

CLASSIFICATION:

AID 1120-1 (8-86)	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	1. PAAD NO. 612-0227 612-T-602	
		2. COUNTRY MALAWI	
		3. CATEGORY CASH TRANSFER	
		4. DATE August 26, 1986	
5. TO: Mark L. Edelman AA/AFR	PROGRAM ASSISTANCE APPROVAL DOCUMENT	6. OYB CHANGE NO.	
7. FROM: Laurence Hausman AFR/PD <i>C. Peasley for</i>		8. OYB INCREASE \$ 4,800,000 TO BE TAKEN FROM:	
9. APPROVAL REQUESTED FOR COMMITMENT OF: \$ 4,800,000		10. APPROPRIATION - ALLOTMENT 643-61-612-00-50-61 72-1161021.3 GDA-86-31612-AG-31	
11. TYPE FUNDING <input type="checkbox"/> LOAN <input checked="" type="checkbox"/> GRANT	12. LOCAL CURRENCY ARRANGEMENT <input type="checkbox"/> INFORMAL <input type="checkbox"/> FORMAL <input type="checkbox"/> NONE	13. ESTIMATED DELIVERY PERIOD 8/86-8/88	14. TRANSACTION ELIGIBILITY DATE Grant Obligation
15. COMMODITIES FINANCED N/A			

16. PERMITTED SOURCE U.S. only: Limited F.W.: Free World: Cash: \$ 4,800,000 (CASH TRANSFER)	17. ESTIMATED SOURCE U.S.: Industrialized Countries: Local: Other:
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18. SUMMARY DESCRIPTION

The AID program encourages and assists the divestiture of the Agricultural Development and Marketing Corporation's (ADMARC) estate and non-marketing assets to the private sector. Divestiture will improve ADMARC's liquidity situation and help strengthen its capacity to manage agricultural marketing operations. The program was approved for \$15.5 million and \$10 million was committed on August 15, 1986. An additional \$4.8 million of the grant is being obligated in this document. All other conditions of the original PAAD remain in full force and effect.

19. CLEARANCES	20. ACTION
DAA/AFR:ESaiers <i>ES</i>	<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED
AFR/GC:AMattice <i>AM</i>	<i>Stephens</i>
AFR/SA:RCarlson <i>RC</i>	AUTHORIZED SIGNATURE
AFR/DP:JPatterson <i>JP</i>	DATE Aug 28, 86
FM/PAFD:EOwens <i>EO</i>	
AFR/PD/SA:Wstickel <i>W</i>	ASSISTANT ADMINISTRATOR
	TITLE

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

Official File Copy

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: Laurence Hausman, AFR/PD *C. Lewis Jr*
SUBJECT: Malawi Parastatal Divestiture - Agricultural
Development and Marketing Corporation (ADMARC) 612-0227

ACTION: Your approval is required for a grant amendment of \$4.8 million from the Development Assistance account for the subject program. With this amendment, \$14.8 million of the authorized \$15.5 million will be obligated.

DISCUSSION:

On August 15, 1986, you authorized the ADMARC divestiture program in the amount of \$15.5 million and approved an FY86 obligation of \$10 million from the Development Assistance account. A Grant Agreement for the program was signed by Mr. McPherson in Malawi on August 19, 1986.

The Africa Bureau has now identified the availability of an additional \$4.8 million for the program from late FY86 fallout funds. As the program is designed to quickly disburse the \$15.5 million grant to ease Malawi's foreign exchange shortage, it is important to obligate the balance of the authorized amount as soon as possible. The disbursement pattern described in the PAAD will not change.

Delegation of Authority 140 authorizes the USAID/Malawi director to sign this grant amendment with REDSO/EA concurrence. To expedite signing of the grant agreement, it is proposed that you delegate authority to the USAID/Malawi director to execute the grant amendment without waiting for REDSO/EA concurrence.

RECOMMENDATION:

That you approve the obligation of an additional \$4.8 million of the previously authorized \$15.5 million program by signing the attached PAAD facesheet amendment, and authorize the USAID/Malawi director to execute the grant amendment by signing the attached cable.

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clearance: DAA/AFR:ESaiers ES Date 8/28/84
GC/AFR:AMattice AM Date 8/26/86
AFR/SA:RCarlson RC Date 8/26/86
AFR/PD/SA:WStickel WS Date 8/26
AFR/DP:JPatterson JP Date 8/26
AFR/TR:GSteele (draft) Date 8/25/86

SBaker
drafted:AFR/PD/SA:Stafford Baker:2878L:8/25/86