

AIRGRAM

DEPARTMENT OF STATE 26 JAN 1971

66900725-4

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FROM - MONROVIA

SUBJECT - NONCAPITAL PROJECT PAPER (PROP)

REFERENCE -

Country Liberia Project No. 669-51-740-077

Submission Date January 15, 1971 Original Revision 2

Project Title PUBLIC WORKS DEVELOPMENT

U.S. Obligation Span FY 1962 through FY 1976

Physical Implementation Span FY 1962 through FY 1976

Gross life-of-project financial requirements: (\$000)

U.S. dollar - - - - - 4,532

Cooperating Country cash contribution - - - - - 23,511
(in dollar equivalent, current exchange rate)

Other donor - - - - - 1,002

TOTAL - - - - - 32,045 *

* Additional funding may be required depending upon September 1971 project review by mission.

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DRAFTED BY RMacDonald/jrh	OFFICE ENG	PHONE NO.	DATE 1/14/71	APPROVED BY: William C. Wild, Jr., Director
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AID AND OTHER CLEARANCES

ENG:HGaiot
PR:JKelly
AD:DLevintov

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I. Summary

This project, initiated in 1962, was designed to assist the GOL Department of Public Works and Utilities (DP&U) in carrying out its responsibilities for national development.

II. Life-of-Project Inputs (\$000)

Fiscal Year	US Government	GOL*	Technicians*	Participants
1963 & Prior	1,553		15	3
1964	603	1,240	21	2
1965	833	2,381	21	1
1966	497	3,280	17	5
1967	448	3,210	13	6
1968	547	3,200	10	6
1969	99	3,300	3	2
1970	-67	3,400	3	5
1971	14	3,500	2	
1972**	-	-	-	-
	4,532	23,808		30

* Educated Reconstructions - reliable data not available.

** Funding to be determined for FYs 73, 74 and 75

There have been Project Support Loans in the amount of:

FY 66	669-II-010	\$459
FY 67	669-II-012	165
FY 68	669-II-015	245
FY 69	669-II-018	245

1,114

As of 6/30/70 adjusted to 1,083,000

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III. Setting

During recent years the Government of Liberia has made substantial investments in the field of highways and roads throughout Liberia. Such investments include a substantial investment in capital plant and maintenance equipment valued at approximately 5.0 million dollars. The road net and road maintenance program that now exist in Liberia are inadequate, from the viewpoint of mileage, standard and dispersion throughout the country. Further construction and upgraded maintenance programs are required to further the socio-economic progress of the country with attendant diffusion of economic and social benefits throughout the great mass of the population.

The basic physical facilities comprising the road systems of Liberia consist of 1177 miles of primary roads, and 1455 miles of secondary, rural access, and farm-to-market roads. The heavy construction fleet of DPW represents an investment of approximately 4.5 million dollars of mobile equipment; an investment which is insufficient to adequately maintain the present road system. For practical purposes the road network provides the only method of rapid transport throughout the country. Lack of vehicular access to large portions of the country significantly retards economic and social development. Additionally, lack of proper maintenance procedures has led to accelerated deterioration of portions of the road network with a consequent detrimental effect on the economy.

The "austerity budget" of GOL during recent years has almost precluded the establishment of adequate road and equipment maintenance procedures. Under these circumstances the road system is presently rapidly deteriorating and the mobile fleet of the Department is badly in need of repair and replacement. In some cases, maintenance equipment is beyond its economic life span and should be replaced. These major factors severely restrain the functions of the Department of Public Works in performance of its duties in connection with the road system and inhibit diffusion of socio-economic development throughout Liberia.

IV. Project Activity

The overall project goal has been as follows:

"To improve the capacity of the GOL Department of Public Works and Utilities to plan, administer and supervise the development of the public works infra-structure, including roads, ports and public buildings; to expand its capacity to render adequate maintenance services; and to assist in formulating, evaluating and administering specific public works projects."

A. FY 1962 - FY 1967

During the first phase of this project, emphasis was placed on providing advisory services to the DPW in the form of assistance

from USAID direct hire Public Works staff and personnel furnished by J.G. White Engineering Company through an AID-financed contract. In addition, sizeable amounts of equipment, spare parts and other commodities were provided for force account construction and maintenance activities.

Project assistance was to be focused on these specific areas with DFWEU:

1. Administration

The objective was to assist in reorganizing Department divisions including the newly formed Public Utilities Authority, within the framework of the approved SCOGO organization plan.

Success proved limited. The Department was reorganized but no effective personnel or salary system was implemented. Pay scales remained low and the absence of a formalized training program led to an increasing scarcity of skilled and semi-skilled workers.

2. Planning

The objective was to design a plan and procedures for the development of a yearly operational program for the Department. However, no effective yearly plan emerged and the Department proceeded in an ad hoc manner - with most of its project benefits being "bunched" in the Monrovia area.

3. Fiscal Management

The objective was to improve the DFW capacity in the budgeting and fiscal area. Improvement was slow during the period because budgetary responsibility for carrying out programs was widely dispersed.

Public Works activities were financed essentially through three budgets. Additional difficulties were encountered because of the lack of: a prepared line item budget reflecting anticipated costs of operations, a property accountability system, or a requirement for pro-forma invoices.

4. Contract-Design, Road Construction and Maintenance

Advisory efforts in these areas achieved less than satisfactory results. The DFW finished design products - with two notable

exceptions 1/ - tended to be of a generally low standard, at times leading to poor construction work and excessive costs.

Supervision of construction road projects by DPW Bureau engineers was generally considered inadequate and no significant improvement was made during the period in road maintenance - in the opinion of USAID. 2/

B. FY 1968 - FY 1969

The Project was evaluated during FY 1967 and the Mission report concluded:

"While the DPW&U continues to require outside expertise ---, such expertise in the form of advisors has not been as effective as had been expected. Contractual advisors, therefore will be discontinued as such and instead, beginning in 1968, five operational personnel will be provided in key areas, and will be vested with full authority and responsibility as bona fide senior members of the DPW&U staff." 3/

To foster "bona fide" participation by the contract personnel in DPW&U affairs the GOL agreed to pay their basic salaries with AID providing "topping-off" funds for salary and logistical support.

The second project modification that resulted from the mission evaluation was the attenuation of force-account construction assistance in favor of contract construction to permit greater concentration of GOL resources in the area of maintenance.

The modified project approach achieved only slightly more significant results during 1968-1969 than had been accomplished during the earlier project phase. To begin with, the number of AID-financed OPEX quickly dropped as two contract personnel left Liberia early in their tours.

1/ Designs for the rural access roads proposed under Loan 669-H-016.

2/ See 1969 PAR.

3/ PBS for 1969, dated August 1967, page 148.

Two of the remaining three OPEX personnel completed their tours in June 1968 and were phased out. One, the accountant, left a fully qualified counterpart capable of carrying on the functions of the Accounting Division. The second, a construction engineer, left having accomplishments in the way of successfully completed projects but little in the way of increased counterpart competence. The third and final J.G. White OPEX employee, a master mechanic, died prior to completing his assignment. Lacking a counterpart, this individual produced much in the way of day-to-day assistance but little in the way of residual training.

Through CIPM, a replacement was recruited for one of the two OPEX individuals who left prior to the completion of their tours. This incumbent was assigned an OPEX position as assistant to the Undersecretary for Operation. He never succeeded in establishing an operational working situation but did obtain improvements in budget submissions, reporting procedures, and other peripheral assignments. He accomplished little toward upgrading the efficiency of his counterpart. In short, none of the incumbents were ever given the operational authority within the DP&U which was essential to their full effectiveness.

By June 1969, the Mission had concluded, "the results of the project to date have been disappointing. There now can be little doubt that the GOL places a lesser priority value on the creation and operation of an effective Department of Public Works than was believed at the beginning of the project or during the several evaluations made since that time." 1/

C. FY 1970 - FY 1971

At present two OPEX-type professionals are on board provided by a contract between Colorado Highway Department and AID. Their primary responsibilities are:

Position 1. Assistant to the Undersecretary for Technical Services.

1. Provides guidance in planning and implementation of various construction projects undertaken by the Department with DP&U forces or under contract.
2. Provides training and guidance for graduate engineers and field personnel in the accepted methods of contract administration in construction control.

Position 2. Counterpart to the Director of Equipment Maintenance for DP&U.

1. Responsible for systemizing the scheduling and accomplishment

of priority maintenance of various equipment and rolling stock operated by the DPW&U within available funding.

2. Provides guidance in the effective purchasing and stocking (within available funding) of the necessary spare parts for equipment maintenance.

3. Responsible for developing a system of establishing priority repairs to assure maximum utilization of existing equipment within the financial capability of the DPW&U.

Prior to the completion of their tours the incumbents have been directed to concentrate in the following areas:

1. Construction Engineer (Position 1)

a. Develop a trust within the DPW which will result in delegation of operational authority over selected construction projects.

b. Assist in proper construction control and contract administration of two rural roads funded by AID Loan No. 669-II-016.

c. Provide training to construction engineers assigned to the rural road construction projects.

d. Provide either structured training in contract administration and construction control if a training schedule can be established and implemented and/or conduct unstructured training on an ad hoc basis as opportunities avail themselves.

e. Provide operational assistance to the department on various construction projects as assigned.

2. Master Mechanic (Position 2)

a. Establish a rapport which results in delegation of operational authority within the equipment maintenance division of the DPW&U.

b. Provide guidance in assigning priorities for purchase of spares financed by AID Fund Loan No. 669-II-018 to optimize resultant equipment production.

c. In concert with the equipment supervisor, plan and implement the reorganization of the department's central spare parts warehouse.

d. After completion of c. above, provide systematic guidance to the field unit for effective use of the central spare parts warehouse and spares purchase system.

e. Develop a system for on-the-job training of DPW&U maintenance personnel which will result in more effective, timely, and economical repair of the DPW&U fleet.

During the past six months the Public Works program has shown improvement in the following areas:

1. The department has purchased replacement vehicles including pick-up to dump-truck class. This has greatly expanded the operating range of the field-going personnel and decreased the maintenance load inasmuch as the replaced vehicles were beyond their economic life.
2. The Department has delegated responsibility in several areas. These include delegation to the one OPEX construction engineer, two Liberian project engineers, and a Liberian field technician overseeing various contract work. This delegation greatly facilitates "on the ground" decision-making, critical to good management.
3. The Secretary of Public Works has expanded the decision-making authority of the Undersecretary for Technical Services position. This is partly due to the demonstrated ability of the man filling the position but is further due to management adjustments being made by the Secretary.
4. The Department is making decisions on contract matters which were formerly either left to the expatriate A/E, the loan agency, or at times, left to default.
5. The Department has been more actively engaged in maintenance in the Monrovia area roads including maintenance on pavement previously left in unacceptable and often dangerous operating condition.

V. Future Project Activity

The Mission is encouraged by these recent signs of improvement in the DPW&U but has decided not to propose any new activity under this project at the present time. Consequently, project technicians are not scheduled to be replaced at the end of their present tours. 1/ This decision was arrived

1/ The Colorado Contract is fully funded through completion of technicians' tours.

at after considering the following:

1. The GOL "austerity" budget has placed severe restraints on the functions of the Department of Public Works in performance of its overall duties in connection with the country's road system and thereby inhibits the diffusion of socio-economic development throughout Liberia.
2. The DPW&U budget has given insufficient priority to maintenance. Emphasis has been placed on capital development projects to the detriment of growing maintenance requirements.
3. The history of the USAID project shows that: (1) during the 1962-67 phase, the US input was insufficient to overcome the magnitude of the problem addressed; and (2) during the 1968-1971 phase the level has been such that only marginal improvement can be expected.
4. The DPW&U authorities have only recently begun to show cooperation in placing AID-financed personnel in positions where they can be most effective.

At the same time the Mission is reluctant to close out this project since it could become an important element in the successful implementation of USAID's agricultural sector strategy. It is now generally recognized that farm roads are an integral part of Liberian agricultural development. Recent surveys have indicated that new rural roads tend to stimulate economic activity beyond that foreseen prior to construction. Farm markets, for example, were permanently established and farmers began to sell a higher proportion of their produce to the market after recent road construction had taken place. (AID has in the past recognized the desirability of assisting the GOL in opening new areas by constructing rural roads. Within the next two years it is anticipated that 51 miles of rural access roads will be constructed under Loan 669-11-016).

Consequently, the Mission will defer judgment on project termination until September 1971. During the intervening period the Mission will:

- Avail itself of the UNDP-IBRD findings on DPW&U maintenance requirements. This study, scheduled for completion in June 1971 is expected to provide a rational development plan for the DPW&U. The program plan will be examined for discrete elements which may prove feasible for AID financing.
- Ascertain the degree to which the GOL intends to commit itself to implementing the IBRD recommendations.

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An amended PROP will be forwarded to AID/W following the Mission's review in September 1971 - outlining recommended action in the area of rural road development.

HOWISON

Encl: Table 1 (Pages 11 & 12)

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NONCAPITAL PROJECT FUNDING (OBLIGATIONS IN \$000)

11 Table I
Page 1 of 2

PROP Date 15 January 1971
Original _____
Rev. No. _____
Project No. 68-51-740-077

Country: LIBERIA Project Title: PUBLIC WORKS DEVELOPMENT

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Fiscal Years	Ap	L/C	Total	Cont <u>1/</u>	Personnel Serv.		Participants		Commodities		Other Costs	
					AID	PASA	CONT	U.S. Agencies	CONT	U.S. Ag.	Dir & CONT	Dir & CONT
Prior through Act. FY 70	EC	G	4,518	1,955	808	48	1,337	197		626		618
Oper. FY 71	TC	G	14					14				
Total Life *	TC	G	4,532	1,955	808	48	1,337	211		626		618

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1/ Memorandum (nonadd) column.

* Additional funding may be required depending upon September 1971 project review by mission.

MONROVIA TOAID A-2-2-69

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Table 1
Page 2 of 2

Exch. rate \$1 = \$1

Project No. 667-51-740-077

12

<u>Fiscal Years</u>	<u>Other Cash Contribution Cooperating Country</u>	<u>Other Donor Funds (\$ Mil.)</u>
Prior through Act. FY 70	20,011	4,002
Oper. FY 71	3,500	
Total Life	23,511	4,002

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MONROVIA TOAID A- 0/6

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A.I.D. Reference Center
Room 1656 NS
APC/RS/PS

PROJECT AUTHORIZATION

1. PROJECT NUMBER 669-51-740-077	3. COUNTRY Liberia	4. AUTHORIZATION NUMBER 0166
2. PROJECT TITLE Public Works Development		5. AUTHORIZATION DATE February 16, 1971
		6. PROP DATED January 16, 1971

7. LIFE OF PROJECT

a. Number of Years of Funding: 10
Starting FY 19 62 Terminal FY 19 71

b. Estimated Duration of Physical Work
After Last Year of Funding (in Months): 11

FUNDING BY FISCAL YEAR (in U.S. \$ or \$ equivalent)	DOLLARS		P.L. 480 CCC + FREIGHT	LOCAL CURRENCY			
	GRANT	LOAN		Exchange Rate: \$1 =		HOST COUNTRY	
				U.S. OWNED			JOINTLY PROGRAMMED
Prior through Actual FY 70	4518	1083					20011
Operational FY 71	14						3500
Budget FY							
B + 1 FY							
B + 2 FY							
B + 3 FY							
All Subsequent FY's							
TOTAL	4532	1083					23511

9. DESCRIBE SPECIAL FUNDING CONDITIONS OR RECOMMENDATIONS FOR IMPLEMENTATION, AND LIST KINDS AND QUANTITIES OF ANY P.L. 480 COMMODITIES

10. CONDITIONS OF APPROVAL OF PROJECT

(Use continuation sheet if necessary)

11. Approved in substance for the life of the project as described in the PROP, subject to the conditions cited in Block 10 above, and the availability of funds. Detailed planning with cooperating country and drafting of implementation documents is authorized.

This authorization is contingent upon timely completion of the self-help and other conditions listed in the PROP or attached thereto.

This authorization will be reviewed at such time as the objectives, scope and nature of the project and/or the magnitude and scheduling of any inputs or outputs deviate so significantly from the project as originally authorized as to warrant submission of a new or revised PROP.

A.I.D. APPROVAL	CLEARANCES	DATE
<i>[Signature]</i> Samuel C. Adams, Jr. SIGNATURE	AFR/CWA: SChristmas <i>SC</i>	2/8/72
	AFR/DP: DShear <i>D</i>	2/10/71
AA AFR Assistant Administrator	AFR/MGT: FHahne <i>F</i>	2/9/71
OF AFRIC TITLE	XXXXX DAA/AFR: PBirnbaum <i>PB</i>	2/12/71