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The attached results information is from the FY 2001 Results Review and Resource Request (R4) for Malawi and was assembled and analyzed by USAID/MALAWI.

USAID/MALAWI

RESULTS REVIEW

and

RESOURCE REQUEST

FY 2001

March 19, 1999

The R4 is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID reviews. Additional information on the attached can be obtained from Dwight A. Smith, USAID/MALAWI/PPD.

Please Note:

The attached FY 2001 Results Review and Resource Request ("R4") was assembled and analyzed by the country or USAID operating unit identified on this cover page.

The R4 is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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Released on or after Oct. 1, 2001

March 19, 1999

Vivian Lowery Derryck
Assistant Administrator for Africa
United States Agency for International Development
Washington, D.C. 20521

Dear Vivian,

I have reviewed USAID/Malawi's Results Review and Resource Request (R4) document and find the document to be in full conformance with the Mission Performance Plan. It accurately reflects the achievements of USAID's current program; points out implementation issues the Mission is facing; and identifies policy, programmatic issues and challenges that lie ahead. I believe the R4 also outlines appropriate approaches and management actions to pursue in coming years in order that USAID and the Country Team may address the development challenges in Malawi.

USAID/Malawi appreciated the fact that the R4 process was relatively less burdensome this year. Continuing last year's consultations, USAID held extensive meetings with the Mission's stakeholders and implementing partners in order to assess the situation and strengthen the "team approach" to improving future performance. USAID's development partners consider this interaction to be positive and welcome the opportunity to work collaboratively with the Mission in contributing to Malawi's development. The Mission has compiled a set of the self-assessments prepared by its developmental partners. While these are largely qualitative, they are a nice complement to the information presented in the more streamlined R4. This information has been pouched to the Malawi Desk (Jennifer Notkin) in AFR/SA and may be useful to you and others in the months to come.

The consultative process has been inclusive and customer focused. I have been kept fully informed throughout the process, and am pleased to endorse this R4 submission.

Sincerely,

(Signed)

A. Ellen Shippy
Ambassador

USAID/MALAWI

RESULTS REVIEW

and

RESOURCE REQUEST

FY 2001

PART I -- RESULTS REVIEW

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ACRONYMS

ACDI	Agricultural Cooperative Development International
ADMARC	Agricultural Development and Marketing Corporation
AFSI	Africa Food Security Initiative
AHL	Auction Holdings Limited
AIDS	Acquired Immune Deficiency Syndrome
APRU	Agricultural Policy Research Unit, Bunda College
ARD	Associates in Rural Development, Inc.
ASAP	Agricultural Sector Assistance Program
ATRIP	Africa Trade and Investment Promotion
BIMI	Blantyre Integrated Malaria Initiative
CARER	Centre for Advice, Research and Education on Rights
CBDA	Community-Based Distribution Agents
CBNRM	Community-Based Natural Resource Management
CDIE	Center for Development Information and Evaluation
CDLMIS	Contraceptive Distribution & Logistics Management Information System
CHAM	Christian Health Association of Malawi
CHAPS	Community Health Partnerships
CHSU	Community Health Services Unit
COPE	Community-Based Options for Protection and Empowerment
CSO	Civil Society Organization
CSP	Country Strategic Plan
DANIDA	Danish International Development Assistance
DFID	Department for International Development
D/G	Democracy and Governance
DHO	District Health Office/Officer
DHS	Demographic & Health Survey
DRF	Drug Revolving Fund
EA	Environmental Assessment
EBF	Exclusive Breast Feeding
EIS	Environmental Information System
EMA	Environmental Management Act
EMIS	Education Management Information System
ESF	Economic Support Funds
EU	European Union
FEWS	Famine and Early Warning System
FF	Farm Family
FINCA	Foundation for International Community Assistance
FPE	Free Primary Education

FSN	Foreign Service National
FY	Financial Year
GAC	Gender Appropriate Curriculum
GABLE	Girls' Attainment in Basic Literacy and Education
GDP	Gross Domestic Product
GIS	Geographic Information System
GOM	Government of Malawi
G/HCD	USAID Global Bureau, Human Capacity Development Center
G/PHN	USAID Global Bureau, Population, Health & Nutrition Center
HIID	Harvard Institute for International Development
HIV	Human Immunodeficiency Virus
HYV	High Yielding Variety
ICRISAT	International Crops Research Institute for Semi-Arid Tropics
ICTA	International Center for Tropical Agriculture
IEE	Initial Environmental Examination
IFES	International Foundation for Electoral System
IITA	International Institute of Tropical Agriculture
IMCI	Integrated Management of Childhood Illness
IR	Intermediate Result
ITN	Insecticide-Treated Nets
KAP	Knowledge, Attitude, and Practices
M&E	Monitoring and Evaluation
MAI	Ministry of Agriculture and Irrigation
MBC	Malawi Broadcasting Corporation
MIITEP	Malawi Integrated In-service Teacher Education Programme
ML/LA	Minilaparotomy under Local Anesthetic
MOE	Ministry of Education
MOHP	Ministry of Health and Population
MP	Member of Parliament
MPP	Mission Performance Plan
MUSCCO	Malawi Union of Savings and Credit Cooperatives
NACP	National AIDS Control Program
NASFAM	National Association of Smallholder Farmers of Malawi
NATURE	Natural Resources Management Program
NDI	National Democratic Institute
NEP	National Environmental Policy
NGO	Non-governmental Organization
NPA	Non-Project Assistance
NRM	Natural Resource Management
NSCM	National Seed Company of Malawi
OE	Operating Expense

ORS/T	Oral Rehydration Salts/Therapy
OYB	Operating Year Budget
PA	Project Assistance
PIF	Policy Investment Framework
PLUS	Public Lands Utilization Study
PSI	Population Services International
PVO	Private Voluntary Organization
R4	Results Review and Resource Request
RCSA	Regional Center for Southern Africa
RF	Results Framework
RP	Results Package
SADP	Smallholder Agribusiness Development Project
SCF/US	Save the Children Fund/United States
SFFRFM	Smallholder Farmers Fertilizer Revolving Fund of Malawi
SMC	Social Mobilization Campaign
SO	Strategic Objective
SP	Sulphadoxine-pyrimethamine
STAFH	Support to AIDS and Family Health
STD	Sexually Transmitted Disease
TCC	Tobacco Control Commission
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Programme
UNFPA	United Nations Fund for Population Activities
UNIMA	University of Malawi
USAID	United States Agency for International Development
USDH	United States Direct Hire (employee)
WB	World Bank
WSU	Washington State University

PART I: Overview and Factors Affecting Program Performance

USAID and the Mission Performance Plan. U.S. interests in Malawi are tied first and foremost to the dramatic political transition that brought Malawi from decades of one-party autocracy to democratic multi-party elections in the space of two years. As Malawi approaches the critical second round of elections (May 1999) and expands its democratic efforts to include local authorities, it continues to be perceived by many in the region as a leading example of peaceful, democratic transition.

USAID's program actively supports the U.S. Mission Performance Plan (MPP) in Malawi. The fifth strategic Objective (SO05) addresses efforts to strengthen the institutional base for democratic participation. This is the foundation of the MPP's first goal to "promote consolidation of democratic institutions and practices." USAID's efforts to encourage local empowerment, decentralization and democratic participation are not limited to SO05. Major activities found within SO01 (Agriculture) and SO02 (Natural Resources) promote the democratic association of farmers to manage their own resources and make fundamental economic decisions to improve their well being. Similarly, SO03 (Population and Health) which is focusing on the decentralization and the empowerment of local health providers, and SO04 (Basic Education) which promotes literacy and community participation in school management, reinforce the MPP's first goal of consolidating democratic practices throughout Malawian life.

The Development Context. Overall, Malawi remains one of USAID's best development partners and provides leadership on regional development and political issues. The context for the USAID program remains positive, but in important ways the context is changing due to: the breadth and openness of dialogue with Malawians in government and civil society; the challenge of maintaining macroeconomic stability in a liberalized economy with limited institutional and human capacity; the political developments in anticipation of the May 1999 elections; donor coordination; and circumstances pertaining to the individual sector programs.

The open nature of dialogue in Malawi is among the best in the developing world. The Mission continues to have free and complete access to decision makers at all levels of government. This openness applies to the civil society as well. The term "development partner" is often used and abused. However, Malawi is very close to the prototype of what the terms "development partner" and "African leadership" intend. The respect and trust that has developed over time is a major asset which allows USAID to respond constructively to Malawi's development challenges.

Up until November, 1998, the macroeconomic environment had been unstable.. The Malawian Kwacha depreciated by 40% in August 1998. It has since stabilized, and the exchange rate is once again market driven. The Government of Malawi (GOM) has undertaken drastic measures to bring the economy back on track. The Government has successfully regained control of the budgetary situation as revenue collections recovered and expenditure controls were strengthened. (In order to restore

financial discipline, the GOM imposed tight budget controls across all Ministries, including those that implement USAID programs.) As the GOM has cut back funding for these sectors, allocations for certain activities vital to achieving the Strategic Objectives have been disrupted. The December 1998 Consultative Group (CG) meeting allowed donors to engage the GOM in identifying issues and concerns. The GOM has to date followed up reasonably satisfactorily, which has permitted the IMF, the World Bank and DFID to disburse their balance of payments assistance. Other donors to follow suit in the near future are Japan, DANIDA, and the African Development Bank.

This is an election year. This fact has led to some improvements. Many of the performance indicators related to parliamentary action have been met this past year, while they were noted as lagging in 1997. There is also a sense that the Government has tried to achieve performance targets for its constituents in order to help its re-election chances. On the other hand, since it is a political year, the Government is relatively less willing to provide strong leadership in addressing many of the second generation market liberalization and politically sensitive issues, such as issues related to food security and safety nets. A mixed blessing of the election year is the Presidential Health Initiative which intends to expand health coverage nationally. While USAID supports the intent of the initiative, there is concern with regard to the magnitude of the initiative and the role of the public and private sector in health care. It is not yet clear how USAID may be most constructive as we develop our next Country Strategic Plan.

In general, donor coordination has been quite positive. Just as we have an open dialogue with the Government and Civil Society of Malawi, we have an open dialogue with the donor community. There is a wide continuum of beliefs on policy issues both within the Government and within the donor community. While USAID and like-minded development partners are concerned about the incentive structure to promote sustainable, market-based economic growth, other donors have had a tendency to focus relatively more on short-term safety net and welfare programs. The lack of consistency within the donor community is both a strength and a weakness. It is a strength, in the sense that the development issues within Malawi are complex, and creative and constructive suggestions from all parties are greatly appreciated. It is a weakness in that in the face of competing paradigms, GOM decision-makers at times find it possible to avoid making difficult decisions. This fact has adversely affected the performance of SO1 (Agriculture.).

Performance of the Portfolio. FY 1998 was a year of change for USAID/Malawi which has resulted in a series of program modifications as a result of the FY 2000 R4 review. These include: (1) the need to modify the activities under SO1 (Agriculture) to eliminate any USAID contribution to the growing or marketing of tobacco; (2) the re-structuring of SO4 (Education) with the support of AFR/SD; and (3) the proposed re-structuring and focusing of SO5 (D/G) which will be submitted to AID/W under separate cover.

The Mission has been quite pleased with the performance of SO4 (Education) and SO5 (D/G) this past year. Both of these Strategic Objectives have achieved impressive turnarounds and are back on track.

SO3 is a solid performer which is achieving expected results and exceeding USAID's expectations in the area of family planning.

With regards to SO1, we continue to believe that due to the impact of the market liberalization efforts in the early years of the Strategic Objective, this S.O. has exceeded performance expectations over its lifetime. Performance over the past year, however, has been uneven. The underlying causes here are believed to be two-fold: (1) the political difficulty of sustaining second generation policy reforms in an election year, especially in the area of food security given Malawi's history of droughts and famine; and (2) without a strong policy dimension, individual activities, while performing well on their own, may not contribute to achievement of the Strategic Objective of increased agricultural incomes on a per capita basis. The Mission is currently reviewing its policy reform agenda with the government and these issues, along with those activities designed to capitalize on the policy adjustments, will be reviewed and analyzed when the Mission updates the sector assessment in April, 1999, in preparation for the next CSP.

SO2 also is a mixed performer. In many ways, however, the difficulties with this SO are situational and largely outside of the manageable interests of either the GOM or USAID. The three major factors which have adversely affected performance are: (1) procurement delays between the submission of the MAARD and the issuance of the contract for the COMPASS activity; (2) the faulty design of the program which underestimates the real-world complexity of coordinating eight independent agencies in five separate ministries together with an extremely high number of conditionalities; and (3) the lack of resources within the Ministry of Natural Resources to implement the NATURE Program as designed and mutually intended.

Mission Response. First and foremost, USAID/Malawi has reorganized around the principles of reengineering. The Mission has replaced the traditional office structure with the more focused orientation of S.O. Teams. The functions of the program, financial management, and executive offices have been adjusted to provide improved efficiency and effectiveness of these offices' support to the S.O. Teams. Finally, the Mission management team has monthly meetings and semi-annual performance reviews to ensure that the program continues to focus on the achievements of results. USAID/Malawi has found that the FY 2000 R4 process has helped the Mission strengthen our relationships with our development partners as well as provide us with the opportunity and means to adapt our program to improve our performance. We anticipate that the issues and problems discussed above and in the subsequent section will be addressed as we develop the Country Strategic Plan which will be submitted to USAID/W in late CY 1999.

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON A PER CAPITA BASIS

Life of S.O. Performance Self-Assessment: Exceeds Expectations FY 1998 Performance Self-Assessment: Met Expectations

I. Summary: USAID/Malawi's SO1, "Increased Agricultural Incomes on a Per Capita Basis" is the leading contributor to addressing the second goal of the MPP --"Sustainable Economic Growth". As stated in the 1998 MPP, "Malawi's democratic development and economic growth go hand in hand". Sustainable economic development in Malawi is closely associated with economic empowerment of the smallholder population. Economic empowerment is a means as well as an end in that it enables the consolidation of democracy by encouraging more equitable distribution of economic opportunity, the continuation of economic liberalization and pro-market reforms.

Malawi is predominantly rural with 85% of the population living in rural areas, many in abject poverty. For Malawi to achieve its aspiration in terms of economic growth and incomes, trade opportunities, increases in investment, and macroeconomic stability, the rural population must be integrated into Malawi's economic life. This SO pursues two related tracks: (1) improvements in the sectoral policy environment to facilitate economic opportunities for Malawian smallholders; and (2) strengthening the capacity of the smallholders to respond to the opportunities created. The expected beneficiaries are the 2 million smallholder farm families with limited access to resources, including 475,000 female headed families, farmers who participate in the agricultural input and output markets, agribusinesses, and consumers who are expected to reap the benefits of increases in agricultural productivity and market efficiency due to lower prices for consumption goods.

II. Key Results: SO1 has consistently been regarded by both USAID/Malawi and the Africa Bureau as being one of the better performing Economic Growth Objectives, and with good reason. As a result of the SO's efforts: (1) restrictions constraining private sector importing and domestic trading in agricultural inputs have been eliminated which has resulted in a large and growing number of traders selling fertilizers and seeds; (2) fertilizer input prices are fully market determined; (3) restrictions on commodity trading have been eliminated; and (4) the legal foundation for Smallholder Crop Authorities has been removed.

As a result of these reforms, the smallholders benefitted both as producers and net consumers (many rural families consume more than they produce in their agricultural endeavors). This led to more than a 60% increase in agricultural incomes from 1991 to 1997. The data for smallholder incomes at the SO-level for 1998 are somewhat of an anomaly. The poor distribution of rainfall led to both reduced yield and quality of output in many areas of the country. The choice of annual indicators instead of a moving average indicator tends to give the impression of more dramatic changes than what is believed to be occurring. (Preliminary crop estimates and hence incomes for 1999 are significantly higher than those

reported in 1998.)

The SO's performance is validated by the fact that smallholders are expanding both food and cash crop production, marketing their crops freely, and retaining higher profits from sales. As shown in Table 4, the area planted to crops other than maize or tobacco has more than doubled from 18.2% in 1992 to 36.9% in 1998. Rural Malawi is dynamic and open to diversification. For example, a small chili export association which began operations in 1997, marketed more than 37 MT in 1998 with a value of \$58,000. Similar organized efforts by smallholders have reduced the cost of fertilizer to members by nearly 10%. The number of women farmers selling export crops to the international market has increased by nearly 30%.

III. Performance and Prospects: Based on significant results achieved to date, the Mission is confident that SO 1 will at least meet and in several cases exceed original expectations. In the final two years of our present CSP--to the year 2000-- we will fine tune our policy agenda with government; aggressively continue to promote the establishment of farmer associations, both at the local and national level; expand crop diversification opportunities; and, improve overall market efficiency. Specific performance as indicated below is positive and further growth is expected.

IR1.1 Rural Business Developed: Presently Malawi's agricultural sector is based on subsistence farming. As a result of the USAID effort the number of profitable agribusinesses and cooperatives has increased from 17 in the base year of 1997 to 27 at the end of 1998. Within the next two years we anticipate the number of such associations to reach nearly 50 with a membership of 80,000 rural families whose incomes will have been increased. Additionally, loans for rural business development are expected to expand and contribute to this IR.

IR1.2 Market Efficiency Improved: Malawi farmers have historically been faced with high input costs and low margins between farmgate and market prices. USAID has tackled this problem through the development of farmer led associations and policy dialogue. Results have been impressive to date with inputs such as fertilizer and seed purchased through associations increasing dramatically from none in 1997 to 1,694 tons in 1998, while the price per unit has continued to drop. This is in sharp contrast to an overall decline in use of fertilizer due to increasing prices and inefficient marketing. International export sales of chilies, again marketed directly through farmer associations, have risen from zero in 1997 to 37 tons in 1998 and is expected to reach 1,000 tons in 1999.

IR1.3 Productivity/Diversification Increased: USAID, along with the GOM and other donors all recognize that Malawian farmers must diversify their cropping system away from the current heavy reliance on maize and tobacco. To this end we have supported multiplication and distribution of cassava and sweet potato through collaboration with IITA. The results have been dramatic, with production of cassava increasing from 128,827 mt in 1992 to 829,821 mt in 1998 -- a 544% increase. The estimated value of this production in 1998 is \$120 million. Sweet potato production has also shown an even more dramatic increase in this same time period, growing from 43,074 mt in 1992 to 1,432,383 mt in 1998 or a 3,225 percent change in production, with a value of \$206 million. These crops are not only for rural household consumption but are increasingly entering the cash market. New efforts are underway to replicate this success with groundnuts and pigeon peas in collaboration with

ICRISAT. Additionally, a new initiative in smallholder dairy production and marketing will begin in 1999. Our efforts in cash crop diversification continue with chili production currently being sold on international markets through farmer associations, and with cotton and coffee to begin this year. Sales of diversified export crops have increased from zero in 1997 to 37 tons in 1998 and are projected to reach 2,000 tons in 2000. Further, significant progress has been made in linking improved land management practices with marketing strategies, as suggested in the R4 review last year.

IR1.4 Enabling Environment Established: The focus of this IR, which supports our entire program, is to continue to improve the legal and regulatory environment for agriculture through policies which promote liberalization of markets and privatization. In a January 11, 1999, statement, the Minister of Agriculture and Irrigation commented that based on donor recommendations, government would commercialize the Agricultural Development and Marketing Corporation (ADMARC -- the country's largest parastatal) this year. The Minister further announced that the Strategic Grain Reserve would operate as a commercial entity with no government subsidy and would be run as a trust. Government continues to implement an action plan to privatize other government facilities such as livestock ranches, sugar production and dairy operations.

IV. Possible Adjustments to Plans: We have made changes this past year--some minor and one major--but the mission intends to essentially stay the course through the current CSP. The minor adjustments are related to policy and rural savings and credit activities. However, the major adjustment withdrew all support to the tobacco sector. The adjustment made in our savings and credit program has deepened the level of support to the rural based associations, acknowledging the tie to agribusiness expansion and increased incomes. The effort to promote crop diversification will increase with support to the cassava and sweet potato initiative, new support to the smallholder dairy sector, groundnut and pigeon pea production and a continued promotion of export crops such as chilies, cotton and coffee.

V. Other Donor Programs: Our policy reform program, with its on-going provision of technical assistance, has been closely linked to and mutually supportive of World Bank efforts. However, over the past year there have been differences in policy approach by several other donors towards household food security issues, particularly in regard to subsidies and safety net programs. The EU and DFID have introduced programs that have essentially provided free inputs to bolster maize production. A major effort is now underway is to reconcile these differences.

PERFORMANCE DATA TABLES

Performance Data Table 1: Real Per Capita Rural Incomes (Present Indicator)

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE: Increased agricultural incomes on a per capita basis			
INDICATOR: Real per capita rural incomes			
<p>UNIT OF MEASURE: Real Malawi Kwacha, 1990 (nominal prices deflated by inflation to 1990 constant)</p> <p>SOURCES: Bunda College Agricultural Policy Research Unit: Rural per Capita Income study commissioned by USAID</p> <p>INDICATOR DESCRIPTION: Measures income of all rural households in Malawi using a representative sample covering most districts in Malawi.</p> <p>COMMENTS: 1998 is the first year when data has been collected, analyzed and reported for the study. The data is disaggregated by gender. There is also poverty profile analysis. This data can assist in targeting households for specific interventions in the future.</p>	YEAR	PLANNED	ACTUAL
	1998(B)		879
	1999	923	
	2000	970	
	2001(T)	1,018	

PERFORMANCE DATA TABLE

Performance Data Table 1.A: Per Capita Rural Incomes (Former Indicator)

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE: Increased agricultural incomes on a per capita basis			
INDICATOR: Per capita incomes for smallholder tobacco producers			
<p>UNIT OF MEASURE: \$U.S. Current</p> <p>SOURCES: Ministry of Agriculture and Irrigation (MAI), Auction Holdings Limited(AFL), Agricultural Cooperative Development International (ACDI), and survey of intermediate buyers by B. Phiri in 1996</p> <p>INDICATOR DESCRIPTION: Measures income earned by smallholder producers both from the sale of their tobacco directly on the international auction floor and to intermediate buyers, which now include the Agricultural Development and Marketing Corporation (ADMARC)</p> <p>COMMENTS: This measure is included only for the sake of consistency with previous reporting and to permit the reviewer to better understand the relationship between the past and present data bases. The measure has long been viewed as being an inadequate proxy of S.O. Performance and has been replaced.</p> <p>The difficulty is in estimating prices paid by the myriad intermediate buyers.</p> <p>The 1998 per capita incomes for smallholder tobacco producers is lower than expected due to: 1) the low prices (per Kg) offered at Auction sales. The prices decreased from US\$ 1.54 in 1997 to US\$ 1.30 in 1998, 2) there has been, during the same period, an increase in the number of participating farmers from 160,000 to 194,700.</p>	YEAR	PLANNED	ACTUAL
	1991(B)		\$153
	1992		\$263
	1993		\$244
	1994		\$171
	1995		\$191
	1996	\$230	\$315
	1997	\$242	\$266
	1998	\$254	\$160
	1999	\$266	
	2000(T)	\$278	

Performance Data Table 2:

Profitable Agribusinesses and Cooperatives

STRATEGIC OBJECTIVE: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 1.1: Rural Business Developed			
INDICATOR: Number of profitable agribusiness and cooperatives			
<p>UNIT OF MEASURE: a) Number, b) Total membership</p> <p>SOURCES: ACDI and MUSCCO</p> <p>INDICATOR DESCRIPTION: The indicator measures the number of associations and cooperatives and their total membership.</p> <p>COMMENTS: The indicator combines two complementary activities supported by the SO.</p>	YEAR	PLANNED	ACTUAL
	1997(B)		a) 17 b)21,759
	1998	a) 27 b) 40,000	a) 27 b)41,821
	1999	a) 35 b) 51,160	a) b)
	2000	a) 45 b) 65,840	a) b)
	2001(T)	a) 50 b) 80,000	a) b)

Performance Data Table 3: Volume and Value of Goods Marketed through Agribusinesses

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 1.2: Market efficiency improved			
INDICATOR: a) Volume of goods marketed through agribusinesses: i) Inputs; ii) Produce without tobacco; and iii) Produce with tobacco. b) Value of goods marketed through agribusinesses: i) Inputs; ii) Produce without tobacco; iii) Produce with tobacco			
<p>UNIT OF MEASURE: a) tons, b) US\$ value(mil dollars)</p> <p>SOURCES: ACDI</p> <p>INDICATOR DESCRIPTION: The indicator measures the volumes of both inputs (mostly fertilizer) and outputs sold through agribusinesses, giving farmers lower input costs and higher output prices.</p> <p>COMMENTS: Farmers are getting better deals for their inputs through collective action in procuring inputs and selling produce.</p>	YEAR	PLANNED	ACTUAL
	1997(B)		A i) 0 ii) 0 iii) 16,007 B i) 0 ii) 0 iii) 24.7m
	1998	A i) 600 ii) 10 iii) 18,000 B i) 0.3m ii) 0.015m iii) 25.0m	A i) 1,694 ii) 37 iii) 20,011 B i) 0.7m ii) 0.058m iii) 26.0m
	1999	A i) 2,000 ii) 1,000 iii) 24,000 B i) 1.0m ii) 0.1m iii) 28.0m	
	2000	A i) 2,300 ii) 2,000 iii) 28,000 B i) 1.3m ii) 0.2m iii) 30.0m	
	2001(T)	A i) 2,600 ii) 3,000 iii) 30,000 B i) 1.5m ii) 0.3m iii) 32.0m	

Performance Data Table 4:

**Percent Smallholder Farm Area Planted to Crops
Other than Maize and Tobacco.**

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 1.2: Productivity/diversification increased			
INDICATOR: Share of (total) smallholder area planted to non-maize and non-tobacco			
UNIT OF MEASURE: Percentage SOURCES: MAI, FEWS INDICATOR DESCRIPTION: Percentage of total smallholder area planted to all other crops other than maize and tobacco. COMMENTS: This indicator measures diversification away from tobacco as the major cash crop and away from maize as the major food crop. This indicator has just been added although data has always been available	YEAR	PLANNED	ACTUAL
	1992(B)		18.2%
	1993		21.6%
	1994		25.4%
	1995		29.1%
	1996	31.0%	31.1%
	1997	33.0%	34.1%
	1998	36.0%	36.9%
	1999	39.0%	
	2000	41.0%	
	2001(T)	43.0%	

STRATEGIC OBJECTIVE 2: TO INCREASE THE SUSTAINABLE USE, CONSERVATION AND MANAGEMENT OF MALAWI'S RENEWABLE NATURAL RESOURCES.

Life of S.O. Performance Self-Assessment: Met Expectations FY 1998 Performance Self-Assessment: Met Expectations

I. Summary: USAID/Malawi's SO2, "Increase the Sustainable Use, Conservation and Management of Malawi's Renewable Natural Resources" is the leading contributor to addressing the MPP goal of "Encouraging Malawi's Sustainable Use of its Natural Resources and Enhance its Capacity to Manage Those Resources". This SO also contributes directly to the MPP's two highest goals of promoting the consolidation of democratic institutions and practices and sustainable economic growth.

This SO has made consistent progress in addressing: (a) policy, legislative and institutional reform in eight key government natural resources agencies (environmental affairs; forestry; fisheries; land resources; irrigation; water; parks and wildlife; and land tenure); (b) the creation of an environmental endowment trust; (c) increased adoption of agroforestry practices; (d) strengthened environmental monitoring capabilities through the development of a prototype environmental information system, Geographical Information Systems (GIS) technology transfer and training to selected agencies and development of environmental curriculum and research capabilities; and (e) improved capacity of communities to manage natural resources. The primary beneficiaries are the 85% of the Malawi's population who live and work in rural areas.

II. Key Results: As last year, the Mission views the SO as generally "on-track" with uneven progress. Good progress has been made with respect to increasing adoption of soil conservation practices. It is particularly important to note that: (a) the actual area under contour strips of grass/shrub species (2,872 ha) is nearly 4 times greater than planned; (b) the number of farm families (6,464) adopting contour strips of grass/shrub species is more than twice the number planned; (c) the area under improved soil fertility practices (6,525 ha) continues to lag; and (d) the number of households adopting improved soil fertility practices (23,533) increased by 81% over 1997 and now exceeds the target.

At the IR level, we note good progress with respect to GIS technology transfer and training; the development of a prototype environmental information system (EIS); and strengthening of environmental research. However, there are important GOM institutional constraints regarding the implementation of a national information system and support to effective research which may affect performance if not addressed. The environmental endowment working group has made significant progress in terms of developing the conditions for establishing an endowment trust. We have not achieved the policy and legislative reform at the pace that was initially envisioned. However, forward progress has continued and leads us to believe that the pace will accelerate in the years remaining. USAID/Malawi is pleased with the progress made in linking SO1 and SO2 activities as was encouraged during previous R4 reviews. Contracting delays for the community-based NRMs activity

have affected SO performance. We do believe that the implementation of this activity, following a 20-month procurement process from MAARD to contract signature, will improve the overall performance of the Strategic Objective in the years to come.

III. Performance and Prospects:

IR2.1: Comprehensive Policy and Legislative Framework Established: Of the eight concerned GOM agencies participating in this program, two (Forestry and Fisheries) have completed legislative actions, and Forestry has completed the policy actions. With USAID technical assistance important advocacy and analytical support has been maintained, and two agencies (Parks and Wildlife; and Land Resources) have policy actions ready for cabinet approval. Performance is expected to improve with the revision of the policy component. Specifically a reduction in the number of conditions precedent and internal GOM mechanisms for transferring funds are expected to strengthen future implementation of the policy program. The institutional reviews have progressed well, having been completed for all agencies.

A new chairman for the endowment working group has revitalized the actions of the various sub-committees, and the group has now completed the review required for the establishment of a trust, which is expected to become legally recognized in early 1999. Trustees have been appointed and a management unit is expected to be in place by mid-1999. USAID intends to provide funds to establish the management unit for a two year period, and assist with the initial capitalization of the trust. Excellent donor cooperation has been realized with financial support from UNDP, DANIDA and USAID. The successful operation of the Trust will enhance sustainability.

IR2.2: Capacity of National NRM Institutions Strengthened: The GOM has identified the mid-Shire valley of national importance because of the high agriculture potential and significant problems associated with soil loss and siltation of the Shire River, the country's primary energy source. The prototype EIS for this area has resulted in identification of areas of land use change (between 10 and 22 percent change from forest to agriculture from 1984 to 1994) and erosion potential, which in turn will assist agencies targeting interventions. While the development of the prototype has incorporated training and application of monitoring technologies for five agencies there remain questions about the institutional resources and capabilities to manage and coordinate a national system. Activities in this area will in the future focus upon continued strengthening of selected line agencies, particularly in the area of analysis and reporting.

GIS applications are increasingly used by environmental and natural resource planners throughout Malawi. The Department of Surveys compiled digital data to help site health facilities, and prepared a digital national map to help site and plan for irrigation and dam sites. Similarly, the Department of Forestry is using GIS to monitor forest encroachment and global positioning technology to locate village forest areas surrounding Lilongwe.

IR2.3: Service Programs Improved: USAID's direct contribution in this activity is in the areas of technical expertise, training, testing of technologies and germplasm collection and distribution. This contribution to 29 NGO and private agencies, and 8 GOM agriculture districts has resulted to date in 6,464 farm families (against a target of 3,000) adopting soil conservation measures on over 2,872 hectares, and 23,533 farm families (against a target of 22,000) adopting improved soil fertility practices on over 6,525 hectares. Soil fertility practices were slightly below target due to a shortage of planting material. To date 890 field personnel have received training in improved natural resource practices. Direct linkage was made with SO1's Smallholder Agricultural Development Project (SADP) with the placement of 6 agroforestry agents in each of the 6 SADP agri-business associations. This provides a potential target of 30,000 farmers.

IV. Possible Adjustments to Plans: In June, 1998, an assessment of the SO2 program was completed. In general, the assessment made recommendations for long term changes and specific recommendations particularly for the policy-based nonproject assistance component. The longer-term vision of this objective will be addressed in the forthcoming Country Strategic Plan which is due in late CY 1999.

It is important, however, that USAID/Malawi and our GOM partners strive to maximize the impact of the current SO. For this reason we have taken actions to create a special counterpart account in order to assure the timely funding for line agency support. We have also undertaken a cross-SO review of our nonproject assistance activities with our development partners in AID/W and the GOM. We anticipate that the revisions proposed will enable the SO to be more responsive to changing circumstance as well as improve our focus on implementation and outcomes. With regard to the "project assistance" component, the procurement delays appear to have been resolved. The SO2 Team is undertaking all measures to facilitate early start-up of the CBNRM implementation. The environmental monitoring activity will be revised and additional activities in environmental education, endowment management and support to Peace Corps community-based natural resource activities will facilitate the transition to the new CSP.

V. Other Donor Programs: One useful result of the environmental monitoring activity has been a natural resources management data base on environment and NRM activities in Malawi. USAID hosts a monthly meeting of the significant donors in the sector (DANIDA, UNDP, FAO, DFID, GTZ, JICA,) to keep informed of the various programs. Principal collaborators include Env Monitoring -- DANIDA; Endowment -- DANIDA and UNDP; and Community Based Activities -- DFID and GTZ.

PERFORMANCE DATA TABLES

Performance Data Table 5: Adoption of Improved Soil Conservation Practices

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES APPROVED: 15/03/95 COUNTRY/ORGANIZATION: USAID/Malawi			
INDICATOR: Adoption of improved soil conservation practices			
UNIT OF MEASURE: a) no. of hectares b) no. of farm families (FF)	YEAR	PLANNED	ACTUAL
SOURCE: Washington State University (WSU) and partner institution reports	1996 (B)	a) 400 b) 1,000	a) 385 b) 822
INDICATOR DESCRIPTION: Improved soil conservation practices with contour strips of grass/shrub species	1997	a) 600 b) 1,400	a) 506 b) 1,272
NOTE: Previous data has counted physical contour ridging. Because the integration of dense vegetative barriers on the ridges is vital for the reduction of erosion and soil runoff, simple contour ridging is no longer being included as an improved soil conservation practice.	1998	a) 750 b) 3000	a)2,872 b)6,464
COMMENTS: The unit of measure on % of farm families that are female headed is being dropped, because reporting units have yet to build this data into survey formats. It is anticipated that this will be more complete in future reporting. Data is reported at the end of each crop year. 1996 data is for crop year 1995-1996; 1997 data is for crop year 1996-1997, etc. Low initial achievements in 1996 reflect the limited number of implementing partners and the fact that the project was still in the technology testing phase.	1999	a) 2,500 b) 10,000	
	2000 (T)	a) 6,000 b) 25,000 c)	

Performance Data Table 6:

Adoption of Improved Soil Fertility Practices

<p>STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES</p> <p>APPROVED: 15/03/95 COUNTRY/ORGANIZATION: USAID/Malawi</p>			
<p>INDICATOR: Adoption of improved soil fertility practices</p>			
<p>UNIT OF MEASURE: a) no. of hectares b) no. of farm families (FF) SOURCE: Washington State University and partner institution reports</p> <p>INDICATOR DESCRIPTION: Improved soil fertility practices include intercropping with soil-improving trees and/or short-term fallow systems.</p> <p>COMMENTS:</p> <hr/> <p>Data is reported at the end of each crop year. 1996 data is for crop year 1995-1996; 1997 data is for crop year 1996-1997, etc.</p> <p>Low initial achievements in 1996 reflect the limited number of implementing partners and the fact that the project was still in the technology testing phase.</p>	YEAR	PLANNED	ACTUAL
	1996 (B)	a) 3,500 b) 7,000	a) 3,311 b) 6,543
	1997	a) 7,000 b) 15,000	a) 4,381 b) 12,993
	1998	a) 10,000 b) 22,000	a) 6,525 b) 23,533
	1999	a) 16,500 b) 32,000	
	2000 (T)	a) 33,400 b) 67,500	

Performance Data Table 7:

Enacted Legislation and New Policies

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.1 : Comprehensive policy and legislative framework established			
INDICATOR: New policies and legislation enacted			
<p>UNIT OF MEASURE: a) National and/or sectoral policies which have been enacted b) National and/or sectoral legislation which have been enacted</p> <p>SOURCE: University of Arizona reports; GOM documents</p> <p>INDICATOR DESCRIPTION: National Policies/Legislation include the National Environmental Policy (NEP) and Environmental Management Act (EMA) Sectoral Policies/Legislation are those in forestry, fisheries, parks/wildlife, land use, agriculture and water/irrigation sectors.</p> <p>COMMENTS: This indicator tracks only policy and legislation which has been enacted. Hidden is the complex and time consuming process which leads to enactment. Each new policy and legislation requires that an action plan for reform be developed; that an internal review and revision of the policy be completed; that stakeholder consultations take place; that draft policy/legislation be revised to reflect the stakeholder consultations; and that approval be received from the appropriate government body (the Cabinet approves policies; the Head of State approves legislation, which must also be gazetted).</p> <p>USAID supports a policy advisor within the Ministry of Forestry, Fisheries and Environmental Affairs who is helping to coordinate this policy and legislative reform process.</p> <p>* Policies are already in place and being implemented. However, they are awaiting cabinet approval. For Water Resources, the policy is being developed.</p>	YEAR	PLANNED	ACTUAL
	1996		
	a) Policy	a) NEP	a) NEP
	b) Legislation	b) --	b) EMA
	1997		
a) Policy	a) Forestry	a) --	
b) Legislation	b) --	b) Forestry Fisheries	
1998			
a) Policy	a) Forestry Wildlife Fisheries Water Res. Irrigation Land Resources	a) Forestry Wildlife* Fisheries* Irrigation* Land Res*	
b) Legislation	b) Forestry Wildlife Fisheries Water Res. Irrigation Land Resources	b) Forestry Fisheries	
1999			
a) Policy	a) Land	a)	
b) Legislation	b) Land	b)	

Performance Data Table 8:

Prototype Environmental Information System

<p>STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES APPROVED: 15/03/95 COUNTRY/ORGANIZATION: USAID/Malawi</p>			
<p>INTERMEDIATE RESULT 2.2 : Capacity of national NRM institutions strengthened</p>			
<p>INDICATOR: Prototype environmental information system (EIS) developed and applied</p>			
<p>UNIT OF MEASURE: Phases I, II, and III: percentage (cumulative) of activities completed Phase IV: Yes/No SOURCE: University of Arizona reports</p> <p>INDICATOR DESCRIPTION: Phase I: Develop initial proposal for Shire River Pilot EIS; refine strategies for resource coordination, information sharing and compatibility of information systems; develop technical design of Shire River EIS Phase II: National data archiving standards established and adopted Phase III: Prototype EIS produces/disseminates Shire River Environmental Situation Report Phase IV: Other EIS analyses produced and distributed</p> <p>COMMENTS: The EIS indicator is being achieved through the technical and financial support of both USAID and the World Bank to the Ministry of Forestry, Fisheries and Environmental Affairs, land Resources and Conservation Department, Department of Meteorology and Department of Surveys. Phase II standards are to be reviewed before adoption.</p>	YEAR	PLANNED	ACTUAL
	1996	Phase I 100%	35%
	1997	Phase I 100% Phase II 100% Phase III 60% Phase IV Y	100% 95% 50% N
	1998	Phase II 100% Phase III 100% Phase IV Y	95% 100% Y

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES TO REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES

Life of S.O. Performance Self-Assessment: Met Expectations (FP Component Exceeds)
FY 1998 Performance Self-Assessment: Met Expectations (FP Component Exceeds)

I Summary: SO3 is the leading contributor to addressing the MPP goal of "Supporting Malawi's National Population Policy, and Protecting the Health of Malawi's Population." This SO also contributes directly to the MPP's goals of promoting the consolidation of democratic institutions and practices and sustainable economic growth. Malawi's rapid population growth puts pressure on the country's limited resources. To achieve the objective Malawians need to adopt modern methods of family planning that will increase the contraceptive prevalence rate (CPR) from 7% in 1992 to 20% by 2000. The HIV/AIDS epidemic in Malawi has reached crisis proportions with 15% of the adult population estimated to be HIV positive. The SO will be achieved by the adoption of new behaviors which reduce sexual transmission of HIV, such as using condoms with non-regular sexual partners, and getting youth to postpone coital debut. The high infant mortality rate, estimated at 134 per 1,000, can be reduced if child caretakers adopt new behaviors or make use of preventive and curative health interventions such as breast feeding exclusively for six months, fully immunizing infants, using oral rehydration therapy (ORT) to prevent dehydration from diarrheal disease, and providing malaria treatment (SP) immediately to infants with fever. The beneficiaries of SO3 are the under fives who receive better home care and clinical treatment, and women and men who are able to control fertility and reduce risk of HIV infection.

II. Key Results: At the SO level, the 20% increase in CYP between 1997 and 1998 demonstrates the steady adoption of modern family planning methods by Malawians. IR 3.1: This year's *Chishango* condom social marketing sales figures totaled 7.158 million, which is significantly higher than the projected 6.5 million. IR 3.2: As a result of the CHAPS Project, six quality assurance assessment studies have been completed in the participating health districts, providing baseline data and identifying specific deficiencies in performance and client satisfaction. In addition, HIV prevention activities in the workplace have been extended to 80% of employees who work in large companies or agricultural estates which employ more than 300 people. IR 3.3: Increased numbers of community members are participating in activities to improve health by serving as community based distribution agents (CBDA) and drug revolving fund (DRF) volunteers. The number of CBDAs trained to deliver family planning information and services to their communities has risen to over 2,500, while the number of community DRFs established and managed by trained volunteers jumped from 79 last year to 320 this year. A major breakthrough regarding high level political support for HIV/AIDS occurred when this topic was included on the agenda of the Consultative Group (CG) meeting, in December 1998, and was directly addressed by the President of Malawi in his speech opening that meeting. The President repeated his message during his New Year's address to the nation, and at the end of January when he held a special meeting on health with the donor community.

III. Performance and Prospects: SO3 is exceeding expectations in adoption of family planning services, but has not achieved the behavior changes required to reduce HIV transmission. Improvements in child health practices are on track as training, supervision, and community mobilization activities tailored to improve case management and caretaker behaviors are being designed and implemented in six districts.

IR 3.1: Condoms and other health supplies sold at retail outlets: Different marketing strategies for promoting condoms are being initiated. PSI, as one of the partners in the Blantyre Integrated Malaria Initiative (BIMI--included under CHAPS) launched sales of an insecticide-treated net (ITN) called *Chitetezo* (protector) to prevent mosquito bites that cause malaria. In the first three months over 15,000 nets were sold in the target district of Blantyre while an additional 2,000 were sold to Africare for its Ntcheu District Child Survival Project. The launch of a third PSI product--*Thanzi* (vitality) oral rehydration salt (ORS) is scheduled for May 1999. The exclusive breast feeding (EBF) component of the CHAPS-funded ORT/EBF social marketing project began in February 1999 with qualitative focus group discussions with breast feeding mothers to determine the factors that prevent them from exclusively breast feeding for the first six months. In Malawi, exclusive breast feeding for the first six months was only 3% according to the 1992 DHS.

IR 3.2: Family planning, STD/HIV, and child health services accessible and provided to Malawi's citizens: Malawians are accessing family planning services at hospital, health center and outreach clinics throughout the country, increasing CYP from 190,306 in 1997, to 242,188 in 1998. The injectable method (Depo Provera) is by far the most popular but Ministry of Health and Population (MOHP) records indicated the number of users of surgical methods increased from 3,052 in 1994 to 6,931 in 1997. Family planning services supported by the STAFH project include: in-service training courses provided to nurses, clinical officers, and other health care workers (5 teams of surgical method trainers trained in 1998); procurement and distribution of equipment to service delivery points (228 facilities equipped); and, renovations to clinics to expand services and provide a private area for counseling clients (28 completed). Forty-four hospitals and 42 health centers are providing STD services based on the syndromic case management approach which was developed and supported by the STAFH project. The Project Hope provided family planning and STD services to 380,000 laborers and families who live and work on and around large agricultural estates in eight districts. This project supported training, supervision, supplies and equipment to the medical providers who are employees of the estates. While some difficulties, such as maintaining a steady supply of STD drugs, were identified, the fact that the estate managers finance the medical providers' salaries and appreciate the health services they provide, demonstrates the sustainability of this intervention.

IR 3.3: Increased participation of community members in activities that improve health:

Community-level activities have increased over the past year. As other donors make use of the CBDA curricula, training materials and logistics supply system that USAID supported, we will now shift our focus to improving the quality and supply of long-term permanent methods. DRFs, which were introduced on a small scale by PVOs only a couple years ago, are now being more widely adopted. Africare was one of the leading agencies in developing training modules and establishing successful

DRFs, training two female volunteers from each village to manage them. By making malaria treatment (SP) and ORS readily available in the village, many infant and child deaths can be prevented. In addition to DRFs, some of the CHAPS districts are providing water and sanitation services. An additional 136,652 Malawians gained access to safe water in two CHAPS districts. Finally the Community-based Options for Protection and Empowerment (COPE) project, has revitalized District AIDS Committees in three districts to develop and support Community (15) and Village (164) AIDS Committees which are dealing with the stresses and impact of the AIDS epidemic. These committees are identifying orphans (12,804) and providing them assistance, providing home-based care courses (40) for those who are caring for the ill and aged, and supporting economic activities to maintain income levels and village safety nets.

IR 3.4: Improved knowledge of family planning, HIV transmission and prevention, and child health practices: Since changes in knowledge are measured every four years through Demographic and Health Surveys, with the next one scheduled for 2000, no results can be reported this year. An activity which deserves mention, however, is the National HIV Mobilization, Consensus Building and Strategy Plan Development Process. Phase I which began in February 1998 involved community conversation exercises aimed at breaking the silence on HIV/AIDS to get people to reflect deeply on the situation and identify key issues which would form the basis for developing the 2000-2004 National Strategic Plan. Conversations were done in 60 urban and rural areas, and 57 institutions covering 20 districts. The data were sorted and analyzed into themes which, under Phase II, are being further developed at workshops to serve as the basis for developing the new plan. USAID supported this process through the G/PHN POLICY project which trained trainers in advocacy skills, who will train key district leaders to advocate the interventions, policies and practices that emerge from the new plan. This intense, community-based process, combined with the heightened political awareness and commitment by the President and Minister of Health to more seriously address the AIDS issues in Malawi, gives an improved outlook to achievement of the objective of adoption of behaviors that reduce HIV transmission.

IV. Possible Adjustments to Plans: This year, USAID will begin exploring and reidentifying the developmental problems and solutions in the health, population and nutrition sector. Continued support for family planning and an increase in HIV/AIDS support are likely to remain as key elements.

A more in-depth analysis of the causes of infant and child mortality is needed to determine the most important interventions that USAID should support under the next CSP.

V. Other Donor Programs: Over the past year, health and population donor agencies have significantly improved coordination and cooperation efforts, especially with regard to reproductive health, HIV/AIDS and development of the GOM's new National Five-Year Health Plan. USAID chairs the donor coordination group, and plays a key role in coordinating the response of the donors to new MOH initiatives and in identifying opportunities for collaboration.

PERFORMANCE DATA TABLES

Performance Data Table 9: Couple-Years of Protection

<p>STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.</p> <p>APPROVED: 15/03/95 COUNTRY/ORGANIZATION: USAID/Malawi</p> <p>INDICATOR: CYP- Couple-Years of Protection</p>			
<p>UNIT OF MEASURE: Number of couples protected per year based on reported contraceptive consumption data.</p> <p>SOURCE: Contraceptive Distribution Logistic Management Information System (CDLMIS) Forms showing Contraceptive Consumption 1997-1998</p> <p>INDICATOR DESCRIPTION: Couple-Years of Protection are calculated as follows; 15 cycles of pills equal 1 CYP 120 condoms equals 1 CYP One IUD equals 3.5 CYP 4 Depo-Provera injections equals 1 CYP One sterilization equals 8 CYP</p> <p>COMMENTS: CYP data are being reported for the first time this year because the data are available as a result of the development and full implementation of the CDLMIS. This data is from GOM supported facilities and does not include private institutions.</p> <p>The planned targets are based on CDLMIS pipeline data.</p>	YEAR	PLANNED	ACTUAL
	1997 (B)		190,306
	1998		242,188
	1999	296,095	
	2000	349,125	

Performance Data Table 10: Condoms sold to wholesalers and retailers

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 3.1 : Condoms and other health supplies sold at retail outlets			
INDICATOR: Number of condoms sold to wholesalers and retailers			
UNIT OF MEASURE: Thousands per calendar year <hr/> SOURCE: Population Services International/ Malawi (PSI/M) sales records INDICATOR DESCRIPTION: Chishango Condoms sold to wholesale and retail outlets COMMENTS: PSI comments that this year's sales are artificially high, possibly by 1 million, due to sales to Banja La Msogolo, a local NGO that provides reproductive health services at 20 locations throughout Malawi. Banja La Msogolo ran out of stock and replenished its supply by purchasing from PSI.	YEAR	PLANNED	ACTUAL
	1994		992
	1995	4,000	4,642
	1996	5,500	5,816
	1997	6,000	5,752
	1998	6,500	7,158
	1999	7,000	
	2000	7,500	

Performance Data Table 11: Percent Employees with Access to Employer-based HIV/STD Information and Condom Distribution

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 3.2: Family planning, STD/HIV, and child health services accessible and provided to Malawi's citizens			
INDICATOR: Access to employer-based HIV/STD information and condom distribution			
UNIT OF MEASURE: Percentage SOURCE: <hr/> JSI contractor reports and National Family Planning Council Work Place Task Force Monitoring System INDICATOR DESCRIPTION: Of the total number of employees working for 186 companies with more than 300 workers, the percent who have access to family planning, STD, a/o HIV prevention services, which include peer education, condom distribution, STD treatment, provision of IEC (pamphlets, videos, posters), etc. COMMENTS: According to STAFH contractor JSI's final report, the total number of employees in companies of 300 workers or more who had access to services rose from 202,000 in 1997 to approximately 380,000 in 1998.	YEAR	PLANNED	ACTUAL
	1992 (B)		10
	1993		10
	1994		10
	1995		26
	1996	56	56
	1997	70	65
	1998	80	80
	1999	85	
	2000 (T)	90	

Performance Data Table 12: CBDA and Supervisors Providing Family Planning Information and Services

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULTS 3.3: Increased participation of community members in activities that improve health			
INDICATOR: Community-based distribution agents (CBDA) and supervisors providing family planning information and services			
UNIT OF MEASURE:	YEAR	PLANNED	ACTUAL
Number of CBDAs/supervisors	1993 (B)		134
SOURCE:	1994		374
National Family Planning Council of Malawi records and STAFH Project reports	1995		578
INDICATOR DESCRIPTION:	1996	650	1,000
CBDAs/supervisors who are trained, providing services, and reporting	1997	750	2,500
COMMENTS:	1998	868	2, 619
The actual figure includes CBDAs and supervisors who have been trained under USAID and other donor funded projects, as well as those from previous years who are still providing services. There is usually substantial dropout of CBDAs because they are volunteers. A new nationwide initiative is under development with World Bank funding. The curriculum, training materials and monitoring system were developed with USAID-funded assistance.	1999	868	
	2000(T)	868	

Performance Data Table 13: DRF Volunteers and Villages with DRFs.

<p>STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.</p> <p>APPROVED: 13/02/98 COUNTRY/ORGANIZATION: USAID/Malawi</p>			
<p>INTERMEDIATE RESULTS 3.3: Increased participation of community members in activities that improve health</p>			
<p>INDICATOR: Villages with drug revolving funds (DRF) and DRF volunteers</p>			
<p>UNIT OF MEASURE: a) Number of villages with DRFs b) Number of DRF women volunteers</p> <p>SOURCE: Project reports from implementing agencies</p> <hr/> <p>INDICATOR DESCRIPTION: The DRF consists of six basic medications including ORS, antibiotics for pneumonia, SP for malaria and antibiotic eye ointment. Medications are sold on a cost recovery basis to villagers and are managed by volunteers under the supervision of HSA (health surveillance assistants) of the MOHP and PVOs.</p> <p>COMMENTS: DRFs were introduced in 1995 as a way to make treatment for diseases such as malaria more accessible to rural villagers. DRFs have been established by PVOs under BHR/PVC Child Survival Grants and more will be established in the six districts participating in the CHAPS Project. There are two volunteers per DRF to ensure that drugs will be available as and when needed in the community.</p>	YEAR	PLANNED	ACTUAL
	1994 (B)	--	0
	1995	--	a) 37 b) 74
	1996	--	a) 47 b) 94
	1997	--	a) 79 b) 158
	1998	a) 180 b) 360	a) 320 b) 375
	1999	a) 200 b) 400	
	2000	a) 250 b) 500	

STRATEGIC OBJECTIVE 4: IMPROVED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS

Life of S.O. Performance Self-Assessment: Met Expectations

FY 1998 Performance Self-Assessment: Met Expectations

I. Summary: SO4 is a leading contributor to addressing the second MPP goal of "Broad-based Economic Growth. It also contributes significantly to the first MPP goal of "Promoting the Consolidation of Democratic Institutions and Practices" and contributes to goal of "Supporting Malawi's National Population Policy, and Protecting the Health of Malawi's Population."

Since 1992 (GABLE I Phase), the GOM has taken positive policies that have led to substantial impact on the access of girls to primary education. Malawian children of both sexes now have access to school. In September of 1998, USAID/Malawi amended Strategic Objective No. 4, "Improved access to and quality and efficiency of basic education, especially for girls". The overall strategy for the GABLE II amendment is to support the development of an education sector reform to address quality as well as access to primary education. Over the remaining period of the current strategy and in the medium-term, USAID seeks to develop an effective and sustainable educational system that is supported by an informed policy and investment framework, The beneficiaries are the 3.2 million boys and girls attending primary school.

II. Key Results: As reported in the 2000 R4, following a comprehensive sector assessment, the SO, through its highly successful mobilization campaign under the universal primary education policy adopted by the Government in 1994, contributed to increasing access to primary education. However, the dramatic increase in enrollment since 1994 has adversely affected educational quality.

Over the past year, USAID has been engaged in an intensive dialogue with the GOM to discuss ways and means to implement some of the key recommendations in the assessment. Among them is how to approach the issue of educational quality. Building upon the lessons learned from the highly successful Malawi's Social Mobilization Campaign approach to improving educational access (especially for girls), a social mobilization campaign for educational quality (SMC-EQ) was launched in October 1998. The objectives for SMC-EQ include: (a) mobilizing communities and schools to surface issues regarding educational quality; (b) empowering communities to take responsibility and explore local resources to effect change; (c) involving teachers and communities to assist schools in achieving educational quality; and (d) keeping stakeholders and policy makers informed on findings within the communities and schools to establish ways to influence policy reform. The main target groups are community members -- local leaders, parents, school committee members, boys and girls -- and school personnel.

The SMC-EQ is being implemented in three districts (Balaka, Mangochi, and Salima). To date, 16 theatre development research and sensitization performances have been carried out at 16 schools

servicing 127 villages in the three districts. The SMC-EQ also includes a weekly radio program dealing with primary education issues which is broadcast throughout the country. Initial results are encouraging in terms of changing attitudes and behaviors as well as empowering parents and students to demand quality education. To complement SMC-EQ, a cooperative agreement (Quality Education through Supporting Teaching - QUEST) was signed with Save the Children Federation (US). At the same time, USAID, together with other donors (especially DFID, DANIDA, and the World Bank), is supporting the Ministry of Education to develop a Policy Investment Framework (PIF) that will guide investment in the education sector, and set program and budgetary priorities in the sector. USAID provides a policy advisor to assist the Ministry in developing the PIF.

Over the past year, while the GOM has weathered serious macroeconomic and fiscal constraints, it has continued to maintain its commitment to basic education. The education budget as a share of government budget remains high (24.1% in 1997/98). Within the education budget, the budget for primary education was 65% in 1998 (an increase from 44.7% in 1992). The fact that 16% of all GOM expenditures are invested in primary education is an indication of the GOM's commitment.

As shown in Table 15, the Government of Malawi faces a difficult problem with regard to educational quality, due to the decision to promote universal primary education. Currently 39.75% of students have a pupil-teacher ratio of more than 61 in a classroom. This problem is more pronounced in Standards 1-2 and is being addressed by the SO. Net enrollment rates continue to increase. The rate for girls increased by 3.5% in 1998, while the rate for boys increased by 1.8%. All districts showed increases except for Nkhotakota, Zomba and Thyolo. The GOM is reviewing the target of a 5% annual increase in enrollment which in light of the census and demographic surveys is believed to be unrealistically high. The significant decrease in Thyolo district is in part explained by the discontinuation of a school feeding program. Perhaps most significant is that as of 1998, girls enrollment was 581,962, or only 33,500 less than boys' enrollment of 615,511. As shown in Tables 17A and 17 B, the dropout rate remains high. The dropout rate remains virtually the same for boys and girl until Standard 8, where the drop out rate for boys is 0 and that of girls is 9%. Early marriage, pregnancy and poverty are the key factors which attribute to girls attrition in the upper grades. We therefore believe, that overall, the SO has succeeded in achieve the expected results in terms of access to education.

III: Performance Prospects: The strategy for the GABLE II amendment over the next three years is to develop "effective schools" in specific districts and to complete the policy investment framework which will improve the effectiveness of the GOM investment.

The challenges facing the primary education sector are tremendous. We believe, however, that in spite of the magnitude of these problems, the overall performance of SO4 has improved significantly as a result of the re-design which followed the Mission's 2000 R4 self-assessment.

While significant progress has been made in the areas of resource allocation of budget to primary

education and increased enrollment of girls in school, issues of declining quality of education and systemic inefficiency impede progress toward the stated results at the national level. Per pupil expenditures are still very low, and the quality of education given has not improved correspondingly partly because of budget constraints and an insufficient policy environment combined with the massive influx of students since 1994. Having realized the relationship between the education quality and policy development, the Ministry of Education demonstrated its commitment to quality education by implementing in 1998 a policy that required headmasters to put qualified teachers in the Junior Primary Grades. This led to the transfer of qualified teachers from the middle standards (3, 4, and 5) and has resulted in a serious lack of qualified teachers in these standards. The area of personnel upgrading and deployment as well as improving the efficiency of educational expenditures is one which the GOM, USAID/Malawi, and other donors are addressing through the Policy Investment Framework for the sector. The challenge now for USAID and the Ministry of Education is to: (1) improve the quality of teaching and learning for all children at the classroom level; and (2) develop a policy investment framework that will facilitate long-term quality and efficiency gains throughout the system.

IV. Possible Adjustments to Plans: USAID and the Ministry of Education have taken a number of steps to address the problems facing primary education in Malawi. Given the magnitude of the re-design in 1998, we do not anticipate further adjustments under the existing SO. USAID, the Ministry and other donors are collaboratively developing a Policy Investment Framework for the sector.

V. Other Donor Programs: In response to current sectoral issues, there is a high degree of donor coordination in Malawi. Major donors (The World Bank, Department for International Development (DFID), Danish International Development Assistance (DANIDA), and USAID) are all providing support for the development of the Policy Investment Framework. The World Bank provides sector credit support for primary and secondary education. The German Government through German Development Corporation (GTZ) provides support to the Malawi Integrated In-service Teacher Education Program (MIITEP) teacher training program, and teacher development centers, where the focus will be on teaching science and mathematics in primary school. DFID has shifted its focus to the primary education sector with support for MIITEP, resource centers, and community schools. DANIDA supports secondary education through distance education centers in three districts. The European Union supports the education sector with resources for building classrooms in community initiated projects.

PERFORMANCE DATA TABLES

Performance Data Table 14: Percent Education Revenue Budget Allocated to Primary Education.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/MALAWI	
INTERMEDIATE RESULT 4.1 Budget allocations for Education sector and primary education increased			
INDICATOR: Share of education revenue budget allocated to primary education			
UNIT OF MEASURE: Percentage SOURCE: Ministry of Education INDICATOR DESCRIPTION: Education revenue budget devoted to primary education as a percentage of total education revenue budget devoted to education sector. COMMENTS: The actual figures for 1992 through 1997 have been calculated based on revised budgets. The 1998 figure is a preliminary estimate which will be revised when the actual expenditure rates are available.	YEAR	PLANNED	ACTUAL
	1992 (B)		44.7
	1993		52.6
	1994		49.7
	1995	51.5	51.3
	1996	69	57.7
	1997	69	61.7
	1998	69	65.0
	1999	69	
	2000	69	
2001			

Performance Data Table 15A: Percent Schools Exceeding Primary Pupil per Teacher Ratio of 1:61

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/MALAWI	
INTERMEDIATE RESULT 4.3 Classroom Teaching Improved			
INDICATOR: Primary pupil: teacher ratio			
<p>UNIT OF MEASURE: Percentage of Primary Schools with a Student:Teacher Ratio greater than 61:1.</p> <p>SOURCE: MOE education statistics and GABLE-PPC</p> <p>INDICATOR DESCRIPTION: Schools exceeding primary pupil per teacher ratio of 1:61</p> <p>COMMENTS: Beginning in 1998, the indicator tracks the percentage of schools in Malawi exceeding the 1:61 ratio. Due to concentrations of pupils in the lower standard and the uneven distribution of teachers across the standards, this ratio is rarely met for the lower primary grades. Only 15% of the primary schools in Malawi meet this target in standard 1 while 93% of the schools met it for standard 8. (see the Performance Data Table 15B below)</p>	YEAR	PLANNED	ACTUAL
	1998 (B)		39.75%
	1999	37%	
	2000	35%	
	2001	33%	

Performance Data Table 15B: Percent Schools in Malawi Meeting the 1-61 Ratio by Standard

<p>Unit of Measure: Percentage</p> <p>Source: GABLE PPC/ Ministry of Education</p> <p>COMMENTS: There are marked differences in the ratio between the schools in Urban areas and those in the Rural. The trend is that greater numbers of schools, even in lower grades, in the Urban areas meet the target of one teacher to 61 pupils than in the rural areas.</p>	STANDARD	PLANNED in 1998	ACTUAL in 1998
	1	80%	15%
	2	80%	28%
	3	80%	43%
	4	80%	60%
	5	80%	72%
	6	80%	81%
	7	80%	90%
	8	80%	93%

Performance Data Table 16A:

Percent Net Enrollment for Girls in Primary School of GABLE SMC Districts.

STRATEGIC OBJECTIVE 4:		INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS		
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/MALAWI		
INDICATOR: Net enrollment rate for girls in primary school.				
<p>UNIT OF MEASURE: Percentage</p> <p>SOURCE: GABLE SMC Final Report, September 1998.</p> <p>INDICATOR DESCRIPTION: Increases which took place in 1998 academic year compared with the enrollment in 1997.</p> <p>COMMENTS: The targeted level for increase in enrollment in 1998 was 5% in all districts. In views of actual results, USAID/Malawi and MOE are reviewing the 5% target level and are considering lowering it to a more realistic level. In Thyolo, the discontinuation of a school feeding program may have been the major factor contributing to the very high decline in enrollment figures.</p>	SMC District	1997	1998	% Increase
	Karonga	29,574	34,954	18.19
	Nkhatabay	30,143	33,143	9.95
	Lilongwe	140,338	149,974	6.87
	Nkaotakota	38,830	39,148	0.82
	Mchinji	50,676	54,872	8.82
	Zomba	86,847	82,676	-4.80
	Thyolo	74,493	67,642	-9.20
	Mwanza	20,987	22,388	6.68
	Mulanje	90,441	97,165	7.43
	Overall	562,329	581,962	3.49

Performance Data Table 16B: Percent Net Enrollment for Boys in Primary School of GABLE SMC Districts.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS				
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/MALAWI		
INDICATOR: Net enrollment rate for girls in primary school.				
<p>UNIT OF MEASURE: Percentage</p> <p>SOURCE: GABLE SMC Final Report, September 1998.</p> <p>INDICATOR DESCRIPTION: Increases which took place in 1998 academic year compared with the enrollment in 1997.</p> <p>COMMENTS: The targeted level for increase in enrollment in 1998 was 5% in all districts. In views of actual results, USAID/Malawi and MOE are reviewing the 5% target level and are considering lowering it to a more realistic level. In Thyolo, the discontinuation of a school feeding program may have been the major factor contributing to the very high decline in enrollment figures..</p>	SMC District	1997	1998	% Increase
	Karonga	35,194	46,546	32.26
	Nkhatabay	34,143	35,826	4.93
	Lilongwe	148,008	151,643	2.46
	Nkaotakota	49,712	42,891	-13.72
	Mchinji	52,579	66,448	26.38
	Zomba	79,428	78,608	--1.03
	Thyolo	84,361	76,786	-8.98
	Mwanza	23,416	23,234	-0.78
	Mulanje	97,763	93,529	-4.33
	Overall	604,604	615,511	1.80

Performance Data Table 17A: National Drop-out Rate in Primary Schools.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/MALAWI	
INDICATOR: Drop out rate by sex			
UNIT OF MEASURE: Percentage a) Overall b) girls SOURCE: Ministry of Education INDICATOR DESCRIPTION: Number of pupils who do not appear as repeaters or new entries in standard X at year Y expressed as a percentage of pupils enrolled in standard X-1 at year Y-1 (For Performance Data Table 17B). COMMENTS: National average for 1998 is not yet available. Beginning in 1997, the residual drop out rate between standards is reported on by sex and standard.	YEAR	PLANNED	ACTUAL
	1996	a) N/A b)	a) 23.8 b) 23.4
	1997	a) N/A b)	
	1998		
	1999		
	2000		
	2001		

Performance Data Table 17B: Dropout Rate by Sex and Standard

STANDARD	1995 to 1996		1996 to 1997	
	Girls	Boys	Girls	Boys
STD 1-2	31.8%	29.7%	28%	28%
STD 2-3	13.5%	12.8%	15%	16%
STD 3-4	19.5%	17.4%	17%	18%
STD 4-5	15.6%	14.3%	12%	14%
STD 5-6	16.1%	14.7%	14%	13%
STD 6-7	14.5%	10.5%	13%	11%
STD 7-8	11.7%	2.8%	9%	0

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION BROADENED AND STRENGTHENED

Life of S.O. Performance Self-Assessment: Met Original Expectations
FY 1998 Performance Self-Assessment: Exceeded Revised Expectations

I. Summary: SO5 is the leading contributor to addressing the first MPP goal of “Promoting the Consolidation of Democratic Institutions and Practices”. This SO was developed as a response to the democratic transition that took place in Malawi in 1993. It sought to support the transition by assisting in the development of the institutions of democratic governance. Experience has shown that, given the funding available, the SO is too broad and too ambitious. The Mission therefore proposes a more focussed approach, concentrating on the realities on the ground where USAID can make a difference. During 1998, we developed a causal framework which focuses on strengthening three critical institutions: civil society, parliament, and the electoral commission.

II. Key Results: Four IRs contribute to the achievement of this SO. They are: IR5.1 increased participation of civil society organizations in the economic and political development process; IR5.2 parliament’s capacity to function as an independent and representative body strengthened; IR5.3 capacity of electoral commission to conduct free and fair elections strengthened; and IR5.4 rule of law strengthened. Some indicators are no longer valid, whether as management tools or as a true representation of everyday realities, however, the summary outputs observed on the ground provide evidence of real progress.

The Public Opinion Survey, anticipated to commence in September 1998, was abandoned when it became known that a German University was ready to begin an almost identical survey. This was an extremely difficult decision, but it was felt by the Mission that to proceed would not be a good use of scarce resources. This has of course delayed access to some of the baseline information which we had hoped to gather. This data is currently expected in late 1999.

III. Performance and Prospects: With the programmatic refocus, performance of SO5, in the Mission’s view, has exceeded expectations. The agreed focus on the May 1999 national elections has meant more emphasis on the first three intermediate results and less on IR 5.4. This is consistent with the priorities identified in last year’s R4 and indeed with the priority presented by the first elections since Malawi’s 1993-94 democratic transition. Although IR 5.4 has not seen a much movement in the last year, the foundation is now in place for assistance geared to assess the overall administrative systems of the High Court and the magistrates courts. USAID and the High Court have finalized terms of reference for a needs assessment which will be carried out in 1999 and will make concrete recommendations for improvements to the courts’ administration.

Civil Society (IR 5.1) Still young and in need of sustained support, NGOs have taken on an increasingly active role in the democratization process generally and with specific reference to the upcoming elections. They have been important players in debates surrounding several pieces of legislation fundamental to the democratization process - legislation for the Human Rights Commission, the Electoral Commission, Local Government Elections, and the Communications Bill which were passed in 1998 (after the 2000 R4 was submitted). NGOs attended the CG meeting held in December 1998 in Malawi as observers and are taking the lead in civic education

and monitoring activities in preparation for the elections. In short, they are poised to become a force to be reckoned with. This improved capacity to take an active role in the democratization process is a result of the considerable investments made by USAID and other donors aimed at developing the skills of NGOs and helping define their roles. In addition, the overall environment, though not perfect, has accommodated the growth of the NGO sector.

The long term, intensive approach to working with NGOs is paying off. While the impact of USAID support to this sector may not have been dramatic in terms of indicators on a year-by-year basis, the backdrop of the 1999 elections shows emphatically that it has made a tangible and sustainable contribution to the development of civil society in Malawi. USAID support has assisted in creating the beginning of viable development partners from nascent NGOs: a further period of support will enable them to carry out this role with professionalism and full accountability rather than relying on outside PVOs to do the job.

Parliament (IR 5.2) Now five years old, the Parliament is taking firm steps away from being a mere rubber stamp. With support from NDI and a UNDP training programme for 100 of the 120 MPs (which number included the 9 female MPs) the overall professionalism of members of parliament is improving, resulting in increasingly informed debates and more adherence to the standing orders and procedures. Greater willingness to consult with civil society and reach decisions based on professional and objective criteria, has resulted in a strengthened Parliament. Committee work and scrutiny is slowly but surely increasing and becoming an accepted stage in the passage of legislation. Parliament did play a valuable role in establishing the institutional framework for democratization. It passed long overdue legislation as mentioned above, although “women’s legislation” has yet to be passed. In a graphic example with regard to accountability, the Public Appointments Committee took action on the Auditor General’s Annual Report, dismissing the Ombudsman from office for gross irregularities. This action was perceived as a concrete step towards accountability. It also underlined Parliament’s independence. Meanwhile, the Women’s Caucus of Parliament has conducted 3 nation-wide workshops attended by 122 women aimed at enhancing women’s participation in the electoral process. NDI is also conducting training for women parliamentary candidates. Parliamentary committees consulted with non-governmental and private sector associations on 9 occasions, exceeding the expected four times. Of the 45 bills passed in 1998, Parliament followed the correct procedures in 40, just 1% below the target of 90%. 12 bills were referred to and debated by committee - a great increase from last year and slightly in excess of the expected 25%. The number of actual amendments introduced in 1998 was 23, double the expected figure.

Electoral Process (IR 5.3) This area merits a special focus due to unexpected political developments in the middle of 1998. These, combined with the fact that no by-elections took place since mid-1998, have rendered the indicators which a year ago seemed meaningful no longer helpful. While it is still valid to measure participation in elections, this data can only be based on the Presidential and Parliamentary Elections which are to be held in May 1999. A significant hindrance to the expected performance of the Electoral Commission and the role it would play in the electoral process was the dissolution in mid 1998 of the “old” Commission and the appointment of a completely new group of inexperienced Commissioners. This, combined with the delayed passage of enabling legislation for the Commission and its activities has resulted in a late start in electoral preparations. However, progress has now been made with a staffed

secretariat. USAID/Malawi plans to report on voter registration and turnout and the reports of independent monitors for the period covering elections. Thereafter, having assisted in the capacity building of the Commission and Secretariat at both national and regional levels, it is planned to phase out electoral assistance.

Rule of Law (IR 5.4) USAID/Malawi has played a supportive role in ongoing policy dialogue geared towards improving and entrenching the rule of law. The support given to the local human rights NGO, CARER, has pioneered 'paralegalism' in the country and made alternative dispute resolution available to people in all three of Malawi's regions. CARER exceeded expectations and gave free advice on legal and human rights issues to 4,268 people in 1998. CARER had originally envisaged that its paralegal teams would roam their respective regions, thus covering all the twenty-six districts of Malawi. Experience showed that this assumption was too optimistic. The task is enormous and cannot be achieved by occasional visits; building local trust requires a constant and predictable presence. CARER has therefore established three district offices. The long-term vision of having an office in each of the twenty-six districts of Malawi remains, but rather than expand into new territory, CARER will consolidate its gains and concentrate its activities to fully cover the three present districts. In addition, to ensure continuity and sustainability, volunteer community-based educators (who have already expressed interest) will be trained. The High Court exceeded the expected number of cases to be resolved, concluding 1,648 instead of 1,500. Support to the formal system in standardizing its administrative structures and systems has the potential to dovetail with support to civil society, particularly in the context of taking the law to the people, and alternative methods of dispute resolution.

IV. Possible Adjustments to Plans: The Mission has carefully reviewed its SO5's performance. It is clear that the SO as originally worded is not realistic, particularly in the context of reduced funding levels. Given the time frame, 18 months until the end of this CSP, we propose taking a short (18 month) term approach which will reflect ongoing work, political and management realities. In order to ensure that indicators and targets are relevant for this post electoral period, we will review those currently in use in consultation with our partners. It is proposed that the current IR 5.2 "Parliament's capacity to function as an independent and representative body strengthened" be amended to "Parliament effectively manages; reviews; considers public opinion; debates and votes on legislative proposals," and moved up to become the short term SO. This better reflects both the work with Parliament and the current elections focus.

Other Donor Programs: Donor coordination has been effective in promoting political liberalization in Malawi. The United Nations Development Program supports constitutional and legal reform. The European Community has developed projects focused on reform of the legal system and on human rights. The United Kingdom is helping to improve the efficiency of the administration of justice and is providing support for police reform. Germany is providing support for civic education and government decentralization. Donors continue to work together and with the Ministry of Justice and other stakeholders on a strategy for overall legal reform.

PERFORMANCE DATA TABLES

Performance Data Table 18: Number of Consultations Between Parliamentary Committees and Non-governmental/private Sector.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/MALAWI	
STRATEGIC OBJECTIVE: Institutional base for democratic participation strengthened and broadened			
INDICATOR: Occasions on which parliamentary committees consulted with non-governmental and private sector associations			
<p>UNIT OF MEASURE: Number per annum</p> <p>SOURCE: Parliament through National Democratic Institute (NDI)</p> <p>INDICATOR DESCRIPTION: Number of times Parliamentary committees met with NGOs or private sector associations to discuss any legislative matter.</p> <p>COMMENTS: This relates to the bills presented to parliament in a calendar year.</p> <p>This indicator was changed from the number of times committees “considered submissions” to “consulted with” NGOs and private sector associations in recognition of the fact that legislation rarely comes from outside the executive branch. As revised, this indicator more appropriately measures parliament’s commitment to civil society and civil society’s increasing role in democratic institutions.</p>	YEAR	PLANNED	ACTUAL
	1995 (B)		0
	1996	2	1
	1997	2	5
	1998	4	9
	1999	6	
2000 (T)	8		

Performance Data Table 19: Percent Occasions Specified Conditions Were Obtained During Passage of Legislation.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/MALAWI	
INTERMEDIATE RESULT 5.2 Parliament's capacity to function as an independent and representative body strengthened			
INDICATOR: Occasions on which specified conditions obtained during the passage of legislation			
UNIT OF MEASURE: Percentage per annum SOURCE: NDI/Parliament INDICATOR DESCRIPTION: Specified conditions include: a) 21 day's notice b) Committee or Caucus debates c) Amendments introduced and debated on the floor COMMENTS: During the 1998 calendar year, 45 bills were submitted to Parliament for consideration. The majority, 40, followed the 21 day rule and in those where it was waived, Parliament adhered to its standing orders for waiver. There were 12 bills referred to and debated by committee - a great increase from last year. The number of actual amendments introduced in 1998 was 23 - again an increase. The overall picture is that Parliament is increasingly conducting business in a professional and transparent manner.	YEAR	PLANNED	ACTUAL
	1995 (B)		a) N/A b) N/A c) N/A
	1996	a) 100% b) TBD c) TBD	a) 100% b) 0 c) 0
	1997	a) 100% b) 30% c) 30%	a) 3% b) <1% c) N/A
	1998	a) 90% b) 25% c) 25%	a) 89% b) 26.6% c) 51%
	1999	a) 100% b) 30% c) 30%	a) b) c)
	2000 (T)	a) 100% b) 30% c) 30%	a) b) c)

Performance Data Table 20: Cases brought to conclusion by the High Court

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/MALAWI	
INTERMEDIATE RESULT 5.4: Rule of Law Strengthened			
INDICATOR: Cases brought to conclusion by the High Court			
UNIT OF MEASURE: Number per annum SOURCE: High Court INDICATOR DESCRIPTION: Measures the number of cases which reach final disposal. COMMENTS:	YEAR	PLANNED	ACTUAL
	1997 (B)		1,080
	1998	1,500	1,648
	1999	3,000	

Performance Data Table 21: Cases Advised upon by CARER.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/MALAWI	
INTERMEDIATE RESULT 5.4 Rule of law strengthened			
INDICATOR: Cases advised upon by the Center for Advice, Research and Education on Rights (CARER)			
UNIT OF MEASURE: Number per annum SOURCE: CARER INDICATOR DESCRIPTION: Indicates the impact which CARER is having and the levels of information which citizens have about their rights. COMMENTS: CARER is an NGO which gives free advice to citizens on how to solve legal and human rights problems which they may face.	YEAR	PLANNED	ACTUAL
	1996 (B)		2,250
	1997	3,000	1,356
	1998	4,000	4,268
	1999	5,000	
	2000	6,000	

USAID/MALAWI

RESULTS REVIEW

and

RESOURCE REQUEST

FY 2001

PART II -- RESOURCE REQUEST

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Section A: Program Resources Request

As discussed in the Results Review of this document, the current program is very much on track and in many areas is exceeding expectation. While SO1 met expectations in FY 1998, performance over the life of the SO has exceeded the expectations. Based on our continuing dialogue, we believe that the Government will once again address the more difficult second generation policy issues following the May 1999 general election. We are also confident that the efforts undertaken by our development partners to enhance the supply response will continue to yield positive outcomes which will be readily adopted by agricultural producers. These factors bode well for a satisfactory completion of the current SO and continued USAID investment in the agricultural sector.

Similarly, SO2 met expectations fully in FY 1997, performance in FY 1998 was somewhat uneven but is expected to improve in FY 1999 and 2000. The basis for this assertion is the long awaited completion of the procurement of technical assistance under the COMPASS activity as well as the recently completed review of our policy programs. The review of our policy programs (undertaken with AFR/SD support) has presented us with the opportunity to address the GOM's internal funding transfer mechanisms which has hindered program performance for the past year. It is our sense that the resolution of this difficulty, coupled with the COMPASS TA will serve to accelerate the performance to date. We are confident that the Objective's performance will continue to improve.

SO3 is a solid performer. The family planning component is exceeding all expectations, while the Child Survival and HIV/AIDS met performance expectations. The most significant development in this sector is the President Muluzi Health Initiative which is increasing the awareness of population, health, and HIV/AIDS awareness throughout the country. As discussed in last year's R4 Review, senior level support is critical in such sensitive issues as family planning and HIV/AIDS prevention.

In 1997 (2000 R4), SO4 and SO5 did not perform as well as we would have liked. However, in reviewing the past year's performance, we are very encouraged that by implementing corrective actions and re-structuring the supporting activities under these Objectives (as agreed upon at the time of the 2000 R4 Review), both of these Objectives met our expectations this past year and are now on track. There is a high probability of achieving their respective objectives.

When one examines the pipeline, one finds that the only activities which had pipelines in excess of the Agency forward funding guideline of 12-24 months were those associated with Nonproject Assistance. Given the outcomes of the recent NPA review and actions being undertaken by the GOM, we are confident that we will be able to disburse these obligated funds and that pipelines will be significantly reduced before the close of FY 1999.

Base Request for FY 2000: The base request for FY 2000 is consistent with the Congressional Presentation.

Alternative Request for FY 2000: Per the R4 Guidance we are including in our submission an alternative request. The alternative request is fully consistent with the base request with the exception of SO4. We are requesting that USAID/W increase the funding from \$2.75 M in the base to \$4.2 million in the alternative request.

The rationale for this request is that while this SO did not meet performance expectations in FY 1997, performance in FY 1998 is significantly better and the Mission is confident that with full funding, the S.O. may be expected to fully achieve its expected results within the life of the current S.O. Unless additional funds are made available, there will be insufficient funding to permit the implementation of activities in FY 2001. It is expected that the component which will suffer the most will be the Social Mobilization Campaign--Educational Quality (SMC-EQ) component which is at the heart of the current S.O. and is expected to serve as a bridge to basic education activities under the new CSP.

Request for FY 2001: USAID/Malawi and the GOM are currently undertaking a number of actions which will ultimately feed into the 2001 Country Strategic Plan which will be submitted for USAID/W in late CY 1999. Included among the list are the development of coordinated multi-donor health and population plans, the Malawi Agricultural Sector Investment Program (MASIP), USAID's assessment of the agricultural sector, and USAID's assessment of the private sector. Therefore, the FY 2001 level remains somewhat illustrative. It is our expectation that levels can be finalized in a Parameters Setting meeting in July/August 1999.

As can be seen in the comparison below, USAID/Malawi's request for FY 2001 is slightly less than a 10% increase than current levels. It is our belief that such levels are warranted given USAID/Malawi's performance record as well as the country's absolute and relative need, and status as a good development partner.

Summary Comparison of FY 1999--2001 Requests

Agency Goal Area	FY 1999	FY 2000 (Alt)	FY 2001
Econ Growth/Agri.	\$10,211	\$10,000	\$10,000
Environment	7,900	8,900	8,500
HCD	4,200	4,200	5,000
PHN	8,467	7,000	9,000
D/G	2,250	1,900	2,500
TOTAL	\$33,028	\$32,000	\$35,000

An examination of the comparison across Agency goal areas shows that we're requesting a virtual straight line in economic growth (including agriculture) funds which is a reflection of the scarcity of overall economic growth resources and some uncertainty with regard to the anticipated pace of continued policy reform activities. The specific breakdown between "Agriculture" and "Economic Growth" is unknown until such time as we have had the opportunity to review the upcoming assessments and comprehend the current AC/SI coding definitions. We have included an initial request of \$4 million of "Other Economic Growth" funds to build on the on-going ATRIP/MTRIP activities. Whether the funding is agricultural or economic growth, the working assumption is that USAID/Malawi must become more actively engaged in developing the agribusiness sector with a focus on enhancing the value added of agricultural produce and strengthening the multiplier effects throughout the economy. We are also strongly interested in exploring Malawi's niche within the Southern Africa region.

With regard to the environmental funding, we again are requesting a virtual straight line of our current funding. At this juncture we anticipate funding under the current SO2 to establish and support the endowment management unit as well as to complete our efforts under the COMPASS activity, support for NGOs, Peace Corps, and Nature Centers.

With regard to the 2001 CSP, we anticipate that most of the Environmental funding will be used to support Community Based NRMs. Since natural resource management is a corner stone of sustainable agricultural development, it is quite likely that these activities will be integrated into one strategic objective. However, USAID/Malawi remains concerned about the Malawi's environmental monitoring and impact assessment capability. It is therefore possible that these "less-agricultural" activities may be continued in the form of a focused special objective.

For Population and Health, the request is based upon: (1) very consistent and good performance to date; and (2) increased interest of GOM officials in population, health, and HIV/AIDS issues. We believe these factors will allow us to expand the ongoing program within the framework of the national population and health plans to increase USAID's impact in this critical area.

The educational sector is the foundation for Malawi's development efforts. Underinvestment in Malawi's human capacity in earlier times is closely associated with contemporary development problems in the agricultural, social and private sectors. The need therefore is extremely great and growing. We strongly believe that the current S.O. has turned the corner and that active participation by USAID in the Policy Investment Framework and the Social Mobilization Campaign -- Educational Quality can and will make a difference. For these reasons, we believe the increase in funding from \$4.2 million to \$5.0 million is appropriate.

Concerning the D/G sector, we believe that this will continue to be an area of considerable USG influence. The first and most lasting lesson of the current CSP is the need to focus and concentrate with clearly articulated causal linkages. While the specifics of the future CSP have not been developed there is the belief that while we have made good progress in civil society, there are still some vulnerabilities that will need to be addressed beyond 2000 -- where we can make a difference, and where we want to make a difference. A second area for long term focus is good governance including the Rule of Law which is fundamental to economic growth, and a sustained, accountable democratization process. A third area which we may consider, depending on elections and the support of other donors, is the question of local government.

In sum, the requested levels represent a challenge. We believe, however, that by building upon the strengths of our existing portfolio, focusing on areas of USG comparative advantage, and developing sound, causal results frameworks, USAID/Malawi will be able to use the requested funds in an effective fashion which will yield results that equal or exceed the results of funds invested elsewhere.

BASE SCENARIO

USAID/MALAWI FY 1999-2001

Base Scenario

FY 1999 Budget Request by Program/Country
USAID/MALAWI

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Approp Acct: DA/CSD
Scenario: Base

S.O. # , Title	FY 1999 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99	
	Bilateral/ Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1: Increased agricultural incomes on a per capita basis																	
Bilateral	10,211			10,211												10,050	10,765
Field Spt	0																
	10,211	0	0	10,211	0	0	0	0	0	0	0	0	0	0	0	10,050	10,765
SO 2: Increased sustainable use, conservation and management of natural resources																	
Bilateral	7,900												7,900			9,355	10,484
Field Spt	0																
	7,900	0	0	0	0	0	0	0	0	0	0	0	7,900	0	0	9,355	10,484
SO 3: Increased adoption of measures that reduce fertility and risk of HIV/AIDS transmission, including improved child health practices																	
Bilateral	4,625						1,600	725			2,300					11,670	16,518
Field Spt	3,842						1,400	1,442	500	500							
	8,467	0	0	0	0	0	3,000	2,167	500	2,800	0	0	0	0	0	11,670	16,518
SO 4: Increased access to and quality and efficiency of basic education, especially for girls																	
Bilateral	4,200					4,200										4,050	13,562
Field Spt	0																
	4,200	0	0	0	0	4,200	0	0	0	0	0	0	0	0	0	4,050	13,562
SO 5: Institutional base for democratic participation strengthened and broadened																	
Bilateral	2,250													2,250		5,938	1,372
Field Spt	0																
	2,250	0	0	0	0	0	0	0	0	0	0	0	0	2,250	0	5,938	1,372
SO 6:																	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	29,186	0	0	10,211	0	4,200	0	1,600	725	0	2,300	0	7,900	2,250	0	41,063	52,701
Total Field Support	3,842	0	0	0	0	0	0	1,400	1,442	500	500	0	0	0	0	0	0
TOTAL PROGRAM	33,028	0	0	10,211	0	4,200	0	3,000	2,167	500	2,800	0	7,900	2,250	0	41,063	52,701

FY 99 Request Agency Goal Totals	
Econ Growth	10,211
Democracy	2,250
HCD	4,200
PHN	8,467
Environment	7,900
Program ICASS	0
GCC (from all Goals)	0

FY 99 Account Distribution (DA only)	
Dev. Assist Program	23,361
Dev. Assist ICASS	
Dev. Assist Total:	23,361
CSD Program	9,667
CSD ICASS	
CSD Total:	9,667

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2000 Budget Request by Program/Country
USAID/MALAWI

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Approp Acct: DA/CSD
Scenario: Base

S.O. # , Title	FY 2000 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00	
	Bilateral/ Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1: Increased agricultural incomes on a per capita basis															Year of Final Oblig: 2000		
Bilateral	9,750			9,750												9,800	10,715
Field Spt	250			250													
	10,000	0	10,000	0	0	0	0	0	0	0	0	0	0	0	0	9,800	10,715
SO 2: Increased sustainable use, conservation and managment of natural resouces															Year of Final Oblig: 2001		
Bilateral	8,900												8,900			10,000	9,384
Field Spt	0																
	8,900	0	0	0	0	0	0	0	0	0	0	0	8,900	0	0	10,000	9,384
SO 3: Increased adoption of measure that reduce fertility and risk of HIV/AIDS transmission including improved child health practices															Year of Final Oblig: 2000		
Bilateral	7,300						2,800	1,500	800	2,200						12,800	11,018
Field Spt	0																
	7,300	0	0	0	0	0	2,800	1,500	800	2,200	0	0	0	0	0	12,800	11,018
SO 4: Increased access to and quality and efficiency of basic education, especially for girls															Year of Final Oblig: 2000		
Bilateral	2,050					2,050										11,200	3,135
Field Spt	700					700											
	2,750	0	0	0	0	2,750	0	0	0	0	0	0	0	0	0	11,200	3,135
SO 5: Institutional base for democratic participation strengthened and broadened															Year of Final Oblig: 2000		
Bilateral	1,900													1,900		2,600	672
Field Spt	0																
	1,900	0	0	0	0	0	0	0	0	0	0	0	0	1,900	0	2,600	672
SO 6:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:															Year of Final Oblig:		
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	29,900	0	9,750	0	2,050	0	2,800	1,500	800	2,200	0	8,900	1,900	46,400	34,924		
Total Field Support	950	0	250	0	700	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM	30,850	0	10,000	0	2,750	0	2,800	1,500	800	2,200	0	8,900	1,900	46,400	34,924		

FY 00 Request Agency Goal Totals	
Econ Growth	10,000
Democracy	1,900
HCD	2,750
PHN	7,300
Environment	8,900
Program ICASS	0
GCC (from all Goals)	0

FY 00 Account Distribution (DA only)	
Dev. Assist Program	23,600
Dev. Assist ICASS	
Dev. Assist Total:	23,600
CSD Program	7,250
CSD ICASS	
CSD Total:	7,250

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2001 Budget Request by Program/Country

USAID/Malawi

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Approp Acct: DA/CSD
Scenario Base

S.O. # , Title		FY 2001 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 01	Future Cost (POST-2001)
Bilateral/Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G					
SO 1: Increased agricultural incomes on a per capita basis																Year of Final Oblig: 2000		
Bilateral	0														10,715	0	0	
Field Spt	0														10,715	0	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,715	0	0	
SO 2: Increased sustainable use, conservation and management of natural resources																Year of Final Oblig: 2001		
Bilateral	3,500												3,500		10,000	2,884	0	
Field Spt	0														10,000	2,884	0	
	3,500	0	0	0	0	0	0	0	0	0	0	0	3,500	0	10,000	2,884	0	
SO 3: Increased adoption of measures that reduce fertility and risk of HIV/AIDS transmission, including improved child health practices																Year of Final Oblig: 2000		
Bilateral	0														10,717	301	0	
Field Spt	0														10,717	301	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,717	301	0	
SO 4: Increase access to and quality and efficiency of basic education, especially for girls																Year of Final Oblig: 2000		
Bilateral	0														3,135	0	0	
Field Spt	0														3,135	0	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,135	0	0	
SO 5: Institutional base for democratic participation strengthened and broadened																Year of Final Oblig: 2000		
Bilateral	0														217	455	0	
Field Spt	0														217	455	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	217	455	0	
2001 SO 1: Title to Be Determined -- Rural Sector Including Food Security																Year of Final Oblig: TBD		
Bilateral	11,000		6,000										5,000		1,000	9,500	TBD	
Field Spt	0														1,000	9,500	TBD	
	11,000	0	6,000	0	0	0	0	0	0	0	0	0	5,000	0	1,000	9,500	0	
2001 SO 2: Title to Be Determined -- Private Enterprise Development																Year of Final Oblig: TBD		
Bilateral	4,000	1,000		3,000											500	2,500	TBD	
Field Spt	0														500	2,500	TBD	
	4,000	1,000	0	3,000	0	0	0	0	0	0	0	0	0	0	500	2,500	0	
2001 SO 3: Title to Be Determined -- Population, Health and Nutrition																Year of Final Oblig:		
Bilateral	9,000						3,000	2,500	1,000	2,500					2,000	8,000		
Field Spt	0														2,000	8,000		
	9,000	0	0	0	0	0	3,000	2,500	1,000	2,500	0	0	0	0	2,000	8,000	0	
2001 SO04: Title to Be Determined -- Basic Education																Year of Final Oblig:		
Bilateral	5,000				5,000										2,000	3,000		
Field Spt	0														2,000	3,000		
	5,000	0	0	0	5,000	0	0	0	0	0	0	0	0	0	2,000	3,000	0	
2001 SO05: Title to Be Determined -- Democracy/Governance																Year of Final Oblig:		
Bilateral	2,500													2,500	1,000	1,500		
Field Spt	0														1,000	1,500		
	2,500	0	0	0	0	0	0	0	0	0	0	0	0	2,500	1,000	1,500	0	
Total Bilateral	35,000	1,000	6,000	3,000	5,000	0	3,000	2,500	1,000	2,500	0	8,500	2,500	41,284	28,140	0		
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL PROGRAM	35,000	1,000	6,000	3,000	5,000	0	3,000	2,500	1,000	2,500	0	8,500	2,500	41,284	28,140	0		

FY 01 Request Agency Goal Totals	
Econ Growth	10,000
Democracy	2,500
HCD	5,000
PHN	9,000
Environment	8,500
Program ICASS	30
GCC (from all Goals)	0

FY 01 Account Distribution (DA only)	
Dev. Assist Program	23,980
Dev. Assist ICASS	10
Dev. Assist Total:	23,990
CSD Program	11,000
CSD ICASS	20
CSD Total:	11,020

Prepare one set of tables for each appropriation Account
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Alternative Scenario

USAID/Malawi: FY 1999-2001

Alternative Scenario (Increase in FY 2000 Basic Education from \$2.75 M to \$ 4.2 M)

FY 1999 Budget Request by Program/Country

USAID/MALAWI

25-Mar-99

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Approp Acct: DA/CSD
 Scenario Alternative (Increase in FY 2000 Basic Education from \$2.75 M to \$ 4.2 M)

S.O. # , Title	FY 1999 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99	
	Bilateral/ Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1: Increased agricultural incomes on a per capita basis																	
Bilateral	10,211			10,211												10,050	10,765
Field Spt	0																
	10,211	0	0	10,211	0	0	0	0	0	0	0	0	0	0	0	10,050	10,765
SO 2: Increased sustainable use, conservation and management of natural resources																	
Bilateral	7,900												7,900			9,355	10,484
Field Spt	0																
	7,900	0	0	0	0	0	0	0	0	0	0	0	7,900	0	0	9,355	10,484
SO 3: Increased adoption of measures that reduce fertility and risk of HIV/AIDS transmission, including improved child health practices																	
Bilateral	4,625						1,600	725			2,300					11,670	16,518
Field Spt	3,842						1,400	1,442	500	500							
	8,467	0	0	0	0	0	3,000	2,167	500	2,800	0	0	0	0	0	11,670	16,518
SO 4: Increased access to and quality and efficiency of basic education, especially for girls																	
Bilateral	4,200					4,200										4,050	13,562
Field Spt	0																
	4,200	0	0	0	0	4,200	0	0	0	0	0	0	0	0	0	4,050	13,562
SO 5: Institutional base for democratic participation strengthened and broadened																	
Bilateral	2,250													2,250		5,938	1,372
Field Spt	0																
	2,250	0	0	0	0	0	0	0	0	0	0	0	0	2,250	0	5,938	1,372
SO 6:																	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	29,186	0	0	10,211	0	4,200	0	1,600	725	0	2,300	0	7,900	2,250	0	41,063	52,701
Total Field Support	3,842	0	0	0	0	0	0	1,400	1,442	500	500	0	0	0	0	0	0
TOTAL PROGRAM	33,028	0	0	10,211	0	4,200	0	3,000	2,167	500	2,800	0	7,900	2,250	0	41,063	52,701

FY 99 Request Agency Goal Totals	
Econ Growth	10,211
Democracy	2,250
HCD	4,200
PHN	8,467
Environment	7,900
Program ICASS	0
GCC (from all Goals)	0

FY 99 Account Distribution (DA only)	
Dev. Assist Program	23,361
Dev. Assist ICASS	0
Dev. Assist Total:	23,361
CSD Program	9,667
CSD ICASS	0
CSD Total:	9,667

Prepare one set of tables for each appropriation Account
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 For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2000 Budget Request by Program/Country

USAID/MALAWI

25-Mar-99
02:43 PM

Approp Acct: DA/CSD
Scenario Alternative (Increase in FY 2000 Basic Education from \$2.75 M to \$ 4.2 M)

S.O. # , Title	FY 2000 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00	
	Bilateral/ Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SO 1: Increased agricultural incomes on a per capita basis																Year of Final Oblig: 2000	
Bilateral	9,750			9,750											9,800	10,715	
Field Spt	250			250													
	10,000	0		10,000	0	0	0	0	0	0	0	0	0	0	9,800	10,715	
SO 2: Increased sustainable use, conservation and managment of natural resouces																Year of Final Oblig: 2001	
Bilateral	8,900												8,900		10,000	9,384	
Field Spt	0																
	8,900	0		0	0	0	0	0	0	0	0	0	8,900	0	10,000	9,384	
SO 3: Increased adoption of measure that reduce fertility and risk of HIV/AIDS transmission including improved child health practices																Year of Final Oblig: 2000	
Bilateral	7,300						2,800	1,500	800	2,200					12,801	11,017	
Field Spt	0																
	7,300	0		0	0	0	2,800	1,500	800	2,200	0	0	0	0	12,801	11,017	
SO 4: Increased access to and quality and efficiency of basic education, especially for girls																Year of Final Oblig: 2000	
Bilateral	3,500				3,500										11,200	5,862	
Field Spt	700				700												
	4,200	0		0	4,200	0	0	0	0	0	0	0	0	0	11,200	5,862	
SO 5: Institutional base for democratic participation strengthened and broadened																Year of Final Oblig: 2000	
Bilateral	1,900												1,900		3,055	217	
Field Spt	0																
	1,900	0		0	0	0	0	0	0	0	0	0	1,900	0	3,055	217	
SO 6:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 7:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 8:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral	31,350	0		9,750	0	3,500	0	2,800	1,500	800	2,200	0	8,900	1,900	46,856	37,195	
Total Field Support	950	0		250	0	700	0	0	0	0	0	0	0	0	0	0	
TOTAL PROGRAM	32,300	0		10,000	0	4,200	0	2,800	1,500	800	2,200	0	8,900	1,900	46,856	37,195	

FY 00 Request Agency Goal Totals	
Econ Growth	10,000
Democracy	1,900
HCD	4,200
PHN	7,300
Environment	8,900
Program ICASS	0
GCC (from all Goals)	0

FY 00 Account Distribution (DA only)	
Dev. Assist Program	23,600
Dev. Assist ICASS	0
Dev. Assist Total:	23,600
CSD Program	8,700
CSD ICASS	0
CSD Total:	8,700

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2001 Budget Request by Program/Country

USAID/Malawi

25-Mar-99

02:43 PM

Approp Acct: DA/CSD
 Scenario: Alternative (Increase in FY 2000 Basic Education from \$2.75 M to \$ 4.2 M)

S.O. # , Title		FY 2001 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 01	Future Cost (POST-2001)
Bilateral/Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G					
SO 1: Increased agricultural incomes on a per capita basis																Year of Final Oblig: 2000		
Bilateral	0														10,715	0	0	
Field Spt	0														10,715	0	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,715	0	0	
SO 2: Increased sustainable use, conservation and management of natural resources																Year of Final Oblig: 2001		
Bilateral	3,500												3,500		10,000	2,884	0	
Field Spt	0														10,000	2,884	0	
	3,500	0	0	0	0	0	0	0	0	0	0	0	3,500	0	10,000	2,884	0	
SO 3: Increased adoption of measures that reduce fertility and risk of HIV/AIDS transmission, including improved child health practices																Year of Final Oblig: 2000		
Bilateral	0														10,717	300	0	
Field Spt	0														10,717	300	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,717	300	0	
SO 4: Increase access to and quality and efficiency of basic education, especially for girls																Year of Final Oblig: 2000		
Bilateral	0														5,862	0	0	
Field Spt	0														5,862	0	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,862	0	0	
SO 5: Institutional base for democratic participation strengthened and broadened																Year of Final Oblig: 2000		
Bilateral	0														217	0	0	
Field Spt	0														217	0	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	217	0	0	
2001 SO 1: Title to Be Determined -- Rural Sector																Year of Final Oblig: TBD		
Bilateral	11,000		6,000										5,000		1,000	9,000	TBD	
Field Spt	0														1,000	9,000	TBD	
	11,000	0	6,000	0	0	0	0	0	0	0	0	0	5,000	0	1,000	9,000	0	
2001 SO 2: Title to Be Determined -- Private Sector Investment and Trade																Year of Final Oblig: TBD		
Bilateral	4,000	1,000		3,000											500	2,500	TBD	
Field Spt	0														500	2,500	TBD	
	4,000	1,000	0	3,000	0	0	0	0	0	0	0	0	0	0	500	2,500	0	
2001 SO 3: Title to Be Determined -- Population, Health and Nutrition																Year of Final Oblig:		
Bilateral	9,000						3,000	2,500	1,000	2,500					1,500	8,500		
Field Spt	0														1,500	8,500		
	9,000	0	0	0	0	0	3,000	2,500	1,000	2,500	0	0	0	0	1,500	8,500	0	
2001 SO4: Title to Be Determined -- Basic Education																Year of Final Oblig:		
Bilateral	5,000				5,000										3,000	2,000		
Field Spt	0														3,000	2,000		
	5,000	0	0	0	5,000	0	0	0	0	0	0	0	0	0	3,000	2,000	0	
2001 SO05: Title to Be Determined -- Democracy/Governance																Year of Final Oblig:		
Bilateral	2,500												2,500		1,500	1,000		
Field Spt	0														1,500	1,000		
	2,500	0	0	0	0	0	0	0	0	0	0	0	0	2,500	1,500	1,000	0	
Total Bilateral	35,000	1,000	6,000	3,000	5,000	0	3,000	2,500	1,000	2,500	0	8,500	2,500	44,511	23,684	0		
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL PROGRAM	35,000	1,000	6,000	3,000	5,000	0	3,000	2,500	1,000	2,500	0	8,500	2,500	45,011	26,184	0		

FY 01 Request Agency Goal Totals	
Econ Growth	10,000
Democracy	2,500
HCD	5,000
PHN	9,000
Environment	8,500
Program ICASS	30
GCC (from all Goals)	0

FY 01 Account Distribution (DA only)	
Dev. Assist Program	23,980
Dev. Assist ICASS	10
Dev. Assist Total:	23,990
CSD Program	11,000
CSD ICASS	20
CSD Total:	11,020

Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.
 For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

Field Support Table

Accessing Global Bureau Services Through Field Support and Buy-Ins

MISSION/OPERATING UNIT: USAID/MALAWI

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)			
				FY 2000		FY 2001	
				Obligated by:		Obligated by:	
Operating Unit	Global Bureau	Operating Unit	Global Bureau				
SO01	RAISE IQC PCE-I-00-99-00003-00	Medium	2 Months	--	250	--	250
SO02	EPIQ-PCE-I-00-96-00002-00	High	18 Months	--	700	--	--
SO03	Training in Reproductive health III: JHPIEGO/Johns Hopkins University Project no. 936-3069	High	36 Months	--	600	--	--
SO03	Program for Voluntary Surgical Contraception and Related services (AVSC): Project Number 936-3068	High	36 Months	--	350	--	--
SO03	Quality Assurance (QAP) Project No. 936-5992	High	36 Months	--	200	--	--
SO03	Technical Advisors in Aids and Child Survival (TAACS): OIRH/CDC: project no. 936-5970	High	36 Months	--	200	--	--
SO03	Environmental Health Project:Center for Diseases control (CDC): Project no. 936-5994.08	High	36 Months	--	500	--	--
SO03	MEASURE Evaluation: Project no. 936-3083.02	High	36 Months	--	150	--	--
SO03	MEASURE DHS: Project no. 936-3083.01	High	36 Months	--	300	--	--
SO03	Linkages: Breastfeeding and Related Complementary feeding and Maternal Nutrition Program Project no: 936-3082.01	High	24 Months	--	30	--	--
SO03	Environmental Health Project; World Health Organization Polio (WHO) Project no. 936-5994.07	High	12 Months	--	200	--	--
SO03	Partnerships for Health Reform (PHR) Project no. 936-5974.13	High	12 Months	--	300	--	--
SO03	Central Contraceptive Procurement Project no. 936-3057	High	36 Months	--	300	--	--
SO04	TAACS for basic education advisor: Project no.	High	24 Months	--	200	--	200
SO04	IEQ - Project no. 936-5858	High	24 Months	--	400	--	400
SO04	ABEL II, Project no. 936-5832	Medium	24 Months	--	100	--	100
GRAND TOTAL.....				0	4,780	0	950

* For Priorities use high, medium-high, medium, medium-low, low

Section B: Workforce Request

Workforce Tables

Org_21612 End of year On-Board								Total	Org.	Fin.	Admin.	Con-	All	Total	Total		
FY 1999 Estimate	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	SO/SpO	Mgmt.	Mgmt	Mgmt	tract	Legal	Other	Mgmt.	Staff	
OE Funded: 1/																	
U.S. Direct Hire	2	1	1	1	1			6	3	1	1				5	11	
Other U.S. Citizens								0	1		1				2	2	
FSN/TCN Direct Hire								0							0	0	
Other FSN/TCN			0	0	0			0	7	12	39				58	58	
Subtotal	2	1	1	1	1	0	0	6	11	13	41	0	0	0	65	71	
Program Funded 1/																	
U.S. Citizens			1					1	1						1	2	
FSNs/TCNs	3	2	5	2.5	1.5			14	1						1	15	
Subtotal	3	2	6	2.5	1.5	0	0	15	2	0	0	0	0	0	2	17	
Total Direct Workforce	5	3	7	3.5	2.5	0	0	21	13	13	41	0	0	0	67	88	
TAACS			2					2							0	2	
Fellows								0							0	0	
IDIs								0							0	0	
Subtotal	0	0	2	0	0	0	0	2	0	0	0	0	0	0	0	2	
TOTAL WORKFORCE	5	3	9	3.5	2.5	0	0	23	13	13	41	0	0	0	67	90	

1/ Excludes TAACS, Fellows, and IDIs

Workforce Tables

	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 2000 Target																
OE Funded: 1/																
U.S. Direct Hire	2	1	1	1	1			6	3	1	1				5	11
Other U.S. Citizens								0	1		1				2	2
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0	8	12	39				59	59
Subtotal	2	1	1	1	1	0	0	6	12	13	41	0	0	0	66	72
Program Funded 1/																
U.S. Citizens				1				1	1						1	2
FSNs/TCNs	3	2	5	2.5	1.5			14	1						1	15
Subtotal	3	2	6	2.5	1.5	0	0	15	2	0	0	0	0	0	2	17
Total Direct Workforce	5	3	7	3.5	2.5	0	0	21	14	13	41	0	0	0	68	89
TAACS				2				2							0	2
Fellows								0							0	0
IDIs				1				1							0	1
Subtotal	0	0	3	0	0	0	0	3	0	0	0	0	0	0	0	3
TOTAL WORKFORCE	5	3	10	3.5	2.5	0	0	24	14	13	41	0	0	0	68	92

FY 2000 Request																
OE Funded: 1/																
U.S. Direct Hire	2	1	1	1	1			6	3	1	1				5	11
Other U.S. Citizens								0	1		1				2	2
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0	8	12	39				59	59
Subtotal	2	1	1	1	1	0	0	6	12	13	41	0	0	0	66	72
Program Funded 1/																
U.S. Citizens				1				1	1						1	2
FSNs/TCNs	3	2	5	2.5	1.5			14	1						1	15
Subtotal	3	2	6	2.5	1.5	0	0	15	2	0	0	0	0	0	2	17
Total Direct Workforce	5	3	7	3.5	2.5	0	0	21	14	13	41	0	0	0	68	89
TAACS				2	1			3							0	3
Fellows								0							0	0
IDIs				1				1							0	1
Subtotal	0	0	3	1	0	0	0	4	0	0	0	0	0	0	0	4
TOTAL WORKFORCE	5	3	10	4.5	2.5	0	0	25	14	13	41	0	0	0	68	93

1/ Excludes TAACS, Fellows, and IDIs

Workforce Tables

ORG - 21612 End of year On-Board								Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff	
FY 2001 Target	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2										
OE Funded: 1/																	
U.S. Direct Hire	2	1	1	1	1			6	3	1	1				5	11	
Other U.S. Citizens								0	1		1				2	2	
FSN/TCN Direct Hire								0							0	0	
Other FSN/TCN								0	8	12	38				58	58	
Subtotal	2	1	1	1	1	0	0	6	12	13	40	0	0	0	65	71	
Program Funded 1/																	
U.S. Citizens			1					1	1						1	2	
FSNs/TCNs	3	2	5	2.5	1.5			14	1						1	15	
Subtotal	3	2	6	2.5	1.5	0	0	15	2	0	0	0	0	0	2	17	
Total Direct Workforce	5	3	7	3.5	2.5	0	0	21	14	13	40	0	0	0	67	88	
TAACS			2	1				3							0	3	
Fellows								0							0	0	
IDIs			1					1							0	1	
Subtotal	0	0	3	1	0	0	0	4	0	0	0	0	0	0	0	4	
TOTAL WORKFORCE	5	3	10	4.5	2.5	0	0	25	14	13	40	0	0	0	67	92	

FY 2001 Request																	
OE Funded: 1/																	
U.S. Direct Hire	2	1	1	1	1			6	3	1	1				5	11	
Other U.S. Citizens								0	1		1				2	2	
FSN/TCN Direct Hire								0							0	0	
Other FSN/TCN								0	8	12	38				58	58	
Subtotal	2	1	1	1	1	0	0	6	12	13	40	0	0	0	65	71	
Program Funded 1/																	
U.S. Citizens			1					1	1						1	2	
FSNs/TCNs	3	2	5	2.5	1.5			14	1						1	15	
Subtotal	3	2	6	2.5	1.5	0	0	15	2	0	0	0	0	0	2	17	
Total Direct Workforce	5	3	7	3.5	2.5	0	0	21	14	13	40	0	0	0	67	88	
TAACS			2	1				3							0	3	
Fellows								0							0	0	
IDIs			1					1							0	1	
Subtotal	0	0	3	1	0	0	0	4	0	0	0	0	0	0	0	4	
TOTAL WORKFORCE	5	3	10	4.5	2.5	0	0	25	14	13	40	0	0	0	67	92	

NB. Reported TAACS shows 2 TAACS and 1 PASA.

1/ Excludes TAACS, Fellows, and IDIs

Workforce

MISSION :

USAID/MALAWI

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 1999	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2002
01 SMG	1	1	1	1
02 Program Officer	2	2	2	2
03 EXO	1	1	1	1
04 Controller	1	1	1	1
05/06/07 Secretary				
10 Agriculture	2	2	2	2
11 Economics				
12 GDO				
12 Democracy				
14 Rural Development				
15 Food for Peace				
21 Private Enterprise				
25 Engineering				
40 Environment	1	1	1	1
50 Health/Pop.	1	1	1	1
60 Education	1	1	1	1
75 Physical Sciences				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO	1	1	1	1
95 IDI		1	1	1
Other*				
TOTAL	11	12	12	12

Please e-mail this worksheet
in either Lotus or Excel to:
Maribeth Zankowski
@hr.ppim@aidw
as well as include it with
your R4 submission.

*please list occupations covered by other if there are any

Section C: OE Request

Operating Expenses

Org. Title: USAID/Malawi Org. No: 21612 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0			0		0			0			0	
	Subtotal OC 11.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0		0			0			0	
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0		0			0			0	
11.5	FNDH			0			0		0			0			0	
	Subtotal OC 11.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	68		68	70		70	70	70	80		80	80	80	80	
11.8	FN PSC Salaries	443		443	551		551	551	551	591		591	591	591	591	
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0		0			0			0	
	Subtotal OC 11.8	511	0	511	621	0	621	621	0	621	671	0	671	671	0	671
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	32		32	63		63	63	63	63		63	63	63	63	
12.1	Cost of Living Allowances			0			0		0			0		0	0	
12.1	Home Service Transfer Allowances	1.5		1.5	1.4		1.4	1.4	1.4	0.7		0.7	0.7	0.7	0.7	
12.1	Quarters Allowances			0			0		0			0		0	0	
12.1	Other Misc. USDH Benefits			0			0		0			0		0	0	
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0			0		0			0		0	0	
12.1	Other FNDH Benefits			0			0		0			0		0	0	
12.1	US PSC Benefits			0			0		0			0		0	0	
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0			0		0			0		0	0	
12.1	Other FN PSC Benefits	80		80	90		90	90	90	100		100	100	100	100	
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0		0			0		0	0	
	Subtotal OC 12.1	113.5	0	113.5	154.4	0	154.4	154.4	0	154.4	163.7	0	163.7	163.7	0	163.7
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0		0			0		0	0	
13.0	Other Benefits for Former Personnel - FNDH			0			0		0			0		0	0	
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0			0		0			0		0	0	
13.0	Other Benefits for Former Personnel - FN PSCs			0			0		0			0		0	0	
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	50		50	40		40	60	60	50		50	50	60	60	

Operating Expenses

Org. Title: USAID/Malawi Org. No: 21612 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total												
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	18		18	10		10	10		10	8		8	8		8
21.0	Assignment to Washington Travel			0	4		4	4		4	0		0	0		0
21.0	Home Leave Travel	6		6	54		54	54		54	30		30	30		30
21.0	R & R Travel	65		65	18		18	18		18	60		60	60		60
21.0	Education Travel	8		8	8		8	8		8	8		8	8		8
21.0	Evacuation Travel			0			0	0		0	0		0	0		0
21.0	Retirement Travel	12		12			0	0		0	0		0	0		0
21.0	Pre-Employment Invitational Travel			0			0	0		0	0		0	0		0
21.0	Other Mandatory/Statutory Travel	20		20	20		20	20		20	30		30	30		30
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	15		15	15		15	15		15	18		18	18		18
21.0	Site Visits - Mission Personnel	26		26	26		26	30		30	28		28	35		35
21.0	Conferences/Seminars/Meetings/Retreats	40		40	40		40	40		40	40		40	40		40
21.0	Assessment Travel			0			0	0		0	0		0	0		0
21.0	Impact Evaluation Travel			0			0	0		0	0		0	0		0
21.0	Disaster Travel (to respond to specific disasters)			0			0	0		0	0		0	0		0
21.0	Recruitment Travel			0			0	0		0	0		0	0		0
21.0	Other Operational Travel			0			0	0		0	0		0	0		0
	Subtotal OC 21.0	260	0	260	235	0	235	259	0	259	272	0	272	289	0	289
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	60		60	36		36	36		36	25		25	25		25
22.0	Home Leave Freight	10		10	60		60	60		60	35		35	35		35
22.0	Retirement Freight	20		20			0	0		0	0		0	0		0
22.0	Transportation/Freight for Office Furniture/Equip.	53		53	40		40	60		60	45		45	60		60
22.0	Transportation/Freight for Res. Furniture/Equip.	20		20	10		10	20		20	10		10	20		20
	Subtotal OC 22.0	163	0	163	146	0	146	176	0	176	115	0	115	140	0	140
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			130			135	135		135	150		150	150		150
23.2	Rental Payments to Others - Warehouse Space	15		128	150		150	150		150	160		160	160		160
23.2	Rental Payments to Others - Residences			65			55	55		55	48		48	48		48
	Subtotal OC 23.2	15	323	338	150	190	340	150	190	340	0	358	358	0	358	358
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities			25	25		25	25		25	32		32	32		32
23.3	Residential Utilities			22	4	20	24	24		24	28		28	28		28
23.3	Telephone Costs			43	44		44	44		44	48		48	48		48
23.3	ADP Software Leases			0			0	0		0	0		0	0		0
23.3	ADP Hardware Lease			0			0	0		0	0		0	0		0
23.3	Commercial Time Sharing			0			0	0		0	0		0	0		0
23.3	Postal Fees (Other than APO Mail)	1.2		1.2	1.5		1.5	1.5		1.5	2		2	2		2
23.3	Other Mail Service Costs	1		1	1		1	1		1	1.2		1.2	1.2		1.2
23.3	Courier Services	2.7		2.7	3		3	3		3	4		4	4		4
	Subtotal OC 23.3	4.9	90	94.9	78.5	20	98.5	78.5	20	98.5	7.2	108	115.2	7.2	108	115.2
24.0	Printing and Reproduction	6		6	6		6	6		6	6		6	6		6

Operating Expenses

Org. Title: USAID/Malawi Org. No: 21612 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
26.0	Supplies and materials	70		70	75		75	90		90	100		100	120		120
	Subtotal OC 26.0	70	0	70	75	0	75	90	0	90	100	0	100	120	0	120
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	40		40	20		20	45		45	20		20	45		45
31.0	Purchase of Office Furniture/Equip.	20		20	20		20	40		40	20		20	65		65
31.0	Purchase of Vehicles	88		88	60		60	90		90	30		30	55		55
31.0	Purchase of Printing/Graphics Equipment			0			0			0			0			0
31.0	ADP Hardware purchases	100		100	30		30	60		60	30		30	70		70
31.0	ADP Software purchases			0	10		10	20		20	20		20	20		20
	Subtotal OC 31.0	248	0	248	140	0	140	255	0	255	120	0	120	255	0	255
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)		137	137		120	120		140	140		0	0		140	140
32.0	Purchase of fixed equipment for buildings			0			0			0			0			0
32.0	Building Renovations/Alterations - Office			0			0			0			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0			0			0
	Subtotal OC 32.0	0	137	137	0	120	120	0	140	140	0	0	0	0	140	140
42.0	Claims and indemnities			0			0			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	** ** *	1777	550	2327	1997	330	2327	2376	350	2726	1849	478	2327	2239	618	2857
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional Mandatory Information																
	Dollars Used for Local Currency Purchases	735.4		735.4	1025.5		1025.5	1025.5		1025.5	906.2		906.2	906.2		906.2
	Exchange Rate Used in Computations	43	43	43	43	43	43	43	43	43	43	43	43	43	43	43

** If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.
On that form, OE funded deposits must equal: 0 0 0 0 0

Operating Expenses (OE) and Workforce Tables

Organization Name - USAID Malawi

Organization No. - 21612

Narrative to Accompany FY 2001 Operating Expense Budget

General:

The FY 2001 budget is straight lined from the FY 1999 funding level adjusted per AFR guidance. The budget figures presented take into account general step increases for FSNs and anticipated inflationary increases on FSNs' salaries, utilities, rents, travel fares and freight charges. Even though during the last quarter of FY 1998 the Kwacha (MK) devalued by about 40%, the exchange rate has now stabilized between MK42.00 and 44.00 to a dollar. No considerable savings are envisaged from the devaluation as local vendors and landlords have adjusted their prices/rents to cover for the fall in value of the Kwacha. Travel agents, freight companies and some vendors/landlords quote their charges in dollars and convert to the Kwacha equivalent.

The budget presented was prepared with the following considerations in mind:

-That Mission will have 11 USDH, 1 IDI, 2 locally hired USPCs, 2 TCNS and 56 FSNs (as indicated in workforce tables) funded from OE. The Mission proposes the addition of an IDI position for the PHN sector because the mature program and its experienced supervisor offer a unique training opportunity for future health professionals for the Africa Bureau.

-That Mission will receive trust funds from Malawi Government generated under NPA programs that will be processed for cash transfers in the last quarter of fiscal year 1999 (\$550,000), FY 2000 (\$725,000), and FY 2001 (\$925,000). Using the trust funds received mission plans to buy additional residential houses (one in each fiscal year 1999, 2000 and 2001). This will bring to 10 houses owned by mission and greatly reduce on the fluctuating rent requirement.

-That the kwacha will convert to dollar at MK43.00 equals 1 US dollar.

Specific Comments on Tables:

11.8 USPSC SALARIES

-The budget amount is salary for 2 dependent spouse employees and assumes an increase of 3% in FY 2000 and recruitment of a replacement for one of the positions at a higher rate in FY 2001.

11.8 FSN PSCs SALARIES

-The FY 2001 budget amounts include salaries for 2 TCNs, systems administrator, deputy executive officer and salaries for 56 FSNs. The budget amounts take into account inflationary and contracts anniversary dates increases.

12.1 EDUCATION ALLOWANCE

-There is a jump from \$32,000 in FY 1999 to \$63,000 in 2000 and 2001. The increase is for one child who will, beginning FY 2000, go to a boarding school away from post.

12.1 FSN BENEFITS

-The budget amount presented is for housing, medical and vacation allowances and 8.3% of basic salary bonus payment authorized by the local compensation plan. The amounts in FY 2000 and 2001 take into account inflationary and periodic step increases.

21.0 & 22.0 RETIREMENT TRAVEL AND FREIGHT

-The amount in FY 1999 is for one USDH who will be retiring in July 1999.

21.0 & 22.0 TRANSPORTATION OF PERSONS AND THINGS

-Mission has projected 3 post assignments, 2 persons on home leave and 9 employees (25 persons) R&R travel in FY 1999. In FY 2000 2 post assignments, 6 employees on home leave (16 persons) and 3 employees (8 persons) on R & R; 1 post assignment, 4 employees (8 person) on home leave and 7 employees (20 persons) on R & R for FY 2001.

23.2 RENTAL PAYMENTS

-Rent for the warehouse, office and residences is expected to increase as landlords demand more for their properties.

Also the budget presented assumes mission operations at same level as FY 1999 with little room for taking on additional costs necessary for some line items as noted below. Additional funding as presented in the budget request level will be required for the following budget line items:

21.0 TRAINING TRAVEL

-During mission re-engineering retreat in November 1997 it was observed that there is need for staff training and development to bring staff skills and understandings into line with re-engineered environment/jobs. The Mission prepared a staff training/development plan and \$60,000 budget for each year would cover most of the training travel requirements for the 72 employees funded from OE.

21.0 SITE VISITS MISSION PERSONNEL

-The Mission anticipates more involvement with partners and the host country while developing the new CSP and implementing and monitoring existing activities. The request level assumes more travel for such purposes.

25.2 SECURITY SERVICES

-The current local guard contractor has not been able to provide adequate services as required by the terms of the contract. In view of the shortcomings, post security management is proposing to engage a new contractor to provide such services. Negotiations are still taking place. It is

anticipated that the Mission will be required to pay around \$250,000 per annum for the new contractor's services. As 24-hour guard services are required under the post security policy, USAID will have no option but to accept the new contract. The budget request level provides funds for this change in contractors. The Mission has advised AID/W of this development by separate telegram.

25.4 RESIDENTIAL MAINTENANCE

-The amount budgeted is for 12 houses, 11 for USDH employees and 1 for an IDI. U.S. Government-owned houses require major refurbishment of their kitchens and bathrooms. The budget at request level would enable the Mission carry out the work within the two fiscal years (2000 and 2001) and also provide uniformity in provision of such services. Also it is envisaged that the kitchen units will be procured internationally as local companies provide more expensive, inferior products.

26.0 GENERAL SUPPLIES

-In conjunction with 25.4 the supplies at request level will enable the Mission undertake the refurbishment to the residences and office. Due to the increase in terrorist attacks within the region the budgeted amount would also go to upgrading minor security requirements at Mission offices and residences which were never required in the past.

31.0 NON- EXPENDABLE PROPERTY

-Motor vehicle fleet vehicles are being replaced on cycle according to their age, mileage and maintenance cost. The budget at request level is for replacing 3 vehicles which meet the replacement criteria of mileage or age in FY 2000 and 2 vehicles in FY 2001. The budget allows for the procurement of partial replacement of aging office furniture and funds for the replacement or upgrade of the Mission's photocopying machines; 2 in FY 2000 and 2 in FY 2001. Maintenance standards of photocopying equipment are generally low, thus leading to a need for a shortened replacement cycle of 2 years.

32.0 LANDS AND STRUCTURES

- USAID currently owns 7 residential properties in Lilongwe. The Mission has plans to buy further properties in each of the fiscal years 1999, 2000 and 2001. This would mean that by 2001 10 out of its 11 USDH employees could be housed in more suitable and easier maintained U.S. Government owned properties. During the past 7 fiscal years USAID Malawi has purchased five properties using trust funds received from the host country and therefore reduced OE residential rental requirements.

Trust Funds

Organization: USAID/Malawi- 21612

Foreign National Voluntary Separation Account									
Action	FY 1999			FY 2000			FY 2001		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits			0.0			0.0			0.0
Withdrawals			0.0			0.0			0.0

Local Currency Trust Funds - Regular			
	FY 1999	FY 2000	FY 2001
Balance Start of Year	6.3	384.7	779.7
Obligations	550.0	330.0	478.0
Deposits	928.4	725.0	925.0
Balance End of Year	384.7	779.7	1,226.7

Exchange Rate 13.0 43.0 43.0

Local Currency Trust Funds - Real Property			
	FY 1999	FY 2000	FY 2001
Balance Start of Year	137.0	120.0	0.0
Obligations	137.0	120.0	0.0
Deposits	0.0	0.0	0.0
Balance End of Year	0.0	0.0	0.0

Exchange Rate 43.0 43.0 43.0

Controller's Operations

Controller Operations

Org. Title: USAID/Malawi Org. No: 612 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total												
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0			0		0			0			0	
	Subtotal OC 11.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0		0			0			0	
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0		0			0			0	
11.5	FNDH			0			0		0			0			0	
	Subtotal OC 11.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries			0			0		0			0			0	
11.8	FN PSC Salaries	64.6		64.6	83		83	83		83	95		95	95		95
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0		0			0			0	
	Subtotal OC 11.8	64.6	0	64.6	83	0	83	83	0	83	95	0	95	95	0	95
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	10.4		10.4	31.1		31.1	31.1		31.1	31.1		31.1	31.1		31.1
12.1	Cost of Living Allowances			0			0		0			0		0		0
12.1	Home Service Transfer Allowances			0			0		0			0		0		0
12.1	Quarters Allowances			0			0		0			0		0		0
12.1	Other Misc. USDH Benefits			0			0		0			0		0		0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0			0		0			0		0		0
12.1	Other FNDH Benefits			0			0		0			0		0		0
12.1	US PSC Benefits			0			0		0			0		0		0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0			0		0			0		0		0
12.1	Other FN PSC Benefits	30		30	33		33	33		33	35		35	35		35
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0		0			0		0		0
	Subtotal OC 12.1	40.4	0	40.4	64.1	0	64.1	64.1	0	64.1	66.1	0	66.1	66.1	0	66.1
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0		0			0		0		0
13.0	Other Benefits for Former Personnel - FNDH			0			0		0			0		0		0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0			0		0			0		0		0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0		0			0		0		0
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	3		3	8		8	12		12	6		6	6		6

Controller Operations

Org. Title: USAID/Malawi Org. No: 612 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field			0			0			0			0			0
21.0	Assignment to Washington Travel			0			0			0			0			0
21.0	Home Leave Travel			0	10.8		10.8	10.8		10.8			0			0
21.0	R & R Travel	10.4		10.4			0			0	12		12		12	12
21.0	Education Travel	8		8	8		8	8		8	8		8		8	8
21.0	Evacuation Travel			0			0			0			0			0
21.0	Retirement Travel			0			0			0			0			0
21.0	Pre-Employment Invitational Travel			0			0			0			0			0
21.0	Other Mandatory/Statutory Travel			0			0			0			0			0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel			0			0			0			0			0
21.0	Site Visits - Mission Personnel	4		4	6		6	6		6	6		6		6	6
21.0	Conferences/Seminars/Meetings/Retreats	5		5	5		5	5		5	5		5		5	5
21.0	Assessment Travel			0			0			0			0			0
21.0	Impact Evaluation Travel			0			0			0			0			0
21.0	Disaster Travel (to respond to specific disasters)			0			0			0			0			0
21.0	Recruitment Travel			0			0			0			0			0
21.0	Other Operational Travel			0			0			0			0			0
	Subtotal OC 21.0	30.4	0	30.4	37.8	0	37.8	41.8	0	41.8	37	0	37	37	0	37
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight			0			0			0			0			0
22.0	Home Leave Freight			0	12		12	12		12			0			0
22.0	Retirement Freight			0			0			0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.	5		5	5		5	8		8	5		5		8	8
22.0	Transportation/Freight for Res. Furniture/Equip.	4		4	2		2	3		3	3		3		4	4
	Subtotal OC 22.0	9	0	9	19	0	19	23	0	23	8	0	8	12	0	12
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			18.9			19			19			21		21	21
23.2	Rental Payments to Others - Warehouse Space			35.7	37.5		37.5	37.5		37.5	40		40		40	40
23.2	Rental Payments to Others - Residences			0			0			0			0			0
	Subtotal OC 23.2	0	54.6	54.6	37.5	19	56.5	37.5	19	56.5	0	61	61	0	61	61
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities			3.5	3.5		3.5	3.5		3.5	3.5		3.5		3.5	3.5
23.3	Residential Utilities			2	2.1		2.1	2.1		2.1	2.2		2.2		2.2	2.2
23.3	Telephone Costs			7	7.1		7.1	7.1		7.1	7.2		7.2		7.2	7.2
23.3	ADP Software Leases			0			0			0			0			0
23.3	ADP Hardware Lease			0			0			0			0			0
23.3	Commercial Time Sharing			0			0			0			0			0
23.3	Postal Fees (Other than APO Mail)	0.3		0.3	0.3		0.3	0.3		0.3	0.4		0.4		0.4	0.4
23.3	Other Mail Service Costs	0.2		0.2	0.3		0.3	0.3		0.3	0.3		0.3		0.3	0.3
23.3	Courier Services	0.5		0.5	0.5		0.5	0.5		0.5	0.8		0.8		0.8	0.8
	Subtotal OC 23.3	1	12.5	13.5	13.8	0	13.8	13.8	0	13.8	1.5	12.9	14.4	1.5	12.9	14.4
24.0	Printing and Reproduction			0			0			0			0			0

Controller Operations

Org. Title: USAID/Malawi Org. No: 612 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
26.0	Supplies and materials	14		14	14		14	14		14	15		15	15		15
	Subtotal OC 26.0	14	0	14	14	0	14	14	0	14	15	0	15	15	0	15
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.			0	4		4	4		4	3		3	8		8
31.0	Purchase of Office Furniture/Equip.	5		5	3		3	8		8	4		4	12		12
31.0	Purchase of Vehicles			0			0			0			0			0
31.0	Purchase of Printing/Graphics Equipment			0			0			0			0			0
31.0	ADP Hardware purchases	20		20	6		6	6		6			0			0
31.0	ADP Software purchases			0			0			0	4		4	4		4
	Subtotal OC 31.0	25	0	25	13	0	13	18	0	18	11	0	11	24	0	24
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0			0			0
32.0	Building Renovations/Alterations - Office			0			0			0			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0			0			0
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities			0			0			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		219.6	67.1	286.7	317.7	19	336.7	358	19	377	269.4	75.4	344.8	311.1	75.4	386.5

Additional Mandatory Information

Dollars Used for Local Currency Purchases
Exchange Rate Used in Computations

<u>116.4</u>		<u>189.9</u>		<u>216.9</u>		<u>153.7</u>		<u>179.7</u>
43	43	43	43	43	43	43	43	43

** If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.
On that form, OE funded deposits must equal:

0	0	0	0	0
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USAID/MALAWI

RESULTS REVIEW

and

RESOURCE REQUEST

FY 2001

Part III -- Information Annexes

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Information Annex A: Environmental Impact

INFORMATION ANNEX A: ENVIRONMENTAL IMPACT

A. New or Amended IEEs or EAs

SO1: A new SO1 program is anticipated for design during FY99/00. An IEE for the SOAG will be required either the 2nd or 3rd quarter of FY2000. If required IEEs for activities under the SOAG will be conducted 4th quarter FY 2000 or 1st quarter FY 2001.

SO2: No anticipated actions

SO3: A new SO3 program is anticipated for design during FY2000. An IEE for the SOAG will be required either the 1st or 2nd quarter of FY2001. If required IEEs for activities under the SOAS will be conducted in the 3rd or 4th quarter of FY2001

SO4: A new SO4 program is anticipated for design during FY2001. An IEE for the SOAG will be required either the 3rd or 4th quarter of FY2001.

SO5: No anticipated actions

B. Compliance

SO1: An environmental audit (review) is currently being conducted on IEE issues concerning the impact of agriculture liberalization policies. The report will be available by May 1, 1999.

SO2: No issues

SO3: The IEE for the bednet activity under the Community Health Partnerships program is required for removal of a deferral on this activity. This is being finalized by the Africa Bureau and is required by 3/30/99.

SO4: No issues

SO5: No issues

Information Annex B: Updated Results Framework

INFORMATION ANNEX B: UPDATED RESULTS FRAMEWORK

SO1: Increased Agricultural Incomes on a Per Capita Basis

IR1.1 Rural Business Developed

IR1.1.1 (Contributes to IR1.1, 1.2, 1.3) Financial Services Available

IR1.2 Market Efficiency Improved

IR1.2.1 (Contributes to IR 1.1, 1.2, 1.3) Information Based Broadened

IR1.2.2 Infrastructure Improved

IR1.3 Productivity/Diversification Increased

IR1.3.1 Efficiency of Agricultural Technology Development and Transfer System Improved

IR1.4 (Contributes to all other IRs) Enabling Environment Established

SO2: Increased Sustainable Use, Conservation, and Management of Natural Resources

IR2.1 Comprehensive Policy and Legislative Framework Established (Contributes to all other IR)

IR2.2 Capacity of National NRM Institutions Strengthened

IR 2.2.1 Capacity of NGOs/PVOs Strengthened

IR 2.2.2 Capacity of District Level Institutions Strengthened

IR2.3 Service Programs Improved

IR2.3.1 Alternative Energy Technologies Introduced

IR2.3.2 Public Awareness of NRM Issues Increased

IR2.4 Capacity of Communities to Manage Natural Resources Improved

IR2.4.1 Businesses Operating in Compliance with Environmental Laws and Policies

IR2.4.2 Capacity to Manage Protected Areas Improved

SO3: Increased Adoption of Measures that Reduce Fertility and Risk of HIV Transmission and Improve Child Health Practices

IR3.1 Condoms and Other Health Supplies at Retail Outlets

IR3.2 Increased Provision of Quality Reproductive and Child Health Services to Malawians

IR3.3 Increased Participation of Community Members in Activities that Improve Health

IR3.4 Improved Knowledge of Family Planning, HIV Transmission and Prevention, and Child Health Practices

(IR3.5-3.7 contribute to IR3.1-3.4)

IR3.5 Improved Capacity of PVOs/NGOs to Provide Health Services

IR3.6 Improved MOHP Support Services

IR3.7 Increased Capacity of Parastatals to Provide Health Services

(IR3.8-3.9 contribute to IR3.5-3.7)

IR3.8 Improved Donor Coordination

IR3.9 Improved Policy Environment

(IR3.10-3.11 Contribute to IR3.8-3.9)

IR3.10 Increased Capacity for Research and Use of Results

IR3.11 Improved Data Collection, Use and Dissemination

SO4: Current Title: Improved Access to and Quality and Efficiency of Basic Education, Especially for Girls

Proposed Title: Increased Access to, and Improved Quality and Efficiency of Basic Education, Especially for Girls

IR4.1. Effective Schools Developed in Targeted Areas.

IR4.1.1 Improved Teaching and Learning

Adequate Supply of Capable Teachers
Active Teaching Methods
Relevant Curriculum
Adequate Supply of Instructional Materials
Pupils' Learning Assessed
Adequate Facilities and Infrastructure
Children Learning Readiness Improved

IR4.1.2 Improved Support Systems

MOE/NGOs Support

- Effective School Leadership
- Effective Supervision of Teachers
- Effective Training
- Effective Delivery of Services

Communities Mobilized

- Actions to increase child well-being: health, nutrition, learning readiness
- Increased support for school quality

IR4.2 Policy Reforms and Investment Strategy Formulated

IR4.2.1 Policy Investment Framework Developed

IR4.2.2 Public and Private Financing for Primary Education Increased

IR4.2.3 Policy Analysis and Dialogue with Stakeholders Carried Out

Action Research, Learning Assessment Evaluations, Information Systems Inform Local and National Practice and Policy (Contributes to all I.R.s)

**S05: Institutional Base for Democratic Participation Strengthened and Broadened
(Proposed Revision to be reviewed in FY 1999)**

IR5.1: Increased participation of civil society organizations in the economic and political development process

IR 5.1.1 Administrative and Programmatic Capacity of CSOs strengthened

IR 5.1.2 Constituency Base of CSOs broadened and strengthened

IR5.1.3 (Contributes to IR5.1.1 as well): Local Support Institutions
Functioning

IR5.1.4 (Contributes to IR5.1.1 as well): Enabling Policy and Legislative
Environment for CSOs in Place

IR5.1.5 (Contributes to IR5.1.1 as well): Objective and Impartial
Public Information Systems in Place

IR5.2 Parliament's Capacity to Function as an Independent and Representative Body
Strengthened

IR5.2.1 MPs' outreach capacity strengthened

IR5.2.5 Civic Education

IR5.2.6 MP's understanding of their roles and responsibilities for
representing their constituents strengthened

IR5.2.7 Systems of Communication between MPs and Constituents
Established

IR5.2.2 Transparency of Parliament Increased

IR5.2.3 Caucused Strengthened (Women's and Political Parties)

IR5.2.8 Leadership Skills of Members Improved

IR5.2.4 Parliamentary Management Systems Strengthened

IR5.2.9 Committee System Strengthened

IR5.2.10 Budgeting and Planning Systems Improved

IR5.2.11 Rules, Orders and Enforcement Mechanisms in Place

IR5.3 Capacity of Electoral Commission to Conduct Free and Fair Elections Strengthened

IR5.3.1 Voter Participation Stimulated

IR5.3.3 Civic/Voter Education Carried Out

IR 5.3.4 Capacity of CSOs to Carry out Civic/Voter Education Increased

IR 5.3.5 Civic Education Committee within MAEC Strengthened

IR5.3.2 Credible Independent Election Management Authority in Place

IR5.3.6 Secretariat within the Electoral Commission Established and Functioning

IR5.3.7 Credible Plan for Security during Election Events Developed and Implemented

IR5.3.8 Judicial Support Provided

IR5.4 Rule of Law Strengthened

IR5.4.1 Judiciary Strengthened

IR5.4.3 Competence and Professionalism of Judiciary Personnel Enhanced

IR5.4.4 Efficient and Fair Court Procedures Followed

IR5.4.5 Judiciary Mgmt Improved

IR5.4.6 Institutional Independence of Judiciary assured

IR5.4.2 Human Rights Strengthened

IR5.4.7 Capacity to Protect and Enforce Human Rights Strengthened

IR5.4.8 Lobbying to pass HR Legislation

IR5.4.9 Public's understanding of Human Rights Increased

IR5.4.10 Network of CSOs encouraging public awareness of HR established

IR5.4.11 Capacity enhanced of organizations that investigate, report, and/or prosecute HR violations

IR5.4.12 Civil education in Public School System Implemented

Information Annex C: Macroeconomic Assessment

INFORMATION ANNEX C: MACROECONOMIC ASSESSMENT

I. Summary

Malawi has shown a high degree of commitment to macroeconomic stability and structural reforms, particularly during the Fund staff-monitored program. There have been tremendous efforts to put prices right. Some progress was made under several policy reforms -- although slow and sometimes disappointing. The budgetary situation improved following recovery of government revenue collection and strengthened expenditure controls. These developments do not immediately graduate Malawi into a sustainable development country. For some time to come, Malawi will continue to heavily rely on external resources for its budgetary support. As at now, more than 80 percent of the investment budget is financed by donors. About 40 percent of the recurrent budget is donor-driven. However, there is now an array of hope among donors that government's recent adoption of the Medium Term Expenditure Framework (MTEF) should help the government formulate budgets and make fiscal adjustments in view of changing macroeconomic conditions. Thus, Mission gives Malawi a 'B+' for effort and results in the macroeconomic sphere and a 'B+' for results (as opposed to 'B' in June, 1998 report).

II. Introduction

Malawi emerged from three decades of authoritarian, one-man rule in 1995. The old government spent the treasury and drew down foreign exchange reserves in an attempt to get elected in the multi-party context in 1994. The new government with support from IMF, the World Bank and other donors moved to reestablish monetary and fiscal stability. The success of this effort was notable, and the donors lavished praise on the Government at the May, 1997 Consultative Group meeting in Paris. The Government became over confident. Malawi's strong commitment to reform began to wane in early 1997. Spending discipline eroded and tax administration weakened. The capital account nearly depleted owing to delays in external donor budgetary support. The government started to implement corrective measures in December 1997. But these measures came too late in the fiscal year to have significant impact on the budget outcome. Public expenditure exceeded its target and total revenues fell short of its FY 1997/98 plan. In April 1998, the government entered into a six-month Fund staff-monitored program (SMP) for the period April-September 1998. Macroeconomic problems persisted during the program period, in part because of a drastic fall in tobacco export earnings which necessitated the depreciation of the kwacha to bring it in line with currencies of major trading partners (South Africa and Zimbabwe). Tobacco export earnings fell by nearly 30 percent and the kwacha depreciated by 40 percent to the dollar (in foreign currency terms). As the staff-monitored program came to an end, several structural issues relating to operations of Malawi's major parastatals emerged. These included delays in adjusting prices of petroleum products, government-owned maize and electricity, to take account of the kwacha devaluation. Also at issue were management rules for operating government's Strategic Grain Reserve (SGR) and the future role of the Agricultural Development and Marketing Corporation (ADMARC) -- a state-owned agricultural marketing board.

The drastic measures pursued by the government during the staff-monitored program period regained control of the budgetary situation as revenue collection recovered and expenditure controls strengthened. The kwacha has since August 1998 stabilized and is now market-driven. Donor inflows resumed at required levels. The lagged effects of earlier macroeconomic imbalances and the drastic monetary and fiscal policy measures, and depreciation of the kwacha manifested themselves in slow growth in real output and acceleration in inflation rate in 1998.

III. Economic Developments Since Early 1997

Malawi's macroeconomic performance began to slip in early 1997, mainly because of weakened fiscal discipline and loss of expenditure control. Higher than budgeted wage outlays, maize imports, excessive travel and conference related spending, extra-budgetary expenditures (such as hosting a SADC Summit), and a shortfall in income tax collections resulted in a higher than anticipated 1997/98 fiscal deficit (11.7 percent of GDP compared to the target deficit of 6.9 percent excluding grants). Gross official foreign exchange reserves declined to about 2 months of imports of goods and non-factor services by the end of 1997. The weakened fiscal discipline coupled with declining foreign exchange reserves put the kwacha under pressure. The kwacha depreciated from MK15.3 to the dollar in July 1997 to about MK21.5 in December 1997, and to MK25 in April 1998. The inflation rate rose from less than 7 percent in 1996 to 15 percent in 1997; it accelerated in early 1998, before slowing down following the maize harvest in May-June. Real GDP growth declined from nearly 11 percent in 1996 (following the recovery from drought) to 5 percent in 1997.

External performance also fell short of expectations due to higher-than-anticipated imports and large outflows on the services account. The current account deficit (denotes current account in balance of payments (BOP) includes grants - specifically unilateral transfers) rose to 12.5 percent of GDP, about 4 percentage points above the program target. The capital account also deteriorated resulting in the overall balance of payments deficit of \$50 million, against a programmed \$20 million surplus. Table 1 presents Malawi's balance of payments situation.

Along with macroeconomic imbalances was the disappointing progress on structural reforms. Civil service reform was slow, such as government's functional review exercise was partially completed. About 3,200 unskilled government employees were retrenched compared with an original target of 7,000. Efforts to strengthen public expenditure control and prioritization, as well as civil service reform proceeded slowly. In addition, there was hardly any progress in the area of privatization.

In response to the above cited difficulties, in April 1998, the government agreed to a Fund staff-monitored program (April-September, 1998) to restore fiscal balance. The objectives were to achieve real GDP growth of 5 percent in 1998, to reduce inflation to 12 percent by end-December 1998, and to hold the budget deficit (before grants) to 7.5 percent through June 1998, and 7 percent for the following year. The program further sought to strengthen fiscal management and restore the foreign exchange reserve position to about 4.5 months of imports.

**Table 1: Consolidated Balance of Payments
(Million US dollars)**

Year	1994	1995	1996	1997	1998
A. Current Account Balance	(159.5)	(25.1)	(175.9)	(234.7)	(150.0)
B. Trade Balance	(209.1)	(69.9)	(140.5)	(216.9)	(207.0)
B.1 Total Exports	326.8	404.2	483.4	566.5	509.0
B.1.1 Traditional Exports	265.1	325.1	371.0	441.1	396.0
B.1.1.1 Tobacco	194.4	255.9	300.4	330.9	270.0
B.1.1.2 Tea	30.1	27.1	25.7	69.3	62.2
B.1.1.3 Sugar	25.8	26.5	34.2	28.5	25.6
B.1.1.4 Coffee	14.8	15.6	10.7	12.4	11.1
B.1.2 Non-traditional Exports	39.0	49.0	69.0	74.0	77.0
B.1.3 Others/Re-exports	22.7	30.1	43.4	51.4	36.0
B.2 Imports 1./	(536)	(474)	(624)	(783)	(717)
B.2.1 Raw Mat/Cap. Goods	(382)	(351)	(493)	(588)	(538)
B.2.2 Consumables	(78)	(57)	(62)	(94)	(86)
B.2.2.1 Food	(57)	(47)	(50)	(78)	(72)
B.2.2.2 Non-food	(21)	(10)	(12)	(16)	(14)
B.2.3 Other	(75)	(66)	(69)	(101)	(93)
C. Services (Net)	(81.8)	(102.3)	(107.7)	(82.3)	(100.0)
D. Private Transfers	20.2	(4.3)	(24.3)	(18.8)	(20.0)
E. Capital Account Balance	164.0	131.0	292.0	186.0	231.0
F. Foreign Reserves	36.8	105.8	218.2	155.2	235.0
F.1 In Months of Imports	0.7	2.3	3.6	2.1	3.4
H. Debt Service Ratio	15%	24%	19%	15%	
I. Exchange Rate (MK/US\$)	8.7	15.3	15.3	16.4	27.5

Note: 1./ Imports of raw materials and capital goods averaged about 75% of total imports; consumables (12%), and other (13%) between 1993 and 1996.

Source: IMF, *Malawi - Staff Report for the 1998 Article IV Consultation and Request for the Third Annual Arrangement Under the Enhanced Structural Adjustment Facility*, December 3, 1998.

Progress under the Fund's staff monitored-program was mixed. The government regained control over the budgetary situation as revenue collection recovered and expenditure controls strengthened. Total revenues increased due to government's intensified efforts in the collection of outstanding taxes, increased penalties on delinquent taxpayers, and a broadening of the domestic tax base with the establishment of a Tax Revenue Authority (TRA). This offset the decline in international trade receipts resulting from the complete elimination of export tax on tobacco, tea, sugar and coffee. At the same time, the government strengthened expenditure prioritization, monitoring, and control. Underlining its commitment, in April 1998, a Special Cabinet Committee on Budgetary Matters was established to monitor budgetary developments and help restore fiscal discipline. An expenditure-monitoring unit in the Ministry of Finance was fully staffed and operational by end-May 1998. This brought the overall budgetary deficit (excluding grants) from 11.7 percent of GDP to 9 percent, somewhat higher than the 7.3 percent target. However, the domestic primary balance (defined as total revenues minus total expenditure, excluding payments and foreign-financed development expenditures) registered a surplus equivalent to 2 percent of GDP. The overall 1998/99 fiscal deficit is now projected to be in the order of 15 percent of GDP (excluding grants) or 4.1 percent of GDP (including grants).

The net foreign assets position came under severe strain following a fall in tobacco export receipts and a slow down in donor disbursements. Tobacco prices fell by about 30 percent in 1998, translating into a \$60 million shortfall in export earnings. External budgetary support was \$30 million lower than expected. These developments exerted pressure on the value of the kwacha. By June 1998, there were signs of the kwacha being overvalued and some adjustment was needed. The government stopped defending the kwacha, sending it tumbling by 40 percent against the dollar (in foreign currency terms) or more than 60 percent (in terms of the kwacha per dollar) between August 22 and 24, 1998. The large depreciation reflected a number of factors: correction of the previously misaligned exchange rate; unfavorable movement in the terms of trade; currency depreciation by major trading partners (South Africa and Zimbabwe); and private sector lack of confidence in government's economic management and reforms. The central bank reacted by raising the 271-day treasury bill yield to 55 percent (from under 30 percent) and the discount rate to 40 percent (now at 49 percent); sending strong signals of its intentions to defend the kwacha. The kwacha has since stabilized at around MK43 to the dollar.

As a result of the kwacha depreciation, inflationary pressures picked up and by the end-December 1998, the 12-month inflation rate rose to 47 percent, compared to a targeted 12 percent. Growth in real GDP also slowed down to 3.9 percent in 1998 as agricultural production, notably tobacco and maize, failed to meet expectations.

In addition, several problems emerged relating to operations of Malawi's major parastatals towards the end of the program. Among these challenging issues was maize policy, which encompasses the prices at which government-owned maize would be sold from the Strategic Grain Reserves (SGR), the management rules for operation of the SGR, and the role of the Agricultural Development and Marketing Corporation (ADMARC) -- an agricultural marketing board. Other key issues involve (a) two money-losing parastatals: the Petroleum Control

Commission (PCC) and Electricity Supply Corporation of Malawi (ESCOM) and (b) the use of privatization proceeds. As of September 1998, the PCC was \$14 million in external arrears. These developments stalled negotiations of the third tranche of the second Enhanced Structural Arrangement Facility (ESAF).

During the Fund's September 1998 Mission, the government and the IMF reached agreement on the macroeconomic targets and parameters with respect to fiscal, monetary and exchange rate policies needed to restore macroeconomic stability. One of the objectives of the program was that the kwacha should be stabilized at the 42-45 to the dollar level. Given the shortfall in tobacco receipts, stabilizing the exchange rate requires a sound fiscal and monetary anchor as well as short-term balance of payments support. A tight timetable was prepared to address the above issues, after which the Fund was to return to Malawi to formally negotiate the remaining third tranche of ESAF II.

The Government moved swiftly on pricing issues. In October 1998, the price of maize was raised to MK6.50/kg (from MK3.90/kg); but still falling short of the MK7.25/kg agreed upon with the Fund. About 96 percent of government-owned maize was sold at this price. The price was later raised to MK7.25 where the government sold its remaining 4 percent and subsequent maize imports. The government has promised a maize price-band for 1999/2000 agricultural marketing year that will give a clear signal to the private sector that there will be no intervention by government to inhibit the import and export of maize by private traders. The band will be based on the export and import parity price. The government also agreed to reform the SGR by clearly establishing that it was to intervene only at the lower and upper limits of the price band in place of the previous discretionary practice of intervention. The SGR will be replaced by the National Food Reserve Agency (NFRA).

Petroleum prices were raised by an average 55-80 percent, and a formula to allow the full pass-through of international price changes and exchange rate adjustments is being developed. The General Manager for PCC was dismissed, and the government agreed to dismantle the operations of the PCC, incorporating its residual functions into the Ministry of Finance and devolving the import of petroleum to the four international oil firms which have marketing operations in Malawi.

With respect to ADMARC, the Government is preparing a program by March 1999 for the privatization and commercialization of ADMARC. The program will identify 20 to 30 local ADMARC markets that are profitable and which could be immediately offered for privatization through the Privatization Commission. The program will also recommend modalities for commercializing (or privatizing) the rest of ADMARC in a time-bound plan while giving due consideration of the Government's use of ADMARC for outlying markets in areas where private traders are not active.

Following the actions taken to date and the agreement reached to address the above key issues, the Fund was generally satisfied with government's actions and the Fund approved and the ESAF program and released the third tranche in mid-December, 1998. Concurrently, the World Bank

reached an agreement with the government on an adjustment lending program (Fiscal Restructuring and Deregulation Program II – FRDP II). It is a SDR 68 million (US\$ 90 million) IDA credit divided into two tranches. The first \$60 million tranche was released in December 1998; the remaining \$30 million is scheduled to be disbursed in April 1999.

The reform agenda in the World Bank adjustment loan focuses on improving expenditure management, civil service reform, privatization and deregulation. Many of the reform measures are familiar as this is a follow-on program to the first FRDP which ended in 1997. The emphasis on promoting private sector development through improving the investment and business climate is fundamentally sound. However, the planned disbursement of the second tranche before the general elections is questionable, given the uncertain policy commitment by the Government, especially with respect to politically sensitive issues on ADMARC, maize pricing policy and other privatization issues. The Bank appears to recognize this risk but has chosen to go along with the Government request.

Malawi's external debt was \$2.4 billion in 1998. About 83 percent of the external debt stock is owed to multilateral creditors, 16 percent to bilateral creditors and the remainder to commercial creditors. At an average 20 percent debt service to exports of goods and nonfactor services ratio, Malawi is considered a borderline case in terms of eligibility for the Highly Indebted Poor Countries (HIPC). With declining export prices, Malawi's debt analysis show that reduction in debt service obligation will be minimal up to 2001. Malawi's debt situation is complicated by the rising domestic debt. As at end-December 1998, domestic debt stock stood at about MK8.6 billion. At interest rate as high as 50 percent, domestic debt squeezes the private sector's access to investment resources as well as accounting for some - (25) percent of budgeted expenditures.

IV. Sources and Uses of Government Revenues

At 15 to 20 percent of GDP, Malawi's tax revenue collection compares favorably with most sub-Saharan countries. But for some time to come, Malawi will continue to heavily rely on external sources for its budgetary support. Revenues from external sources (grants and loans) averaged 62 percent of the total revenues between 1995/96 and 1997/98; and decline to 56 percent by 2000/01. Domestic revenues are expected to increase sharply to almost 20 percent of GDP in 1998/99 largely because of receipts from sales of maize and the buoyancy of taxes on goods and services (See Tables 2 and 3). Malawi continues to shift emphasis from international taxes to domestic taxes. Taxes on international trade will yield about 2 percent of GDP between 1998/99 and 2000/01; down from 4 percent in 1995/96. On the other hand, taxes on domestic goods and services will yield about 16 percent of GDP during the same period.

Total expenditures are expected to jump from 26.8 percent of GDP in 1997/98 to 34.6 percent in 1998/99. While recurrent expenditures are expected to remain at 20 percent of GDP in FY98/99, investment expenditures (largely financed by donors) are projected to increase significantly to 13.4 percent of GDP; from an average 5 percent in the last three financial years. This will be attributed to the bringing on the budget all projects that were previously 'off-budget', and the depreciation of the kwacha. Spending by economic classification shows that recurrent

expenditures on wages and salaries averaged 26.7 percent of total recurrent budget between 1995/96 and 1997/98, and 39.4 percent for goods and services. Most interestingly is the rising trend in recurrent expenditures on goods and services, moving from 33.1 percent in 1995/96, to 40 percent in 1996/97 and to 45.1 percent in 1997/98. For FY 98/99, there will be an increase in expenditures on wages and salaries as the government grants civil service salary/wage increases to reflect inflation and the kwacha devaluation of August 1998.

Spending on social services (education, health and community and social development) remain government's priority. Recurrent expenditures on these sectors jumped from 30.6 percent of total recurrent expenditures in FY94/95 to 35.2 percent in FY97/98. Government expenses on transport, agriculture and other infrastructure are on the decline as the private sector assumes an increasing role in providing services in these sectors. Their share fell from 11.2 percent in FY94/95 to 7.2 percent in FY97/98. Expenditures on public safety continued to rise as the country adjusts to new freedoms and as general elections approach.

Table 2: Sources and Uses of Government Revenues
(Million of US dollars)

Financial Year	95/96	96/97	97/98	98/99	99/00	00/01
A. Revenue Sources	419.8	502.7	500.7	648.6	359.0	395.7
A.1 Total Revenue	290.1	391.1	405.9	414.2	249.8	287.2
A.1.1 Tax Revenue	251.9	369.3	374.6	335.4	237.8	274.1
A.1.1.1 Income/profits	93.4	163.3	156.6	141.7	95.0	107.7
A.1.1.2 Int. Trade	65.4	78.9	78.5	42.9	27.6	37.4
A.1.1.3 Dom. Trade	93.1	127.2	139.4	150.8	115.0	134.4
A.1.1.4 Property Taxes	-	-	-	-	-	-
A.1.5 Other Revenues	38.1	21.7	31.2	78.8	12.0	13.9
A.2 Grants/Loans	220.9	198.5	469.8	321.0	167.5	254.8
A.2.1 Grants	129.8	111.6	94.3	234.4	109.2	108.5
A.2.2 Loans (net)	91.1	86.9	177.0	86.6	58.3	146.3
A.2.2.1 Domestic (net)	57.8	(29.5)	94.1	(160.7)	(40.1)	46.5
A.2.2.2 Foreign (net)	33.3	116.4	82.9	247.3	98.4	99.8
B. Revenue Uses	514.0	571.0	717.0	724.4	448.3	495.5
B.1 Recurrent Budget	400.5	438.9	577.2	428.1	259.1	289.1
B.1.1 Education Affairs	65.2	83.1	96.6	70.3	n.a.	n.a.
B.1.2 Health Affairs	24.8	40.3	41.0	31.4	n.a.	n.a.
B.1.3 Public Safety.	11.2	22.2	36.3	14.6	n.a.	n.a.
B.1. 5 Others	299.3	293.3	403.3	308.8	n.a.	n.a.
B.2 Investment Budget	107.1	113.6	139.8	281.2	189.2	206.4
C. Overall Deficit						
C.1 excluding grants	(220.9)	(198.5)	(271.2)	(321.1)	(207.6)	(208.3)
C.2 including grants	(91.2)	(86.9)	(176.9)	(86.7)	(98.4)	(99.8)

Source: IMF, *Malawi - Staff Report for the 1998 Article IV Consultation and Request for the Third Annual Arrangement Under the Enhanced Structural Adjustment Facility*, December 3, 1998.

**Table 3: Sources and Uses of Government Revenues
(in percent of GDP)**

Financial Year	95/96	96/97	97/98	98/99	99/00	00/01
A. Revenue Sources	25.2	21.1	18.7	31.0	23.4	23.0
A.1 Total Revenue	17.6	16.4	15.1	19.8	16.3	16.7
A.1.1 Tax Revenue	15.3	15.5	14.0	16.0	15.5	15.9
A.1.1.1 Income Taxes	5.7	6.9	5.8	6.8	6.2	6.2
A.1.1.2 Int. Trade Taxes	4.0	3.3	2.9	2.0	1.8	1.9
A.1.1.3 Dom. Trade Taxes	5.7	5.3	5.2	7.2	7.5	7.8
A.1.1.4 Property Taxes	-	-	-	-	-	-
A.1.5 Other Revenues	2.3	0.9	1.2	3.8	0.8	0.8
A.2 Grants/Loans	13.4	8.3	17.5	15.3	12.8	16.6
A.2.1 Grants	7.9	4.7	3.5	11.2	7.1	6.3
A.2.2 Loans (net)	5.5	3.6	6.6	4.1	4.5	6.4
A.2.2.1 Domestic (net)	3.5	(1.2)	3.5	(7.7)	(0.6)	(0.7)
A.2.2.2 Foreign (net)	2.0	4.9	3.1	11.8	7.0	6.5
B. Revenue Uses	31.2	24.0	26.8	34.6	29.2	28.7
B.1 Recurrent Budget	24.3	18.4	21.5	20.4	16.9	16.8
B.1.1 Education Affairs	4.0	3.5	3.6	3.4	n.a.	n.a.
B.1.2 Health Affairs	1.5	1.7	1.5	1.5	n.a.	n.a.
B.1.3 Public Safety.	0.7	0.9	1.4	0.7	n.a.	n.a.
B.1. 5 Others	18.2	12.3	15.0	14.7	n.a.	n.a.
B.2 Investment Budget	6.5	4.8	5.2	13.4	12.3	12.0
C. Overall Deficit						
C.1 excluding grants	(13.4)	(8.3)	(10.1)	(15.3)	(13.5)	(12.1)
C.2 including grants	(5.5)	(3.6)	(6.6)	(4.1)	(6.4)	(5.8)

Source: IMF, *Malawi - Staff Report for the 1998 Article IV Consultation and Request for the Third Annual Arrangement Under the Enhanced Structural Adjustment Facility*, December 3, 1998.

V. Looking Ahead

The government's medium-term development strategy continues to focus on the alleviation of poverty through accelerated economic growth, restoration of financial stability, and an increase in the population's access to basic social services. The overall macroeconomic objectives for the medium term are to (1) increase the rate of real GDP growth from about 3.5 percent in 1998 to 6 percent in 2001; (2) reduce the average annual rate of inflation from about 27 percent in 1998 to about 5 percent in 2001; (3) continue to strengthen the balance of payments, with the current account deficit declining from over 9 percent of GDP in 1998-99 to about 7 percent in 2001; (4) strengthen access to essential services (notably primary education and basic health care) within the constraints of fiscal sustainability by prioritizing budgetary outlays through the medium-term expenditure framework (MTEF); and (5) reinforce monitoring of, and accountability for, budgetary operations.

The attainment of the growth objectives will require gross investment to average about 19 percent of GDP over the medium term with an increase in private investment of 1 percent point of GDP, as well as determined efforts to bolster the productivity of investment. In view of the targeted decline in the external current account deficit, the envisaged investment level will require a strong savings performance by the public and private sectors. To this end, the government will seek to reduce barriers to private investment, facilitate market entry, enhance market competition, and take institutional initiatives aimed at forging stronger regional ties and improving international competitiveness.

VI. Sectoral Macroeconomic Relationship

Key to achieving medium-term objectives is the need to improve fiscal and accountability in the public sector. There has to be capacity to formulate budgets and make fiscal adjustments in view of changing macroeconomic conditions. Already, the government is moving in that direction through adoption of the Medium-Term Expenditure Framework (MTEF). In the past, financial resources were allocated on an incremental basis (in most cases by adding an inflation factor), focusing on expenditure items. The process did not spell out the use of these funds, i.e. what the funds were going to achieve (outputs). The MTEF process is expected to address these shortfalls in the budgetary process. The MTEF comprises: developing a model to estimate revenues and expenditures; allocating resources according to objectives and outputs; integrating the recurrent and development budgets; introducing forward budgeting; improving institutional arrangements in the budget planning process; and ensuring appropriate aid coordination.

The government adopted the MTEF process in 1995. The MTEF is a tool for determining available resources and for allocating the resources in line with government priorities. The MTEF started with five ministries Agriculture and Natural Resources, Health and Population, Works and Supplies, Education, and Police. In the following year, the process was extended to seven more ministries. It has now been extended to all ministries. The MTEF was introduced to contribute to macroeconomic stability, improve resource allocation mainly by providing more resources to strategic and priority areas; and ensure greater efficiency and effectiveness in the use of resources.

There are, in a broad sense, four levels of prioritization which the government is pursuing. The first level, between the four major sectors, namely general administration, social and community services, economic services, and public debt charges. The second level is between subsectors or functions. An example is allocations between education and health. The remaining two levels are within the function/subsector/ministry level. At program level, within education a choice is between primary, secondary and tertiary education. The other is prioritization within a program. For example, within primary education, a choice is made between teaching and learning materials, and infrastructural development.

With the MTEF process, and government's identification of education, health and agriculture as priority areas, we are confident that public resources will go into sectors that the Mission supports. We are aware that the process is not easy and that it will take time before it is fully effective. But the steps already are a positive indication regarding improved future utilization of resources.

VII. Mission Assessment

Malawi is one of the poorest countries in the world. It ranks seventh from the bottom of the list. Its new governments commitment to liberal market principles is strong. It is hampered by being land locked and having to rely on rain-fed agriculture as its economic base. Malawi has shown a high degree of commitment, particularly during the staff-monitored program period. There have been tremendous efforts to put prices right. The budgetary situation improved following recovery in revenue collection and strengthened expenditure controls. With the MTEF process in place, we expect quick response of government's budget to changing macroeconomic conditions. Some fundamental reforms still remain. ADMARC will have to be fully commercialized and privatized in certain areas of its operations; and crop authorities dissolved. Civil service reform needs to be accelerated. The government has already agreed to the Fund/World Bank timetable to implement the reforms. Thus, in the medium-term, Malawi's real choice will be between half-hearted implementation of reforms, as in 1997 and early 1998, and strong, decisive implementation. Malawi will also need to stay on track with its macroeconomic stabilization efforts despite pressures that may be expected from the forthcoming elections and the difficult global economic situation. With Mission's NPA allocation now driven by assessment of policy performance, Malawi will have to be consistent in its reform efforts otherwise it may pay the price. Mission gives Malawi a 'B+' for effort and results in the macroeconomic sphere and a 'B+' for results (as opposed to 'B' in June, 1998 report). This is due to bold steps taken in correcting the exchange rate, utility, petroleum, and maize prices; and in better monitoring and controlling of public expenditures.