (the current National Policy of weekly CQ prophylaxis without an initial treatment dose) was the least effective regimen. Regimen D (mefloquine with initial treatment and weekly prophylaxis thereafter) was highly effective.
3. Clearance of placental malaria was associated with a decrease in low birth weight (LBW) which appears to be mediated through a reduction in intrauterine growth retardation (IUGR), with little or no effect on prematurity.
4. LBW was the major risk factor for neonatal mortality. The neonatal mortality rate (NMR) for prematurity was 245/1000 live births compared to a NMR for IUGR of 52/1000 live births. The NMR for normal birth weight babies was 26/1000 live births. Since malaria during pregnancy contributes to IUGR and not to prematurity, the effect of malaria on NMR and infant mortality rates (IMR) is limited to the difference between an NMR of 52 vs. 26 per 1000 live births.
5. Compliance among pregnant women (as measured by the presence of chloroquine and its metabolites in the urine at the time of a return visit) was low. Less than 36% of women were actually taking regular chemoprophylaxis once they had received free medication from the antenatal clinic. This finding suggests that, regardless of the efficacy of the drug, compliance with a regimen of antimalarial chemoprophylaxis may be a major determinant of its overall efficacy.
6. Among 3970 live births recorded in the study population, 189 neonatal deaths occurred (NMR=47.6/1000 live births); among 2448 live born babies followed to 12 months, 418 have died (IMR=171/1000 live births). This is preliminary information.

In summary; 1) low birth weight is the major predictor of neonatal and infant mortality in this study population; 2) Malaria in pregnancy is associated with low birth weight due to intrauterine

growth retardation (but not prematurity); 3) prevention of malaria in pregnancy was associated with a reduction in the incidence of low birth weight; and 4) the current national policy of weekly chemoprophylaxis with chloroquine (with no initial treatment dose) was the least effective of all the regimens in clearing malaria infection of the placenta and preventing low birth weight. Consequently, the study shows that effective malaria treatment/prevention is an important measure for low birth weight and infant mortality reduction but that the current National policy and practice of chemoprophylaxis probably has little effect on this problem.

#### D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

1. There are no major problems related to the implementation of the MMRP study as originally designed. The study was implemented on schedule and within budget.
2. CDC and the MOH need to finalize data analysis and presentation, and prepare recommendations for revisions in malaria policy based on study findings.
3. NOTE: As the study progressed, a second MMRP goal unrelated to the specific research objectives became increasingly evident -- to retain and continue the field research capability developed in Magochi under this Project. To the extent that there are implementation problems and issues, they are related to the transition of the MMRP to a health research station institutionalized within the MOH and sustainable over the longer-term. Working with the MOH and CDC, USAID has completed preliminary plans and provided initial funding under PHICS to implement this transition. The problems which remain are under the domain of the PHICS Project and are discussed in that Project's PIR.

#### E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

1. Study completed on time and within budget.
2. CDC provided major support to the MOH to assist with the development of a new national malaria control strategy, and to the Mission to help prepare the necessary documentation for CDC and VBC to meet the TA needs included in the strategy.

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3. CDC/MOH Study Report No. 8 (End of Project Report) has been completed, reviewed, and accepted as the MMRP Project Assistance Completion Report.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AGENT

1. To publish, disseminate and discuss research findings, and to reach agreement on specific revisions in malaria policies and protocol indicated by research. CDC with MOH by end January 1991.
2. To operationalize and incorporate changes in malaria policies and protocol in MOH pre- and in-service training curricula, health education messages, pharmaceutical supply and distribution, etc. MOH with PHICS support by end March 1991.
3. Disseminate PACR.

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

1. Mid-Term review completed; February 1989.
2. No Final evaluation planned.

I. ADMINISTRATIVE INFORMATION:

COUNTRY: Malawi  
PROJECT TITLE: African Manpower Development Program  
PROJECT NUMBER: 698-0433.18  
DATE OF REPORT: October 10, 1990  
FIELD PROJECT OFFICER: Kenneth R. Rikard  
AID/W BACKSTOP OFFICER: Tom Ross, AFR/TR/EHR  
IMPLEMENTING AGENCY: Office of the President and Cabinet (OPC), Department of Personnel Management and Training (DPM&T)

MAJOR CONTRACTORS/AMOUNTS: None  
DATE OF LAST EVALUATION AND/OR AUDIT: None  
DATE OF NEXT EVALUATION AND/OR AUDIT: None Planned  
WAIVERS PROCESSED DURING THE REPORTING PERIOD: None

II. FINANCIAL DATA:

DATE OF AUTHORIZATION: Unknown  
AUTHORIZED LOP: \$1,191,835  
DATE OF INITIAL OBLIGATION: 06/30/82  
PACD (ORIGINAL): 06/30/85; REVISED: 09/30/92

CUMULATIVE TO DATE

CUMULATIVE OBLIGATIONS: \$1,191,835  
CUMULATIVE COMMITMENTS: \$1,173,367  
CUM. ACCRUED EXPENDITURES: \$1,050,793  
PIPELINE \$ 141,042

III. PERFORMANCE INFORMATION:

A. PROJECT PURPOSE

To improve the effectiveness and efficiency of professional, managerial, administrative and technical resources in both public and private sectors by financing high priority long and short-term training in the areas of agriculture, family planning, education planning, private enterprise, project management, business administration and other related fields.

B. PROGRESS TOWARD MEETING EOPS

Participants who have returned after successfully completing their academic and technical training programs are in key policy and professional roles in the Government of Malawi, parastatal organizations and private sector.

C. PROJECT OUTPUTS

MAJOR LOGFRAME OUTPUT TARGETS

OUTPUT STATUS

1. 15 Long-term training participants  
12 have completed and returned home. 8 participants are doing related jobs for which they were trained for in the Ministries of Agriculture, Works (Water Resources Department), Economic Planning and Development, Reserve Bank of Malawi. 3 have joined private sector after completing their training programs. One is with the African Development Bank in West Africa.
2. 80 short-term training participants  
78 have completed and returned to Malawi. 60 of these participants are doing jobs related to their training program in the public sector. 10 have joined private sector but are doing almost the same jobs for which they were trained for such human resources development, financial management and 2 are owners of small business in the manufacturing of lead pencil and tannery.
3. Third-country short-term training participants  
All have completed, returned to Malawi and are working in the public sector and parastatal organizations.

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4. In-country training participants All programs were successfully completed.

D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES

None

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

The project has provided the desired and required training for senior and mid-level management personnel in both the public and private sectors and parastatal organizations. These training programs have enabled the participants to acquire greater responsibility and capability in project design and implementation, financial management, and the expansion of small and medium scale independently owned businesses. The project is on schedule.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION AC

ACTIVITY: PIL to reprogram funds freed from PIO/Ps and PILs of completed training programs to be used for short-term training programs.

RESPONSIBLE OFFICER: Kenneth R. Rikard

ACHIEVEMENT TARGET DATE: November 1990

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

None

0057B



STEPS TAKEN TO RESOLVE: Repeated discussions took place between May and September involving: the Principal Secretary, Deputy Secretary, and various staff of EP&D; the researcher and his supervisor from Cornell, Dr. David Sahn; and the Mission Director, Deputy Director, and Program Economist from USAID. During these discussions, it became apparent that several factors had contributed to the implementation problems of the research activity:

- (a) groundwork for placing the research activity in EP&D was not as carefully done by the Mission as it should have been. This was compounded by the fact that the researcher had applied for a macro-economic advisor position at EP&D funded by UNDP and was, therefore, being proposed by two different institutions to fill two related positions, both in EP&D, at the same time. This caused great confusion as to the researcher's role and responsibility within EP & D;
- (b) research on policy issues in general, and poverty issues in particular, is sensitive in Malawi, and EP&D was slow to support the researcher's requests for information; and
- (c) the researcher is dedicated to his work, willing to work long hours at an intense pace to complete it. This caused intense frustration on his part when meeting bureaucratic delays.

Were any one of the above situations changed, it seems likely that the research activity would have continued through its expected life. With the three interacting, however, all institutions involved have agreed that an early termination of the activity is warranted. Early termination will still permit most project outputs to be achieved: the background papers are complete; the counter-factual macro-economic modelling will be completed; and the final report will be completed. The areas in which output will be diminished include:

- (a) strengthening the analytical capacity of Government -- curtailing the project will undoubtedly reduce this anticipated output, but so too has the lack of a consistent EP&D counterpart; and,
- (b) the accuracy and usefulness of the counter-factual macro-economic modelling would have been enhanced by open dialogue and debate on the model.

All parties have agreed, however, that early termination of the activity is in the best interest of the research.

RECOMMENDED ACTION: Early termination of Malawi's component of the Cooperative Agreement.

E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS

Planned: Preparation of a series of macroeconomic reports on the impact of policy reform on the poor in Malawi.

Actual: A series of preliminary reports and counter-factual models, constructed on the basis of limited information, were completed.

Comment: The researcher has been quite prolific.

F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTHS AND ACTION AGENT

1. ACTIVITY: Continue routine implementation visits  
RESPONSIBLE OFFICER: Mahoney  
TARGET DATE: Monthly (previously bi-monthly)
2. ACTIVITY: PIL to GOM summarizing termination decision and required actions.  
RESPONSIBLE OFFICER: Mahoney  
TARGET DATE: November
3. ACTIVITY: PIO/T amendment to request early termination.  
RESPONSIBLE OFFICER: Mahoney  
TARGET DATE: December, 1990

G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS

N/A

**I. ADMINISTRATIVE INFORMATION**

COUNTRY: Malawi  
 PROJECT TITLE: Agricultural Commodity Foreign Donation Agreement (Section 41b Yellow Maize)  
 PROJECT NUMBER: N/A  
 DATE OF REPORT: 10/15/90  
 FIELD PROJECT OFFICER: Joanne T. Hale  
 AID/W BACKSTOP OFFICER: M. Brody:FVA/FFP/AFR  
 IMPLEMENTING AGENCY: Office of the President and Cabinet (OPC)  
 MAJOR CONTRACTORS/AMOUNTS: N/A  
 DATE OF LAST EVALUATION AND/OR AUDIT: N/A  
 DATE OF NEXT EVALUATION AND/OR AUDIT: None planned  
 WAIVERS PROCESSED DURING THE REPORTING PERIOD: None

**II. FINANCIAL DATA**

DATE OF AUTHORIZATION:	06/04/89
TOTAL TONNAGE AUTHORIZED:	(ORIGINAL):10,000 MT
VALUE OF AGREEMENT:	US \$4.3 million
DATE OF INITIAL OBLIGATION:	N/A
PACD (ORIGINAL):	N/A
	CUMULATIVE TO DATE
CUMULATIVE TONNAGE DELIVERED:	10,000 MT
AMOUNT OF AGREEMENT:	10,000 MT
TOTAL L/C EXPECTED TO BE GENERATED:	None
L/C DEPOSITED TO DATE:	None
L/C DEPOSITED THIS PERIOD:	None
TOTAL L/C DISBURSED TO DATE:	None
A L/C DISBURSEMENTS FOR PROGRAMMED USES DURING REPORTING PERIOD:	None

**III. PERFORMANCE INFORMATION**

**A. PROJECT PURPOSE**

Import 10,000 MT of yellow maize into Malawi from USA under bilateral agreement for distribution to Malawians in areas seriously affected by floods and mealy bug infestations.

**B. PROGRESS TOWARD MEETING EOPS**

1. By May, 1990 GOM had distributed approximately 8,400 to needy Malawians instead of 9,800 MT as reported in the last PIR. The balance of 1,600 MT is expected to be distributed by December 1990 to Malawians affected by drought of the 1989/90 crop year.

Last maize consignment arrived in March/April, 1990 when the emergency situation no longer existed. GOM decided to retain the maize for distribution in year 1990/91 to those affected by drought.

2. CCC had fully paid MITCO and the GOM by June 1990.

**C. PROJECT OUTPUTS**

<u>MAJOR LOGFRAME OUTPUT TARGETS</u>	<u>OUTPUT STATUS</u>
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N/A

**D. PRINCIPAL IMPLEMENTATION PROBLEMS/ISSUES**

PROBLEM/ISSUE: The balance of 1,600 MT still not distributed since GOM stopped further distribution when the need no longer existed.

STEPS TAKEN TO RESOLVE: GOM has been contacted and USAID/Malawi been informed that the remaining balance will be distributed to Malawians affected by drought in crop year 1989/90.

RECOMMENDED ACTION: NIL.

**E. MAJOR ACCOMPLISHMENTS DURING THE PAST SIX MONTHS**

NIL

**F. IMPORTANT ACTIONS OVER THE NEXT SIX MONTH TIMEFRAME AND ACTION A**

ACTIVITY: 1) Finalize food distribution to Malawians.  
 2) Draft Close Out Report.

RESPONSIBLE OFFICER: Joanne T. Hale

ACHIEVEMENT TARGET DATE: 1) December 31, 1990  
 2) January 31, 1991

**G. STATUS OF EVALUATION OR AUDIT RECOMMENDATIONS**

N/A

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**Project Implementation Report (PIR)**  
for:  
**Nineteen Bilateral and Central Projects**  
which, in addition to the PHICS Project, comprise:

**USAID Support to the Health and Population Sector in Malawi**  
(as of October 1990)

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**Summary:** In addition to the \$20.4 million bilateral health project (PHICS), USAID is providing \$6,798,800\* to the health sector through the following nineteen ongoing projects:

**Bilateral**

1. HRID
  - a. Health Sector Proposal (\$1 million)
  - b. Other health activities (\$260,000)
2. FHI: Child spacing commodities (\$450,000 p.a.)
3. AIDSCOM (\$200,000 p.a.)
4. AIDSTECH (\$100,000 p.a.)
5. DHS (\$445,000) sub-total: \$2,455,000

**Central**

6. SCF (\$600,000)
7. IEF (\$530,000)
8. ADRA (\$550,000)
9. WVRD (\$475,000)
10. HOPE (\$100,000)
11. AVSC (\$21,800)
12. SOMARC (\$662,000)
13. RAPID (\$50,000 p.a.)
14. FPLM (\$50,000 p.a.)
15. HOPE (\$322,000)
16. JHU (\$100,000)
17. Condoms for AIDS/STD (\$483,000 in 1990/91)
18. USAID to WHO/GPA for Malawi (\$350,000 in 1990)
19. SEATS (\$50,000 p.a.) sub-total: \$4,343,800

**Total: \$6,798,800\***

**Proposals (central):**

1. PATH (funding TBD)
2. JHPIEGO (funding TBD)

**Proposals (bilateral):**

3. SHARED (funding for HPN NGOs/PVOs TBD)
4. Malawi Family Health Services Project (\$10 million)

\* **Note:** \$6.7 million is a combination of LOP and annual, recurrent support. For example, for some projects such as HOPE and the five US PVO Child Survival grantees, LOP funding is used, and for child spacing and AIDS commodities, annual, recurrent support is calculated.

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## I. ONGOING PROJECTS

There follows a summary of nineteen ongoing projects through which USAID provides support to the health sector in Malawi.

### A. Human Resources and Institutional Development Project (HRID):

1. Project Summary: An 8-year (1987-1995), \$18 million grant under which \$1.3 million is earmarked to support priority manpower and human resource development activities in the health sector. To date, \$0.26 million has been obligated to strengthen the training capacity at the Private Hospital Association of Malawi/Mlambe Hospital and at Kamuzu College of Nursing (KCN) by supporting 4 nurse/tutors to earn masters degrees in the U.S..

2. Implementation Status: In June 1990, an HRID-funded consultant assisted the MOH with the development of its new 5-year national health manpower plan and, based on priority needs identified in this plan, a \$1.0 million HRID health sector proposal was prepared. The HRID health sector proposal was reviewed and approved in August 1990 and a delivery order(s) is being prepared to begin implementation of activities leading toward the attainment of the following objectives:

a. Management Training: To strengthen health sector management by supporting the development of pilot management courses in Malawi; long-term (LT) and short-term (ST) U.S. and regional training in hospital administration, public health planning and management, financial and personnel management, and management information systems; and ST technical assistance (TA) to strengthen management systems and training.

b. KCN: To strengthen teaching capabilities in KCN's new baccalaureate program by supporting KCN faculty to earn masters degrees in nursing education and administration.

c. Lilongwe School for Health Sciences (LSHS): To strengthen the design and teaching of core courses and the clinical component of the Medical Assistants (MA) training program through ST TA and training.

d. MOH: To assist the new Manpower Planning and Development Unit to enhance its analytical capabilities by providing ST TA.

### 3. Major actions/issues:

3.1 Review D.O.. Decide whether to proceed with "global", single D.O., or identify and separate-out priority activities and implement via an initial D.O..

3.2 Review implementation roles/responsibilities of USAID HPN and HRID offices, AED, and recipients.

3.3 Consider need for ST TA to expedite project implementation and develop workplans, SOWs, etc.

B. Demographic and Health Survey (DHS):

1. Project Summary: USAID is prepared to provide approximately \$445,000 in bilateral funding to meet an MOH request to support a Demographic and Health Survey (DHS) to furnish planners and policy-makers with updated, national-level data on fertility, mortality, child spacing knowledge and practice, malaria, AIDS and other priority public health issues with which to evaluate progress and design new program approaches.

2. Implementation Status: De-ob/re-ob complete. \$445,000 added to AID/W ST/Pop contract with the DHS Project. DHS has reserved a slot for Malawi in the next round of surveys. MG has not yet approved DHS. Main issue is the AID/DHS project requirement that there be international access to survey data. After conferring with ST/Pop and DHS, in July 1990 the Mission offered the MOH in writing a strategy for proceeding with the survey which we thought might address MG concerns. Despite considerable follow-up on the part of the Mission, to date the MOH has not formally responded. However, the MOH did enquire verbally whether the DHS could be done by disaggregating data to the district -- not the household -- level. Mission conferred with DHS and confirmed that this is not acceptable.

3. Major actions/issues:

3.1 HPN write MOH that district-level aggregation is not acceptable, and set a 31 October 1990 deadline for a resolution of the DHS issue.

3.2 Explore options to a "DHS".

C. Child Survival (CS) Programs Administered by U.S. Private Voluntary Organizations (PVOs):

1. Project Summary: In USAID's FY 89 and 90, the following 5 U.S. PVOs were awarded a total of \$2.26 million in central funding to implement CS projects in Malawi. PVO and Malawian cash and in-kind contributions are additive to the grant awards.

a. Save the Children Federation (SCF): A 3-year (1989-1992), \$600,000 grant to supplement MOH PHC/CS services in Mbalachanda and Mkota in the Central Region.

b. International Eye Foundation (IEF): A 2-year (1989-1991), \$530,000 grant to supplement MOH Vitamin A and CS services in the Lower Shire Valley in the Southern Region.

c. Adventist Development Relief Agency (ADRA): A 3-year (1990-1993), \$550,000 grant to supplement MOH PHC/CS services in Nsanje District in the Southern Region.

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d. World Vision Relief and Development (WVRD): A 3-year (1990-1993), \$475,000 grant to supplement MOH PHC/CS services in Lilongwe District in the Central Region.

e. Project HOPE: A 1-year (1990-1991), \$100,000 grant to conduct a feasibility study for a project to supplement CS services in the estate sector in the Southern Region.

2. Implementation Status: IEF and SCF, who received FY89 funding, have begun implementation. WVRD, ADRA, and HOPE, who received FY90 funding, are preparing detailed implementation plans (DIPs) for activities to begin in late 1990/early 1991.

3. Actions/issues:

3.1 Mission developed coordination procedures to help ensure optimal coordination between centrally-funded CS projects and Mission's bilateral project, and proposed procedures via cable to FVA/PVC/CHS. To date, we have not yet clarified underlying issues. HPN to send another follow-up cable to FVA/PVC. HPN to hold a USAID/PVO/MG coordination meeting in October in Blantyre. Agenda to include: (a) the coordination of AID-funded CS NGOs with USAID support to the health sector; (b) the coordination of CS projects with the MG; (c) PHC/CS lessons learned to date in Malawi; and (d) evaluating and reporting CS project impact.

3.2 Mission staffing situation does not permit adequate monitoring of PVO CS projects. Consider the need for hiring an additional FSN (10 level) to specialize in USAID support to PVO/NGO and private commercial sector (e.g. centrally-funded CS, AIDS and family planning projects, SHARED, etc.).

D. Child Spacing Commodities and Logistical Support Program:

1. Project Summary: Bilateral support in the range of \$450,000 annually is being provided to meet national child spacing program needs for contraceptive commodities. An ongoing program of TA and training is provided with support from the USAID-funded Family Planning Logistics Management (FPLM) Project to enhance MOH capacities to forecast contraceptive needs, to improve the procurement and distribution system, and to design and implement quality assurance systems.

2. Implementation Status: FY91 OYB transfer for \$452,124 worth of contraceptive commodities complete. Procurement and shipment of USAID-funded contraceptives is proceeding smoothly. Prompt and helpful information on which to base a condom quality assurance strategy has been received from SOMARC, PATH and ST/Pop, and transmitted to the MOH for comment.

3. Major actions/issues:

3.1 Continue to support MOH efforts to further improve the contraceptive logistics system. HPN to request priority visit from FPLM Project staff to update assessment of logistics system and its needs, including the integration of logistics training into pre- and in-service MOH training programs.

3.2 Follow-up with MOH to get written request for financial and technical assistance with quality control strategy design and implementation.

3.3 A DHS, or a DHS-like survey, to ascertain current use of modern methods of contraception, is essential for the forecasting of future contraceptive commodities requirements.

E. Association for Voluntary Surgical Contraception (AVSC):

1. Project Summary: A 2-year (1990-1992), \$21,800 centrally-funded project with the Private Hospital Association of Malawi (PHAM) to improve the quality and safety of surgical contraception, counseling, service delivery and training at five hospitals: Ekwendeni, Nkhoma, Mulanje, Malamulo, and St. Lukes.

2. Implementation Status: On-site and regional training has commenced, and equipment supplied.

3. Major actions: The MOH has expressed interest in AVSC support to improve VSC services in the public sector. A proposal has been drafted, and VSC and AVSC activities were included in Amendment No. 3 to the PHICS Project. HPN to follow-up with MOH to confirm and finalize VSC activities requested and the role of AVSC, then prepare documentation for a PHICS buy-in to AVSC.

F. Contraceptive Social Marketing Project (SOMARC):

1. Project Summary: A national program to market and sell health products (contraceptives, anti-malarial drugs, and ORT) at subsidized prices in Malawi's private retail sector.

2. Implementation Status: \$600,000 in central funding for local costs have been allocated for 3-years (1990-1993). In addition, \$62,000 of central funds will support the costs of initial condom supplies. Lever Brothers/Malawi has been selected as the implementing agency and has signed a contract, a project coordinator has been hired and oriented, a local office established and equipped, preliminary market research completed, a baseline survey planned, the first Advisory Committee meeting has been scheduled for 31 October 1990, and the first product (the condom) will be introduced in Feb. 1991.

3. Major actions/issues:

3.1 SOMARC Project does not yet have duty free status. MOH and SOMARC are in the process of addressing questions raised by Treasury regarding the accounting and use of funds generated from the sale of SOMARC products. If MOH/SOMARC can not resolve by end October, Mission should intervene with letter(s) and/or meeting(s) with Treasury.

3.2 Focus group research suggests a two-pronged marketing approach: one, focussed on younger men interested in the condom for its disease prevention value, and a second, focussed on older men interested in the condom for disease prevention and child spacing. SOMARC, based on Malawi research results and experience elsewhere, to recommend to advisory group, MOH, and USAID, optimal approach.

G. RAPID Project:

1. Project Summary: A program of activities which began in 1989 for which approximately \$50,000 in central funding is available annually from the USAID-funded RAPID Project for TA, training, and computer hardware and software with which to strengthen EP&D, NSO, and University of Malawi capacity to analyze population and development problems and to utilize analytical findings to plan, to allocate resources, and to formulate population and development policies.

2. Implementation Status: The first phase of this program is complete with the provision of hardware and software, TA and training in the use of equipment, and the finalization of a RAPID model for Malawi.

3. Major actions/issues:

3.1 Updated estimates of projected mortality due to AIDS need to be factored into the RAPID model. HPN to consult with Sokal/AIDSTECH during his October TDY.

3.2 The RAPID model is being prepared in graphic form in a booklet by RAPID/RTI and will soon be sent to Malawi for distribution.

3.3 The main EP&D Population Policy Unit counterpart on the RAPID Project is out of country for several months on training.

H. The SEATS Project:

1. Project Summary: Through the USAID-funded Family Planning Services Expansion and Technical Support (SEATS) Project, USAID is providing technical assistance for the design and establishment of a new parastatal National Family Welfare Council (NFWC) which will focus on child spacing coordination and advocacy. The NFWC is expected to be formally established in November 1990, at which point USAID anticipates being in a position to provide support for certain NFWC TA, training and operating costs through the SEATS Project. The SEATS Project may also support existing and new Malawian PVOs to expand or establish child spacing information and services programs.

2. Implementation Status: A bill to establish the NFWC is being presented to Parliament during the session which began on 9 October. By early November, the MOCS expects to have all necessary approvals and paperwork legally establishing the NFWC. TA from SEATS was provided in July 1990 and a NFWC proposal was drafted. On 4 October, revised proposals were received by the Mission from SEATS: one, a proposal for the NFWC to use to solicit support from donors, and two, a proposal for SEATS Project support to the NFWC. The SEATS regional office has been established in Harare.

3. Major actions/issues:

3.1 HPN to distribute advance copies of NFWC proposal to donors and suggest health sub-group convene for final review and comment. HPN to FAX donor and Mission comments to SEATS.

3.2 See "I." below for possible SEATS project with Malamulo.

I. Family Planning International Assistance (FPIA):

1. Project Summary: A 2-year (1988-1990), \$54,143 centrally-funded pilot project implemented by Malamulo Hospital to initiate child spacing services provided through the Community-Based Distribution (CBD) approach in Thyolo district.

2. Implementation Status: On 23 August, FPIA notified Malamulo Hospital of its intention to terminate support prematurely for Malawi-03 on 31 October 1990.

3. Actions/issues: In light of the termination of FPIA support and the importance of the Malamulo project, HPN solicited continuation support for Malamulo from the SEATS Project. On 10 Oct., SEATS called the Mission to convey its decision to enter into a 6-month \$35,000 contract with Malamulo to permit child spacing activities to continue on 1 November without a hiatus. During the 6-month period, SEATS will undertake a detailed assessment of Malamulo's child spacing activities and, we expect, develop a longer-term project for SEATS support. SEATS will call/FAX Malamulo to inform them of their plans. The SEATS Regional Director plans to visit Malawi in late October to finalize the contract. SEATS will send the Mission and ST/Pop copies of the proposal, requesting approval.

J. AIDSCOM Project:

1. Project Summary: A program of AIDS policy dialogue, program development, and information, education, and communication (IEC) activities which began in 1989, implemented by the MOH AIDS Control Program (ACP) and the AIDSCOM Project in support of the national Medium-Term Plan (MTP) for AIDS control. Activities implemented between January 1989 and March 1990 were supported with \$200,000 of regional funds. USAID provided an additional \$200,000 in FY 90 bilateral funding to support a long-term resident AIDS IEC advisor and certain costs related to the development and implementation of an AIDS education program for the schools in Malawi.

2. Implementation Status: The long-term resident advisor has been selected by the MOH and Mission, cleared by the MG, and is expected to be on-the-job in mid-November 1990. House available. PHICS-funded vehicle in-country.

3. Actions/issues:

3.1 Continue coordination with the MOH and UNICEF on the division of responsibility for funding the costs of the AIDS education in the schools initiative.

3.2 MOH support to the advisor in terms of office space, secretarial support, and access to one of the USAID-funded vehicles needs to be confirmed. Letter written by HPN asking for confirmation.

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K. AIDSTECH Project:

1. Project Summary: A program of AIDS research and surveillance activities which began in 1989 implemented by the MOH ACP and the AIDSTECH Project in support of the national MTP. Training, short-term technical assistance, and local cost support to assist with the strengthening of MOH capacity to plan, implement, and evaluate HIV/AIDS surveillance and data management systems, and to utilize research data in the formulation or revision of MG ACP policies and programs. Activities include: assist with the development of AIDS epidemic projections; assist with the further strengthening of an HIV sentinel surveillance system; assess the effectiveness of STD control interventions; study the economic impact of AIDS in Malawi; and support a study to determine factors which influence people to donate blood and use this information to improve blood donor recruitment in Malawi.

2. Implementation Status: Approximately \$40,000 of central funding has been made available to date, and USAID provided an additional \$100,000 in FY90 bilateral funding for a study of the economic impact of AIDS in Malawi, and for TA and training to strengthen AIDS/STD surveillance and forecasting. AIDSTECH consultant to work on surveillance and projections arrived 29 Sept. and second consultant to work on the economic impact study is due 0/A 4 Nov.

3. Major actions/issues:

3.1 Updated projections of AIDS cases/infections need to be more widely disseminated, utilized for planning, and incorporated into the RAPID model.

3.2 Ensure AIDSTECH collaboration with the HIS and CHSU to promote integration of AIDS surveillance and reporting into established MOH.

3.3 Status of the Malawi Red Cross Blood Donor Study: The subagreement is under AIDSTECH in-house review and then will require AID/Washington and USAID/Malawi approval. Scheduled start date for study is November 1990 to be completed approx. one year later. Confirm that the proposal has received all necessary clearances within Malawi.

3.4 Continue to explore the feasibility of adding malaria to AIDS economic impact study.

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L. Project HOPE:

1. Project Summary: A 2-year (1990-1992), \$322,000 regionally-funded grant to Project HOPE to work with the Private Hospital Association of Malawi (PHAM) and the Malawian church community to design and implement AIDS counseling and IEC programs. To assist PHAM with the design and implementation of its nationwide AIDS control program, and to provide support and training to the church/religious/NGO community with the planning and implementation of HIV/AIDS control activities. Activities include institutional development support to PHAM, training of trainers workshops, seminars for leaders of the church and religious community, etc.

2. Implementation Status: Resident HOPE advisor and PHAM AIDS Coordinator counterpart selected and posted. DIP finalized. AIDS IEC and training activities commenced.

3. Actions/issues:

3.1 Upon return of HOPE advisor, clarify coordination of support from USAID/HOPE and DANCHURCHAID to PHAM. What level of support is available to PHAM from DANCHURCHAID, for what period and for which activities. HPN met with PHAM and DANCHURCHAID representative on 4 Oct., but concerns remain.

3.2 Discuss expansion of the role of HOPE project coordinator to become overall NGO Coordinator for the NACP.

3.3 HPN to discuss longer-term NGO/PVO AIDS IEC needs with the MOH, HOPE, and others, to determine the need for a Mission FY91 and/or FY92 buy-in to HOPE to allow a continuation and/or expansion of ongoing AIDS/IEC activities.

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2. Implementation Status: As a result of a July 1990 meeting with ST/H/AIDS and ST/Pop, it was concluded that central funds would be available to fund MOH ACP condom needs for Phase Two. However, in future, the Mission must use bilateral funds. In September 1990, 3 million USAID-funded condoms were received by the MOH ACP. In October 1990, HPN sent the MOH information provided by SOMARC, PATH, and ST/Pop on which to base decisions regarding a condom quality assurance strategy.

3. Major actions:

3.1 Actual supply of condoms supplied to the ACP for Phase Two will depend upon: (a) improved knowledge/documentation of the level of condom use/need via a DHS or equivalent survey; (b) improvements in logistics management and MOH reporting to USAID on the stock and distribution of condoms; and (c) the number of condoms available to the ACP from other donors such as WHO/GPA who, USAID understands, will supply 8 million condoms to the ACP during Phase Two. HPN requested a meeting with the MOH to discuss these and other issues related to USAID support to the ACP.

3.2 MG/MOH finalize short- and long-term plans for condom quality assurance. The outlines of a quality assurance scheme have been developed, and implementation and financing options explored. To proceed with this initiative, possible sources of technical and financial assistance include USAID through the SOMARC Project, the FPLM Project, and PATH, and WHO/GPA. Information sent by HPN to MOH. MG/MOH needs to review options and submit request to relevant donors.

O. USAID Support to the Malawi ACP through the WHO Global Program on AIDS (GPA):

1. Project Summary: The primary channel for USAID support of AIDS control activities worldwide is the WHO Global Program on AIDS (WHO/GPA). USAID was the first and has been one of the largest contributors to the WHO/GPA. The USG provides approximately 25% of the budget of WHO/GPA Geneva. In FY89 the USG contribution was \$25.5 million of the total WHO/GPA budget of \$93 million. In FY90, the USG contribution was \$20.6 million of the overall WHO/GPA budget of \$90.7 million. Over the past two fiscal years, a portion of the total USAID grant to WHO/GPA has been available for designation to specific country programs.



2. Implementation Status: Out of the USAID FY 1989 contribution, \$250,000 was attributed to support the Malawi AIDS Control Program (ACP). Out of the USAID FY 1990 contribution to WHO/GPA, \$350,000 was designated for use by the Malawi ACP. This designation represents the minimum amount to be provided by WHO/GPA to the Malawi ACP.

3. Actions/issues: At the 2 October 1990 AIDS donors meeting, the MOH ACP reported that all funds obligated and disbursed to the Malawi ACP to date from WHO/GPA (over \$2 million), have been expended. WHO/GPA pledged \$700,000 of support through CY1990. The Mission, in the context of the donors health sub-group, needs to follow-up to monitor the availability and level of GPA support to the Malawi ACP in CY 1991.

## II. PROPOSALS and POSSIBILITIES.

A. Services for Health, Agriculture, Rural and Enterprise Development Project (SHARED): A 9-year (1991-2000), \$15 million bilateral project to strengthen and expand the capacity of Malawian and U.S. PVOs to contribute to the attainment of key development objectives. Under this multi-sectoral "PVO Umbrella" project, USAID may support PVOs to strengthen and expand social services including PHC, child spacing and AIDS services. The Project was authorized in August 1990, the Experiment in International Living was selected as the Project contractor, and Project implementation is scheduled to begin in January 1991.

B. New Bilateral Child Spacing/Population Project: USAID anticipates providing bilateral funding in the range of \$10 million for a new 5-year project entitled, "The Malawi Family Health Services Project", designed to further expand child spacing service delivery, training, and information, education and communication (IEC) activities in the public and private sector. The Project is scheduled to be designed and approved by April 1992, with the initial obligation planned for August 1992.

### Actions/issues:

1. Recruit and post a new USDH BS-50 Population Officer -- or his/her equivalent -- as soon as possible to take primary responsibility for the design, negotiation and management of the new population bilateral.
2. Schedule and prepare for a REDSO/Mission/MG review of the USAID HPN portfolio to, among other things, begin to outline the new bilateral project. Issues to address include:

- 2.1 The appropriate mix of support to public, parastatal, private non-profit, and private/commercial sectors.
- 2.2 Policy issues to be addressed by the NPA component.
- 2.3 Whether or not to include support for AIDS control in the new project.
- 2.4 Which centrally-funded population (and AIDS?) activities should be incorporated into the project.
- 2.5 Coordination of USAID population support with that of the World Bank, UNFPA, and other donors.
- 2.6 Implementation capacity of the MOH.
- 2.7 Prospects of the NFWC playing a central role.
- 2.8 Possibilities of SOMARC project expansion.

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