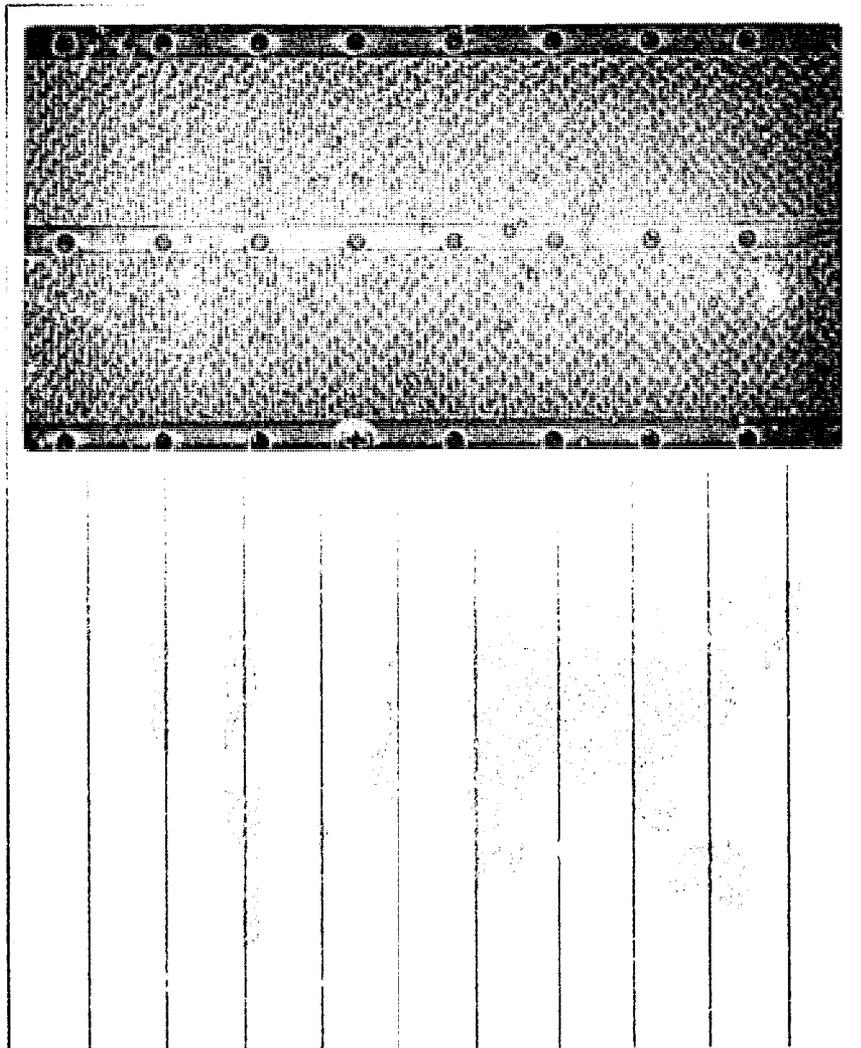


UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT

THE
INSPECTOR
GENERAL



Regional Inspector General for Audit
NAIROBI

THE INERA SUPPORT PROJECT NEEDS TO BE
PUT INTO AN INSTITUTIONAL FRAMEWORK
WITHIN THE GOZ THAT WILL ENSURE ITS
FUTURE FINANCIAL SUPPORT AND ITS
SURVIVAL

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TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	i
BACKGROUND	1
Introduction	1
Purpose and Scope	3
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	3
INERA Is Incapable Of Implementing Research Activities	3
INERA and the Mulungu Station Do Not Have Adequate Budget Support	6
There Is Little Institutional Development Taking Place	8
Project Design Is Too Broad	12
The Assessment of INERA Did Not Accomplish All Its Objectives	15
Planned Counterpart Personnel Have Not Been Provided	16
MASI Has Exercised Poor Control Over Commodities	19
EXHIBIT A - Other USAID/Zaire Comments	
APPENDIX A - List of Report Recommendations	
APPENDIX B - List of Report Recipients	

EXECUTIVE SUMMARY

Introduction

The Institut National pour l'Etude et la Recherche Agricole (INERA) Support Project was designed to enhance the capability of INERA to conduct research on food legume production, soil fertility support, and soil classification and fertility correlation. The project contributes to self-sufficiency in food production by assisting in the development of the capability of INERA to (a) create production packages for food legumes through applied adoptive and participatory research, (b) provide soils services to producers of food and other crops with regard to the characteristics, distribution and production potential of specific soils and (c) concentrate, coordinate and optimize its scarce resources in the priority areas of agricultural research.

Purpose and Scope

The purpose of our review was to determine the effectiveness of implementation and management; verify compliance with applicable laws, regulations and the project agreement; and identify and report on any significant problem areas.

Our review covered the period from September 1977 through January 1982, and included a review of project records, discussions with project personnel and visits to project sites.

Findings Conclusions and Recommendations

The INERA Support Project is being implemented under conditions which make any long range development impact highly questionable. The project, designed to enhance the capability of INERA to do research, is assisting an institution that has no credibility, capability or resources to operate an effective research program. As a result of this inherent project deficiency, little institutional development is taking place. The project is basically a self contained project with its own source of funds, hired Zairois personnel, and a U.S. contractor.

We believe these major issues must be resolved and have made the following recommendations.

- USAID/Zaire require the GOZ to develop a plan of research reform and an organizational structure into which the INERA project can be placed, so a capability can be developed within that structure that will enhance the survival of AID's assistance after AID support ends (page 5).

- USAID/Zaire reach agreement with the GOZ on how the INERA Support Project will be funded within the research structure in the future (page 7).
- USAID/Zaire require the GOZ to provide counterpart personnel who can be trained and will be responsible for project management (page 10).

In addition to these major issues we feel the following areas also need to be addressed.

- Technical inputs should be restricted to basic research and soils testing until there is evidence the GOZ can support a broader scope (pages 12 to 14).
- A program should be developed to collect data on prior research that can be used as a basis in planning research efforts (pages 15 to 16).
- A program for commodity control, and maintenance needs to be formalized (pages 19 to 23).

USAID/Zaire Comments

The audit findings were discussed with USAID/Zaire, and a final draft report was provided to them for written comments. Their summary comments follow; their comments regarding each recommendation are included in the body of the report; and exhibit A contains their other more general comments.

"The INERA Support Project has experienced implementation problems from its beginning. These problems have been exacerbated by the financial instability of the contractor, MASL. In addition, the GOZ has been beset by its own internal problems, including a marked decrease in budgetary support to projects as a result of IMF constraints and the inability of the Department of Agriculture to formulate a role for INERA as an institution. The locus of the project in Mulungu Station, in the Kivu Region, where it is but a part of a larger research effort, also has been an important constraining factor. The INERA Support Project is clearly a research undertaking. As such, its impact on food production cannot be measured in the short term but rather will be felt in the longer term. It is USAID's intention to prolong the basic project activities so that when the economy turns around, the project will have created a nucleus of trained personnel and some capability to conduct applied agricultural research, and, as a result, will have produced improved plant materials. Thus, essentially the project is sustaining a process over a critical period of time, providing those necessary research interventions to provide, at a modest cost, a sound basis for accelerated agriculture

development at some time in the future when appropriate conditions exist in Zaire. To forego this present effort would make a future program much more difficult and costly, leaving aside the substantial loss of invaluable research time.

The Mission has two major options: (1) to implement those projects that are important for Zaire, to carry them out to their planned conclusion and thereby impact positively on a major constraint to development (in this case, increased food production), or: (2) terminate those projects that are not receiving optimum Government support. If we follow this latter course then no projects -- neither USAID nor other donor efforts -- currently would be implemented.

Under these special circumstances, and cognizant of the importance of agricultural research in Zaire for the well being of the Zairian people, the Mission fully intends, under difficult conditions and in the absence of full GOZ financial support, to implement the INERA Support Project.

USAID/Zaire wishes to make clear that we are working in an extremely difficult environment. The audit of the INERA Support Project shows no awareness of this environment. We are dealing with a government that for all practical purposes is bankrupt, lacks the ability to focus directly on project problems, and thus is in desperate need of our continued assistance."

RIG/A/N Response

We have audited the project as it was planned - to increase the capability of INERA to do legume research - because the project agreement has not been amended to reflect any change in this strategy. The project is not meeting its objective to increase the capability of INERA. No alternative to INERA has been developed and agreed to. We therefore are extremely critical of the project and feel concrete steps must be taken to resolve the issues of research strategy, research organization structure, and funding; or the project will meet the same demise as other donor supported research projects and the functional research organizations left by the Belgians.

BACKGROUND

Introduction

The Republic of Zaire, located in the South central part of the African continent, covers almost 905,000 square miles (an area roughly equal to the United States east of the Mississippi River). The country is landlocked except for an important 13-mile wide strip on the Atlantic Ocean.

The two most striking natural characteristics of Zaire are the river (which has given the country both its names, Congo and now Zaire) and its exceptional natural resources. The Zaire River is the second largest in the world in term of area drained, flow, and navigable length. Zaire has the world's largest known reserves of cobalt (30 percent of the world's total) as well as huge quantities of other resources essential to industry and defense, including zinc, manganese and copper. Zaire is also the world's largest producer of industrial diamonds.

Zaire's total population is estimated at 26 million divided into more than 200 ethnic groups which speak about 700 local languages and dialects. Most of the country is sparsely populated and about 10 percent is virtually uninhabited. Population is concentrated near the rich mineral deposits, along the main communication routes (railroads and rivers), and in the highlands near Bukavu. The literacy rate is 20 percent and life expectancy 44 years.

Agriculture provides a livelihood for approximately 75 percent of the population--with most living at an annual income of less than \$100. Food crops generally cultivated include maize, manioc, rice, plantain and groundnuts.

The approximately 75 percent of the population that live in the rural areas is among the world's poorest, lacking adequate access to public services such as medical care and schools. Food is scarce and expensive, and malnutrition is prevalent. It is probably the most serious health problem and contributes to the high rate of death and illness from other causes.

In colonial times, the Institute National pour l'Etude Agronomique du Congo Belge (INEAC) was responsible for agricultural research in what is now Zaire. Founded in 1933, the organization by 1950 had established a reputation as one of the best agricultural research institutes in the tropics. INEAC had a staff of about 200 expatriate research workers who dealt with most aspects of basic and applied research. Research findings were transmitted to the farmers by about 500 expatriate extension agents, who were government employees and had the authority to impose changes in farming systems.

INEAC employed 4,000 Zairois as laboratory and field technicians and laborers. There were seven Zairois college graduates in agriculture in the system. In 1969 when Belgian withdrew all its INEAC personnel, the Zairois remained in place and the Government of Zaire (GOZ) assumed their payroll. In 1970, the GOZ established the Institut National pour l'Etude et la Recherche Agricole (INERA), and the seven Zairois scientists were responsible for the INEAC assets and for developing a program.

As the successor to INEAC, INERA inherited a vast network of research facilities located throughout Zaire. Presently there are 20 stations, most of which have extensive physical installations in various states of disrepair. Many of these stations are found in remote regions of a country that is serviced by transport and communications systems remarkable for their inadequacy. Endowed with an annual subsidy barely covering salary expenses, and having to rely on its ill-equipped and run down stations for income within a national economy laden with problems, INERA is trying to relay an image resembling that of a now past INEAC.

Mulungu is one of 20 INERA research stations, located in the Kivu province. It represents the high altitude high rainfall tropical zone, and was favored by the Belgians because of the area's potential for the production of coffee, tea and quinine. In the late 1970's this area had the highest population density in Zaire, and sustained about 15 percent of Zaire's population on less than four percent of its total land area. Once known as the bread basket of Zaire, the Kivu sector deteriorated due to overpopulation, soil erosion and other factors. Considered in rebellion against the national government, it had been given little attention and resources from the GOZ.

Although the initial INERA assistance request was made by the GOZ in June 1975, negotiations did not result in a more detailed letter of request until April 1977. The Project Paper was authorized in September 1977, and in April 1978 the grant was designated a set-aside for Title XII universities. By September 1978 all responses by Title XII universities were negative, and USAID/Zaire received approval to solicit on a not-restricted basis. Nutri-national Agribusiness Systems Incorporated (MASI), a profit seeking business founded in 1970, was chosen in February 1979 to implement the project.

The INERA Support Project was designed to enhance the capability of INERA to increase the level, availability and nutritional quality of food production. To develop these capabilities, a blend of technical assistance, on-the-job training, and formal graduate level academic training was to be provided in the specific areas of food legumes and soils research.

The project is to be complete in FY 1983 at a cost of \$3.85 million. As of December 31, 1981, \$1.99 million had been disbursed.

Purpose and Scope

Our review of the INERA Support Project covered project progress from its authorization in September 1977 until January 31, 1982. The purpose of the examination was to:

- Determine the effectiveness of implementation and management.
- Verify compliance with applicable laws and regulations.
- Identify and report on any significant problem areas.

We reviewed USAID/Zaire, MASI and GOZ records, reports and correspondence, and held discussions with the concerned officials. We visited the project site at Mulungu and various outlying facilities.

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The INERA Support Project is being implemented under conditions which make any long range development impact highly questionable. First, the project is attached to INERA, an organization that has no creditability or capability. As a result the project, although located at INERA, is providing little, if any, institutional development. Second, research is not receiving adequate budget support from the GOZ. Past research projects have shown that research activities have gradually disappeared when foreign support stopped and the GOZ had to take over funding. Third, the INERA Support Project is a self-contained project with its own source of funds and hired personnel. It has no organizational structure or counterpart management. It is a project managed by a U.S. contractor that is located at the Mulungu research station.

Unless these three major issues can be quickly resolved, we feel the project will provide little benefit for the \$3.85 million of taxpayer funds. If the projects are going to provide any long term results and have any widespread impact on increasing agriculture production in Zaire, the GOZ must develop a research structure which will be adequately funded, into which this self-contained research projects can be integrated. If this isn't done the results will disappear like recently terminated projects by other donors.

These and other problems are discussed more fully in the following sections of the report.

INERA Is Incapable Of Implementing Research Activities

A recent assessment of INERA concluded that INERA lacks management, research strategy, and the capability to finance and operate an effective research program. The assessment recommends that INERA be reduced in size and reorganized.

The project paper and MASI contract called for MASI to make an assessment the first year of the project. The assessment was finally finished in September 1981, almost three years after the MASI contract was signed.

The more important purposes of the assessment were to:

- Study the role of INERA in agricultural research.
- Analyze INERA's current research activities including types of research, staff, budgets, etc.
- Analyze INERA research project formulation and research methodologies.
- Analyze the location and adequacy of the facilities.

In 1977, the Project Paper noted that INERA, as the national agricultural research agency, was not fulfilling its research role because of poor management planning and a young and inexperienced staff. Agricultural research had consequently started to proliferate among several other agencies.

The INERA Assessment concluded in September 1981 called for a complete overhaul of INERA. The assessment proposed that of INERA's 20 stations, research work should be concentrated on no more than six stations until the research program was organized. To do this INERA would have to liquidate a large number of its land and holdings, and clerical staff and workers who make up the vast majority of its personnel. The donor countries seem convinced that INERA is not the road to a reorganized agricultural research structure in Zaire.

At present there is no GOZ research structure or organization capable of carrying out a coordinated research effort. In our opinion, until the GOZ develops an organizational strategy on how research is going to be managed and financed in Zaire, the INERA support project has little chance of providing a lasting research capability.

USAID/Zaire had in the planning stages at the time of our audit, a type of follow-on project to the INERA Support Project. While including Mulunqu within its focus, the new project would make a much broader effort to reform and restructure the new GOZ agriculture research organization expected to replace INERA. While this project had been described in a Congressional Presentation, it had not yet been approved. As yet this project has no basis because there has been no agreed upon reform or restructure on which to base a project.

Conclusion, Recommendation, USAID/Zaire Comments, and RIG/A/N Response

INERA has no research strategy, is poorly managed, and needs to be reorganized. The INERA Support Project has little chance of succeeding unless this major issue is resolved. Follow on projects have little chance of success unless the GOZ is willing to organize and finance a research organization that can plan, manage and implement research activities.

Recommendation No. 1

USAID/Zaire require the GOZ to develop a plan of research reform and an organizational structure into which the INERA Support Project can be placed, so a capability can be developed within that structure that will enhance the survival of AID's assistance after AID support ends.

USAID/Zaire Comments

"The audit recommendation advises USAID/Zaire to commence that which it has already initiated. Since January 1981, when the Mission received the first drafts of the agriculture research management technician's assessments of INERA, the Mission has been working with the DOA and the donor group in planning research reorganization for Zaire. The group meets regularly to discuss all aspects of development in Zaire and reorganization of agricultural research has been its most frequent and most important topic. A consensus is shaping up that to fund agricultural research in Zaire is a burden beyond the capacity of any one donor and that INERA must undergo some kind of reorganization. Since September 1981 USAID/Zaire has been in the process of preparing a PID for its support of a portion of this research reorganization. Our planning is flexible enough to fit into any reorganization plan finally decided upon by USAID/Zaire, the other donors and the GOZ. We and the other donors believe that agricultural research should have high priority in this country, despite the serious budget problems that can be anticipated. We want, indeed we need, to avoid causing a collapse of agricultural research that would necessitate vast expenditures in the future and would cause an immediate loss of food producing potential."

RIG/A/N Response

The efforts made by the Mission are commendable; however, until the GOZ gives research priority and is willing to develop and fund a research structure, the INERA project will provide little lasting benefit regardless of the priority given to research by USAID and the other donors. We therefore have revised, but retained our recommendation.

INERA And The Mulungu Station Do Not Have Adequate Budget Support

The GOZ has not provided adequate budget support to sustain a research effort. According to the project agreement, the under budgeted Mulungu station will have to eventually take over the cost of the AID project currently being implemented there by MASI; or, some other source of GOZ funds will have to be developed to continue the activity at Mulungu. Another GOZ funding source has not been developed; therefore, the project has no evident source of funds after AID support ends.

When the INERA support project was approved in 1978, Mulungu was in effect an under-producing plantation, employing 400 laborers and 50 supervisors. It managed approximately 1,000 hectares, most of which was cultivated--except the steepest slopes. The physical plant was badly deteriorated and there was virtually no research capability. Of the budget support received from INERA, Mulungu used 95 percent of it to pay salaries. Although all receipts from sales at the station were supposed to be sent to INERA headquarters, Mulungu retained a sizeable portion to meet its own expenses. It also sold its produce at greatly reduced prices to its workers to supplement their salaries. This situation still existed at the time of our audit, and will probably continue to exist when the project is completed.

The AID project (as opposed to the Mulungu operation) is self-supporting. It has its own local currency funding source provided from PL 480 Title I sales proceeds. These funds are to be used exclusively for AID project activities, not for usual Mulungu operations. The project provided chemicals and lab equipment. In addition, most of the 100 project workers were hired and paid from counterpart funds to perform project activities.

This has caused implementation problems because the project has ample funds for vehicles, gasoline, spare parts and transportation; whereas, the station has few of the normal operating expense activities.

For example, project counterpart funds had to be lent to the Mulungu manager so he could pay the station's electric bill. The station had little fuel and virtually no funds for repair and maintenance of its own equipment. Yet the AID project located at the station has funds available for all of these items.

There was little belief that upon completion of the AID project, INERA would be able to (or would want to) hire the Zairian project employees who had worked most closely with the MASI team and benefited from their expertise. Also, the GOZ will have to provide budget funding for salaries, maintenance, chemical and other supplies after AID support terminates. At the present time, provision of this support is doubtful because INERA lacks the foreign exchange or local currency to support the project, and there has been no agreement by the GOZ to fund the project separately.

The INERA Project Paper mentioned assistance provided by Belgium to a dozen INERA research stations. At the time of our audit, little tangible evidence remained of the completed Belgium activities. In a similar vein was a USAID/Zaire technician's report of a visit to the INERA Research Station at Nioka, which had been assisted by Germany for several years and left well-equipped. He noted that since the Germans' departure, the research program they had followed had been abandoned and nothing had replaced it.

USAID/Zaire indicated that projects in Zaire cannot be implemented within a five year period, that development in Zaire is a long term undertaking. USAID/Zaire feels that additional assistance for INERA will have to be provided.

We agree that development of a research capability may extend well beyond the termination date of the current project; however, the lack of a strategy on how the project will be financed after AID support decreases or ends provides a poor basis for a viable project activity.

Conclusion, Recommendation, USAID/Zaire Comments and RIG/A/N Response

The research activities being funded by the project have little chance of survival because there is no GOZ funding source to finance the activities after AID support ends.

Recommendation No. 2

USAID/Zaire reach agreement with the GOZ on how the INERA Support Project will be funded in the research structure in the future.

USAID/Zaire Comments

"This recommendation is impractical as USAID/Zaire has no means at its disposal to effectively require the GOZ or INERA to increase significantly its financial and personnel support to the Mulungu Station. In reality, we have a project at Mulungu that, as a result of GOZ budgetary constraints, cannot be supported at a level considered adequate. In the near future, INERA and all of its stations at best, will receive only enough budget support from the GOZ to assure the survival of the physical plant. The GOZ cannot provide a budget to support agricultural research at or near the levels needed. The donor group in Zaire recognizes this and the fact that research in this country, if it is to be effective, must be financed by outside funds for quite some time -- even if such financing requires the funding of recurring costs. The recommendation that USAID/Zaire reach agreement with the GOZ on how donor

support projects will be funded neglects the fundamental problem confronting the GOZ - the necessity to continue to cut back on all government spending. At Mulungu, Zairian technicians and USAID/Zaire have gained important knowledge about legume packages and soil testing and classification. For the remainder of the LOP, progress will continue to be made. We do not, however, plan that Mulungu, after the departure of the USAID team, will continue to require or receive the current level of support. Mulungu will remain a substation for legume research, with a soil classification component that may become the central laboratory for Eastern Zaire. In the scheme for reorganization of any research in Zaire, Gandajika, in Eastern Kasai, will become the most important center for legume research. Specialists we are training for legume research will help staff both of these stations. A research agronomist, soil scientist, land classifier, and an extensionist, now in training in the United States, should be able to continue with legume research at Mulungu. They would be backstopped by other scientists from the Gandajika headquarters."

RIG/A/Response

At present there is no proposed source of funds to support project activities after AID support stops. INERA can't support its existing program, such as it is, much less pick up the salaries and costs currently being paid from project funds. Other donor projects have virtually disappeared shortly after assistance stopped and we see this project being implemented on the same weak basis. We do not believe this is an acceptable basis for continuing a project. If an agreement can't be reached on how the project will be funded in the future, we doubt that the project has a future; thus this form of development assistance should be terminated as soon as practical. We have therefore retained our recommendation pending agreement or termination.

There Is Little Institutional Development Taking Place

The INERA Support Project provided little capability to develop and conduct research within the Mulungu operating structure. Rather than attempting to operate in what an AID evaluator termed the "bizarre management environment" of INERA, MASI chose to establish a completely independent research operational unit at the project site. The project communicated on a separate radio network, provided its own logistical support, hired and fired its own workers, and used its own source of funds. None of these actions required the approval of, or even discussion with, the Mulungu Director or other Mulungu personnel. Regular meetings between MASI and Mulungu personnel were cancelled by MASI because it was felt they were doing more harm than good.

GOZ-provided counterpart funds were transferred from Kinshasa to a joint account with MASI and Mulungu. The Mulungu Director signed to withdraw tranches of funds from this joint account, for deposit into an account administered solely by MASI. The Mulungu Director neither knew the amount of subsequent withdrawals of the funds from the MASI account nor had any control over these expenditures. This effectively removed the Mulungu Director from any control over or participation in the INERA Support Project.

The project authorization described the INERA Support Project as a project "... to assist the development of the institutional capability of INERA..." The Project, as being implemented by MASI, will not develop INERA's institutional capability, nor will it build a Mulungu research and management capability.

A former Acting Chief of Party of the MASI team wrote that the Mulungu Director had stated innumerable times that his station could have only one boss. The MASI technician noted that the implication was that every aspect of the MASI legume program would be under the Director's direction and supervision. He concluded that were this the case, there would be no need for a professional MASI team; they would all be classified as advisors whose suggestions, findings and directions in the conduct of the MASI program would be subject to the discretion of the Mulungu Director.

We believe that Mulungu (GOZ) personnel should be participating in the management of the project. While managerial weaknesses and the pervasiveness of corruption in Zaire may prevent turning actual control of the project over to the Mulungu personnel, they should be playing a much more active role in project management. The MASI technicians should be providing guidance and assistance to Mulungu personnel to prepare them for their eventual control. MASI technicians should be advisors, that is what they were contracted for.

For example there should be a counterpart project manager responsible for running the project on the INERA side. This manager should be trained in managing the project and should participate in all project decisions.

Another example is that a Mulungu counterpart should be handling all logistical support with the assistance of a MASI technician. The handling of logistical support problems is an integral part of maintaining adequate supplies and equipment and helping visitors at a remotely located research station. The ability of Mulungu personnel to provide chemicals, spare parts, gasoline and other supplies will have an important impact on the project's future. The time for Mulungu personnel to acquire such expertise is when technical assistance is on site and available.

The basis for project authorization and approval was developing the research capability of the Mulungu Station. Current implementation methodology was not directed toward that end.

Conclusion, Recommendation, USAID/Zaire Comments and RIG/A/N Response

Although located at the Mulungu Station, Mulungu management personnel are not participating in project activities. The project, in effect, has no counterpart project manager responsible for project management. The project is being managed by the contractor -- MASI. If USAID/Zaire feels the project can't be integrated into Mulungu Station's overall management, as a minimum, the project should become an operating unit at Mulungu with assigned GOZ counterpart management personnel.

Recommendation No. 3

USAID/Zaire require the GOZ to provide counterpart personnel who will be responsible for project management.

Recommendation No. 4

USAID/Zaire require MASI to train the counterpart personnel to manage project funds, personnel and research activities.

USAID/Zaire Comments

"Confusion has crept into the auditor's report between logistical support to the Mulungu Station as a Zairian entity and logistical support to an expatriate entity at Mulungu. The Zairians have been providing logistical support of sorts to the Mulungu Station for years prior to the establishment of the expatriate input. The logistical support required to establish and equip an expatriate team should not be part of the Zairian responsibility at this time. The provision of chemicals, spare parts, fuel, and other supplies for research activities have been handled before by Zairians: their problem is not so much a lack of expertise as general impoverishment caused by insufficient GOZ budgeting for purchase and expedition of equipment and supplies.

Although the GOZ sector director and the counterparts are not involved in maintaining logistical support for the expatriate team, they are fully involved in the aspects of research activities of the project and should have no difficulties in carrying them on after the expatriates' departure, if proper funding is provided.

The disturbances and ill-will cited between the sector director and the contract team have been caused partially by low budgeting for the other GOZ research at Mulungu. These other research activities are important to the sector director and he has demanded access to and control of the legume project counterpart funds in order to fund the other research for which he is responsible. He has, of course, been duly refused such access and control and has for some time manifested his resentment of the legume project. Such resentment is unfortunate but understandable. It should be noted, however, that the sector director does not have the sympathy of INERA headquarters or of the GOZ. Further, despite the funding problem, he and the present MASI team have a good working relationship.

The sector director brings up the subject of counterpart funding, however, every time the project has visitors. We understand his frustration, but we cannot fund his other research.

The sector director is one of the signatories on the dual signature project account and receives financial statements. He is free to question any expense and could ask for closer scrutiny and prior approval at any time, if he chooses. He therefore has control over expenditures. He also knows that he cannot withhold his approval on legitimate expenditures without getting into trouble with INERA headquarters.

USAID has formally written to the Commissioner of State for Agriculture with copies to the head of INERA, the MASI chief of party, and the sector director, requesting that the Commissioner appoint someone else to co-direct the legume project with the MASI chief of party. We do not believe the present sector director has the time, or interest, to concentrate his activities solely on the legume project. The new co-director will be brought more fully into project management, administration, and logistical support, but the funds, of course, will be used only for what they are presently budgeted. As a point of fact, in the first year of the project, a deputy sector director functioned in this capacity until he was sent to the States for long-term training in January 1981 and his duties fell to the sector director."

RIG/A/N Response

Our comments which preceded the recommendations were not intended to infer, and in our opinion do not, that counterpart funding for INERA activities should be used to fund other Mulungu research.

Although action is being taken by USAID/Zaire to get a co-director who will be brought more into project management, administration and logistical support, we have retained our recommendation until a co-director is assigned to the project and appropriate change are finalized.

Project Design Is Too Broad

Project design called for research that would determine the major characteristics of small farming in the areas, and would suggest appropriate research to the technical staff. The products of the research efforts were to be tested on simulated farms on the station and introduced to farmers. A study was to have been done by the MASI sociologist in the first year. This research, started at the end of his second year, has still not been analyzed. Rather than following the project design, the sociologist spent his time in assisting surrounding villages. He hired several people and trained them in the capping of water supplies, and small animal raising (rabbits and chickens), and assisted women's social groups.

The project also included the establishment of a soil classification capability for INERA to ultimately serve the entire nation, and legume research that would result in improved and disease resistant varieties. In addition, the project called for an overall assessment of INERA as a national research organization. The project was to provide institutional development to an underbudgeted, grossly inadequately staffed, and non-research oriented organization.

The various project components were not mutually supporting. It was originally assumed that not only would INERA be assisted in its research efforts, but that it had sufficient capability to accept and handle such assistance as well. With that assumption now proved false, the project has evolved into a self contained activity located at Mulungu. We feel the project should be limited to those activities that will provide the most benefit to increase legume production.

The agronomist has made progress in soybean and other legume research. Although an earlier evaluation recommended that greater attention be paid to traditional crops in the area such as bananas and manioc, we believe it is too late to start agricultural research efforts in new areas not planned by the project.

The soil testing laboratory was completed with all U.S. equipment in place. Progress had been made in establishing a functional lab and making it work. On a much more limited scope (both in numbers and in geographical area), the soil lab might continue to function at Mulungu--but not for the whole country as originally planned.

Conversely, efforts to develop an extension capability are questionable. Extension work has never been part of Mulungu research activities because it lacks the capability to support such an effort. Rather than a traditional extension service, current research workers should be taught to develop greater communication and understanding with surrounding farmers and villages. Extension work for its own sake, or the type of community development previously attempted by the project, appears beyond the scope of a

research station. In addition, the tying up of trained research scientist's time with extension work not only appears to be a waste of a scarce human resource, but counterproductive toward increasing research activities.

The official GOZ network of agricultural extension has been ineffectual. Past efforts have achieved minimal results due to a variety of reasons: a lack of training, supervision, logistic support and policing activities. If the improved varieties of crops expected to be produced by Mulungu are to get to the farmers, an extension capability will have to be provided; but we doubt that INERA should do it. For example, extension agents being trained by a neighboring (30 kilometer distant) German project could be used. Alternatively, USAID/Zaire could focus on the GOZ extension service in a separate project.

USAID/Zaire is in the process of providing additional replacements to the MASI team at Mulungu. Assistance is planned for up to nine months each for a soil scientist, land classifier, and rural sociologist/extension specialist. We believe the project should be restricted to legume research and soils testing as presently staffed until a research structure and strategy are agreed to and developed. We do not believe technical assistance on extension, erosion, rabbits, water sources, women's social groups and land management are activities that will enhance the research capability of INERA.

We believe the INERA Support Project needs to be restricted to research on legume production packages, soils services and institutional development.

Conclusion, Recommendation, USAID/Zaire Comments and RIG/A/N Response

The project is involved in activities that were not included in the original design, and is establishing activities (although of merit, such as extension and land mapping) that do not appear to be critical to the development of a legumes research capability. We believe the project should continue as it is until the major organizational issues are resolved and a research strategy developed by the GOZ.

Recommendation No. 5

USAID/Zaire restrict project inputs to legume research and soils services to producers, until there is evidence the GOZ can support a broader scope

USAID/Zaire Comments

"This portion of the audit starts off by describing the four project objectives. These are (A) the determination of the major characteristics of small farming in the area and suggesting appropriate research to a technical staff for testing of the results of this research on simulated farms on the station prior to introduction to farmers, (B) the establishment of a soil classification capability for INERA that would ultimately serve the entire nation, (C) the carrying out of legume research that will result in improved and disease resistant varieties and, (D) the assessment of INERA as a national research organization. The audit argues that this design is beyond the capacity of the INERA Support Project and recommends that AID continue with objectives (B) and (C) only, objective (D) having been completed, and objective (A) not, according to the audit, having really begun. It recommends that project objectives be narrowed to those which can be continued at Mulungu after the INERA Support Project is finished. We wish simply to state that objective (A) is an integral part of (B) and (C), that work towards its attainment has begun, and that it cannot be dropped. Budgeting problems and the lack of an expatriate technician have caused the project to reduce the scale of implementation of objective (A), although the recent addition of a replacement for the project's former rural sociologist will allow us to focus more attention on objective (A).

The audit's recommendation to reduce the project design is based upon the assumption that all project activities must continue at the present level and at Mulungu Station after the departure of the expatriate team. We, however, do not see such a plan as an implicit part of the project design. As discussed in our response to the audit's recommendation 3 and 4, we plan that the core of legume research activities will be moved to Gandajika and that the soils classification component will continue to function as a service to the entire nation. Donor participation will be required if such plans are to be effectively implemented. Mulungu will serve as a research and extension substation for legume research and as housing and laboratory headquarters for a soils classification team."

RIG/A/H Response

The project is starting to provide technical assistance in new areas such as extension, land classification and mapping. These are additional inputs to an organization that has no strategy or resources to land or effectively utilize these technical inputs. These inputs are placing yet another burden on an already over-

burdened research organization. These technical inputs may fit into some future organization; however, to provide them before all parties have agreed to an overall research strategy is questionable. We therefore have revised, but retained the essence of our recommendation.

The Assessment of INERA Did Not Accomplish All Its Objectives

In addition to assessing the overall INERA organizational structure, the recent assessment by MASI was intended to train on-the-job high level INERA staff. We saw no evidence of this training in any reports produced by either MASI's Business Management Consultant or the Agricultural Research Management Planner. The Agricultural Research Management Planner spent a lot of time trying to convince the GOZ of the merits of a drastically reduced INERA. He also produced a number of reports on continued USAID/Zaire assistance to the "new" GOZ agricultural research organization as he saw it. The Business Management Consultant did not assist in the implementation of his own brief reports, and seemed to have accomplished very little during his two years in Zaire.

An inventory and analysis of agricultural research in Zaire was not produced by the MASI Assessment team. INERA at one time had more than 500 expatriate scientists working on agricultural research in Zaire. More than 15,000 soil samples a year were analyzed. While some of this work dated back to 1910, INERA had been experimenting with soybeans since the 1940's, and was carrying out its research at five substations in the 1950's.

Conclusion, Recommendation, USAID/Zaire Comments, and RIG/A/N Response

The MASI team did not meet all the agreed to objectives of the assessment. In addition, the MASI team was generally not familiar with prior research, and there was little attempt to determine what research had taken place. We believe prior research results should be reviewed and utilized in current research activities. The other objectives appear to have little significance at present.

Recommendation No. 6

USAID/Zaire require MASI to develop a program to collect data on prior research that can be used as a basis for planning research efforts.

USAID/Zaire Comments

"In this section, the auditor strongly criticized the work performed by the Business Management Consultant and the Agricultural Research Management Planner. He claims that they

have certainly not assisted in the implementation of their pithy reports and seem to have accomplished very little in two years. He also states that he saw no evidence of any on-the-job training of high-level INERA staff.

The auditors' characterization of the Business Manager's work coincides with our own observations; however, the Mission disagrees with the same characterization of the Agricultural Research Planners work.

The Agricultural Research Planner evaluated INERA and very quickly came to the conclusion that INERA was totally ineffective, was using its budget simply to exist, and should be totally restructured as quickly as possible.

Once that decision was reached, the Mission decided that the research planner should immediately assist in influencing GOZ officials to effect the total restructuring of INERA.

All the results of that effort are not yet in, but the Mission believes that solid progress has been made as indicated in the first part of this cable.

As to subject recommendation, the Mission agrees that research needs to be planned on the basis of what has already been accomplished. There are letters in Mission files dating back to early 1981 indicating Mission initiatives to contact Belgian scientists who worked with the legume program at Mulungu prior to and after independence. The agronomist at Mulungu long ago requested permission to visit Brussels enroute to Zaire on return from R&R this June 1982."

RIC/A/N Response

Although USAID/Zaire and the contractor have begun looking into prior research results, we have retained our recommendation pending development of a program to get the data on prior research.

Planned Counterpart Personnel Have Not Been Provided

INERA has not provided the project with the technical counterparts required by the Project Agreement

The INERA Support Project was to have a total of 22 counterparts, of which 12 were to be selected for Master's degree training in the U.S. Those counterparts not selected for Master's degrees were to attend various classes and receive on-the-job research training at Mulungu from the NASI Team.

Of the 22 required counterparts, INERA provided only 11--seven of which were sent to the U.S. A major problem in supplying the counterparts was provision of counterpart housing. Mulungu did not have enough adequate housing to accommodate 22 counterparts. After counterparts were sent to the U.S., their families remained in the few available station houses. This prevented the housing of additional counterpart personnel.

The counterparts selected for Master's degree training in the U.S. were to have been selected based on their experience, educational level, English capability, and importance to the INERA Support Project. However, due probably to the small supply of available candidates, counterparts sent to the U.S. had little experience, either with INERA or at Mulungu--and had poor English capability. Not all had a college degree so their importance to the objectives of the Project was questionable.

All of the counterparts selected for U.S. Training were from a different part of Zaire than Kuri, and none indicated any particularly strong desire to return to Mulungu. Several mentioned that they were paid significantly less by INERA than by other employees of agricultural graduates, most notably the private sector. Although told of an individual's commitment to GOZ service incurred by overseas training, we did not see any written document which required their return to INERA.

The second group of participants was sent to the U.S. in January 1982, after a series of delays. Before they return, the INERA Support Project will be over and the NASI technicians will be gone--unless the project is extended. The returning counterparts are thus unlikely to receive any practical experience in running the soils laboratory, or performing legume research under the supervision of the NASI team.

Conclusion and USAID/Zaire Comments

The GOZ has not provided the technical counterpart personnel agreed to. In our opinion some additional counterpart research personnel are needed; however, we do not believe additional candidates should be sent to the States for training.

USAID/Zaire Comments

"On May 15, 1980, an official letter from Yangambi, Central INERA Headquarters, designated 14 counterparts for the INERA Support Project and in early 1981, five additional counterparts officially were designated. Thus, a total of 19 counterparts were assigned by INERA to the INERA Support Project, three short of the 22 required by the project design. Of this group only 13 arrived, the others having personal and professional reasons for not going, as ordered to Mulungu.

Owing to the housing shortage that developed when families of seven counterparts remained in INERA housing after the departure of those counterparts for study in the USA, INERA has been slow to assign other counterparts to Mulungu to meet project design requirements. USAID has found no workable solution to the housing shortage problem and the INERA administration has moved slowly, appreciating that housing (more so than salary) is the main benefit it offers its staff and their families. At present, USAID does not plan to send any additional candidates to the U.S. for long-term training. The six counterparts who now are receiving training in Mulungu can be sent to the U.S. for graduate training at a later date, if USAID continues its involvement in agricultural research.

USAID's participation at Mulungu has resulted in the upgrading of the level of professional training in INERA and it has given us the opportunity to study the technical and organizational needs of research in Zaire. If we have lost in the potential value of the nine other counterparts who should have worked with the project, we have gained in knowledge of how we, other donors, and the GOZ should modify Zairian research organization and training in the future. Considering the housing and budgetary constraints of INERA, the 13 counterparts with whom we are working are only three or four short of the number that realistically could have been handled. The Mission intends to add only one more counterpart, a soils specialist.

The audit questions the academic credentials of the seven counterparts sent to the U.S., their English-speaking ability, and their intentions of returning to Kivu to work. In fact, all of the seven counterparts were qualified, six having college degrees and one having three years of university training and 2-5 years of experience with INERA. Concerning their English-speaking ability, these counterparts all passed the ALIGU exam before departing for the States and were at levels required to enter their programs. Finally, the question as to whether or not all of the candidates will return to Mulungu is beyond anyone's ability to predict. USAID believes these counterparts will return to Zaire and that their training will benefit Zaire. If INERA research offers interesting possibilities at the time of their return, it is reasonable to assume that the counterparts will continue as INERA employees. The design of the project does not specify, nor is it our wish, that all the counterparts must return to Mulungu Station. The first two counterparts will be returning some six months after the EACD, as stated in the audit. However, practical experience in running a soils lab and performing legume research will be received in the United States, as it is a part of the planned training, and the experience should be similar to that which they would have received at Mulungu with the expatriate team members and their American equipment. Moreover, the participants will be integrated into a planned follow-on research project, if possible."

Since USAID/Zaire has decided to add only one more counterpart, we have deleted our recommendation that the counterparts needed be determined and provided.

MASI Has Exercised Poor Control Over Commodities

Adequate commodity planning and controls have not been established as required. MASI was aware that the project would be taking place in a difficult environment. An early survey warned of the isolation, lack of infrastructure and long delays in delivering equipment. Nevertheless, we did not find that the warnings prompted any special planning or measures.

A great deal of the project's implementation problems were related to logistical difficulties. Equipment did not arrive on time or the wrong equipment arrived. The soils laboratory was not in operation more than 18 months after the project began. Vehicles arrived late and without spare parts. At the time of our visit, the project still lacked simple off-the-shelf items.

Of six Blazer vehicles bought for the Project, three were at Mulungu, one at Bukavu--only one of the three at Mulungu was in fair condition. The Blazers used gasoline which was always in short supply. To improve project mobility, two diesel scouts were transferred from the North Shaba project. Nine motorcycles and eight motorbikes were also purchased. No replacement parts for these vehicles were at the station except for the bare essentials, and the station's garage was almost completely unprepared to effect anything other than the most minor repairs.

The MASI team at Mulungu not only did not have all the equipment it needed, but it also had equipment that was of little use. Not all of the equipment arrived calibrated on the metric scale, equipped with the correct voltage, or with voltage regulators to handle the constantly surging electrical current. The MASI team had not taken an inventory of this equipment to determine what should be either disposed of or repaired.

MASI was required to establish a system, to be approved by USAID/Zaire, for receipt, use, maintenance, protection, and custody of equipment, materials and supplies for which it had custodial responsibility.

Although an inventory list was developed, it was not accurate, and did not account for differences between items ordered and received. No plan for the maintenance of the equipment was developed.

All commodities furnished to MASI were required to carry the official AID emblem. The emblem placed on the commodities was to be as durable as the trademark, company or brand name affixed by the producer.

We found numerous commodities that did not carry the AID emblem. None of the Scouts, motorcycles, or motorbikes carried the emblem. Several pieces of farm machinery, as well as various other equipment, also did not have the appropriate markings. We did not see any shipping containers, thus could not state whether or not these containers contained the AID emblem.

The project requirements for chemicals and other consumable items still has not been developed. In September 1981, a USAID/Zaire official stated that eventually it was going to be discovered just what chemicals were required, what the usage rate was, and when replacement requests must be made to overcome long lead times in procurement. In our opinion, the time for such discovery is now, not only for chemicals but also for spare parts, equipment and all other commodities consumed by the INERA Support Project. The requirements are important for budgeting purposes so the future cost of chemicals and running the program can be projected and budgeted.

Conclusion, Recommendation, USAID/Zaire Comments and RIG/A/N Response

Poor commodity control has been exercised by the MASI team causing numerous operational problems. Commodity requirements still are not documented and estimates of the recurring cost of replacing expendable chemicals is unknown.

Recommendation no. 7

USAID/Zaire require MASI to (a) prepare a Mission approved system which can be implemented by Kolundu for the ordering, receipt, use, maintenance and custody of all commodities, and (b) place appropriate AID emblems on the equipment as required by the agreement.

Summary of Findings

"This portion of the audit is composed of nine paragraphs of which many contain errors or misleading statements. Paragraph one states that since an early survey warned of the isolation, lack of infrastructure and long delays to be expected in acquiring equipment, nevertheless, it was difficult to find that any problems required any special planning or measures. This is incorrect. Planning and measures are evident in the placing of the hospital in Kitavu and the equipping of Mr. Mwanuzi in Kinshasa to assist in project logistics. In another section of the audit, under segregated logistics support, the planning and measures taken to solve logistical problems are found to be inadequate.

Paragraph two stated that quote equipment did not arrive on time or the wrong equipment arrived and the soils laboratory was not in operation more than eighteen months after the project began unquote.

Twenty thousand dollars worth of chemicals and lab equipment had arrived in Mulungu by June 25, 1980, and PH, moisture equivalent, and phosphorous tests were being run; some 250 soil tests had been made by September 1980. Twelve thousand six hundred dollars worth of lab and soil testing equipment arrived by November 1980. The lab definitely was running soil tests within six months of the arrival of the technicians. The six blazers arrived in December, 1979, and DLS 8,000 worth of spare parts arrived between February and June, 1980.

Re paragraph three, four vehicles were sent to Bukavu and two to Yangambi. The spare parts held in Kinshasa were sent to Bukavu in November 1980. The vehicles were new and in good condition.

While blazers use gasoline, so also do 90 percent of all vehicles in Bukavu. Both gas and diesel fuel are in short supply. Bukavu/Mulungu now has six vehicles for four people, plus nine motorcycles and eight motorbikes for which spares can be found in Bukavu, Bujumbura, Burundi and Cyangugu, Rwanda, not to mention Kinshasa.

It is not expected that blazers or scouts will become standard equipment with INERA/Mulungu. They should last until the expatriates depart the project, at which time these vehicles should be adequate to put wheels under the INERA extensionist and research agronomist to continue project work. Paragraph four states that quote Mulungu not only did not have all the equipment it needed but also it had equipment it did not need unquote. We can think of nothing that cannot be used by the project, nor of any equipment deficiency that could affect achievement of the project's objectives. American equipment, of course, does not always come calibrated in the metric system. Sufficient voltage regulators were on hand to run the equipment; it should be recognized that not all equipment has to be used at the same time. The electrical supply at Mulungu cannot be termed as quote continually surging unquote.

Copies of all the MASI purchase orders for equipment, were crosschecked for receipt. The contractor has been asked either to find the old ones or to prepare new ones.

Equipment in Mulungu indeed is stored in several different areas -- that of the research agronomist in his office and labs, that of the soil scientist in his office and and labs, and that of the lab technician in his office and labs -- in the storage cabinets that have been used by the INERA staff for years. The farm machinery is found in the motorpool area, where it can be

protected by guards. The motorbike tire and some tools found in the Chief of Party's office do not prove that everything is out of place. Maintenance of the laboratory equipment eventually will be under the control of a technician whom the project sent in November 1981 for training at the INPP in Kinshasa.

Paragraph eight mentions that no shipping containers were seen. Most of the commodities, received in Kinshasa in heavy containers, were repacked in lighter containers for shipment to Bukavu by air freight. The original containers had AID emblems.

With the exception of the vehicles, all commodities were sent to Mulingu by air. It is believed that commodity control exercised by the old team was exceptional -- from Kinshasa to Bukavu with no losses en route. The original project chemical order was placed in order to run the following tests on 5,000 soil samples:

- A. Organic Carbon
- B. PH
- C. Conductivity
- D. Available Phosphate
- E. Available Potassium Oxide

The project now is capable of running nine additional tests:

- A. Mechanical Analysis
- B. Bulk Density
- C. Porosity
- D. Exchangeable Bases
- E. Calcium
- F. Magnesium
- G. Exchangeable Acidity
- H. Tests for Allophane
- I. Total Nitrogen

The project has determined that approximately 300 tests will be needed yearly to satisfy Zaire's present requirements. Chemical supply will depend on Government budgeting in the future, however, the institutional capability to perform these tests, a project objective, has been established.

USAID/Zaire does not require NASI at present to determine what commodities are and are not required for the project, because such needs already are known.

An adequate Mission-approved program for receipt, use, maintenance and custody of all commodities already is in existence.

AID emblems will be secured and affixed according to AID regulations."

RIG/A/N Response

The findings noted above were documented in USAID files. We did not consider commodity controls to be adequate based on our review and we did not find an approved program in the files for receipt, use, maintenance and custody of commodities. We therefore have retained our recommendation.

Other USAID/Zaire Comments

"Many of the recommendations put forth in the audit were being acted upon even before the audit was begun.

During the past 1 1/2 years, USAID has been developing a concept for agricultural research that will incorporate the INERA Support Project as an integral part of the national legume program and the national soils project. The Mission believes that this approach provides the best opportunity for institutional development. Much time and effort has been expended in attempting to convince the Department of Agriculture of this concept. We believe that the department now is in basic agreement. At the same time, the Mission has successfully convinced other major donors of the worth of this organizational concept, so that major initiatives are now underway to vertically integrate agricultural research with agricultural education and extension. The foregoing does not mean to imply, however, that all problems have been resolved. INERA, as an institution, is still fighting to preserve its life, despite the Commissioner of Agriculture's public statement that INERA is a mastodon that must die.

The INERA Support Project initially was designed in 1975-76 when the Zaire was valued at \$2.00 and copper, Zaire's main export, was selling for high prices. At that time, the technical operations of the DOA were directed by a professional, U.S.-trained Secretary of State for Agriculture. Today, the value of the Zaire has fallen to slightly over five cents on the parallel market, copper prices are down, and treasury is almost empty. USAID/Zaire wishes to make clear that we are working in an extremely difficult environment. The audit of the INERA Support Project shows no awareness of this environment. We are dealing with a government that for all practical purposes is bankrupt, lacks the ability to focus directly on project problems, and thus is in desperate need of our continued assistance.

The opening paragraph of the audit ("Findings, Conclusions, and Recommendations") sets forth three issues which it says should be resolved immediately or the project should be terminated for having no purpose. The issues are:

- a) That INERA has no credibility or capability and thus the project cannot provide institutional development;
- b) That research does not receive adequate budget support from the GOZ, and;

c) That INERA Support Project has no organizational structure or counterpart management and that it operates in isolation from the INERA station at Mulungu.

With all due respect to the audit, the phrasing of issue No. 3 is a gross exaggeration. Issues No. 1 and No. 2, however, can stand as the audit sets forth if they are viewed in the context of the crisis condition of Zaire. Because of a lack of funding and owing to poor institutional development, INERA does have little credibility or capability. This is a situation that INERA Support, PRONAM (Programme National Manioc) and a National Agricultural Research Project, still in its planning stages, are intended to correct. And GOZ budgetary support, in the present climate of penury, is a problem for all of our USAID/Zaire projects and for all other donor projects. If the criteria implicit in issues No. 1 and No. 2 were to be invoked against all USAID/Zaire activities, we would have to cease all technical assistance operations with the GOZ. We believe that the criteria implicit and explicit on page seven of the audit (draft) are extremely harsh and are blind to the realities of Zaire at this moment in its history. The opening statement says that 'the INERA Support Project is being implemented under conditions which make any long range development impact highly questionable.' We suggest that the greatest difficulty now and for the next few years concerns the GOZ's inability to fund many of its basic recurring costs. We, therefore, must reply to the audit's issue No. 2 by observing that there is no possibility the GOZ can adequately fund agricultural research (or much of anything else) for several years to come. We believe it will be difficult to proceed with research projects in Zaire, given these circumstances, but we do not believe that it is questionable to proceed. If we stop supplying technical assistance at an important level now, we are going to find ourselves and Zaire woefully in a hole when we try to resurrect agricultural research years from now. To terminate the INERA Support Project at this time because of the impossibility of quick resolution of issues No. 1 and No. 2 appears to us to be the unwise and questionable procedure. As will be shown later, issue No. 3 does not correctly describe the organization, the counterpart management, nor the operation of INERA Support Project.

In the Mission's opinion the audit has taken an extremely narrow view of the INERA Support Project at Mulungu Station and of the overall Mission strategy in rebuilding Zairian research. The INERA Support Project, defensible and valuable in its own right, has been the Mission's foot in the door regarding planning for reshaping research in Zaire. The Mission intends to move ahead in developing an overall strategy for agricultural research in Zaire that will

include the partnership of other donor countries. INERA Support Project will have played a vital role in the formation of this strategy and Mulungu Station will play an important role in the future, even though legumes research probably will have its main headquarters elsewhere in Zaire.

Thus the future of agricultural research in Zaire is closely associated with the INERA Support Project. Our involvement with research at INERA has provided us with information and expertise and has given us the privileged position of having the attention and the respect of the major donors and of the GOZ during our frequent discussions of agricultural research. Today we have developed a policy for agricultural research in Zaire which has the support of the Minister of Agriculture and the tacit approval of the major donors.

Briefly, the proposal is a comprehensive, integrated approach to agricultural research. The approach will attempt to integrate Zaire's University Faculty of Agriculture with programs directed to specific commodities such as corn, cassava, and legumes. At the same time, extension will be aimed at four existing entities in Zaire: 1) integrated rural development projects; 2) protestant and catholic missionary groups engaged in agriculture; 3) agro-industry and plantations dependent on small farmers for raw materials; and 4) agricultural extension agents. The participation of the University Faculty of Agriculture will be facilitated by the Director, who, as a MASI contractor for the INERA Support Project, performed the evaluation of INERA research capabilities. He now is employed by FAO and is assigned to the major agricultural university at Yangambi.

The audit did not place the INERA Support Project in its Zairian economic and rural development context. Nor, in a narrower frame of reference, did the audit view the progress of the project clearly, confusing the issue of progress against logframe objectives with current economic and organizational problems endemic to Zaire and with unfortunate personality conflicts caused by the contractor, MASI, and the first MASI team and, to no small extent, by the Zairian sector director. An on-site evaluation conducted by USAID-ARD in September 1981 indicated that, despite its history of personnel problems and the MASI financial problems, the project has been effective. The evaluation indicated that the project essentially has met its logframe objectives to date and, as indicated above, has a future rich in possibilities. The project has vehicles, field and farm machinery, and a defined research program. Many hectares are planted in experimental plots at the

station as well as in farmers fields up to 90 KM from the station. Soil tests are being made in the refurbished laboratory. In the field and in the lab, Zairian counterparts are receiving training in research techniques and in the use of modern laboratory and equipment. The project has identified several appropriate varieties of beans and has started a modest outreach. Seven counterparts are now in the United States for advanced degree training. The project has developed an initial legume package and a series of soil conservation practices, including contoured berms for hillside agriculture to counter soil erosion. The Governor of Kivu has taken note of this effort and is promoting the methodology throughout the region.

As for the contractor, MASI was the only bidder on the contract when it was offered. This offer occurred following the two South Shaba invasions. Personnel nominated by MASI were reviewed and approved by USAID. Unfortunately, the selection of personnel was far from perfect. The first team of five technicians assigned to Mulungu had personal problems and inter-team conflicts that spilled into the Zairian community living at the Mulungu Station. By the time the first team had departed, the atmosphere at Mulungu was fairly venomous. The three personnel now assigned at Mulungu, the Mission believes, are establishing positive relationships that should, in time, erase the bitter memories of the first team."

RIG/A/H Note: although we show the USAID/Zaire comments in quotes, we have eliminated names, page numbers and references to paragraphs that were either not in the final draft report provided to USAID/Zaire for comments or have been changed in this final report.

List of Report Recommendations

	<u>Page</u>
<u>Recommendation No. 1</u>	5
USAID/Zaire require the GOZ to develop a plan of research reform and an organizational structure into which the INERA Support Project can be placed, so a capability can be developed within that structure that will enhance the survival of AID's assistance after AID support ends.	
<u>Recommendation No. 2</u>	7
USAID/Zaire reach agreement with the GOZ on how the INERA Support Project will be funded in the research structure in the future.	
<u>Recommendation No. 3</u>	10
USAID/Zaire require the GOZ to provide counterpart personnel who will be responsible for project management.	
<u>Recommendation No. 4</u>	10
USAID/Zaire require MASI to train the counterpart personnel to manage project funds, personnel and research activities.	
<u>Recommendation No. 5</u>	13
USAID/Zaire restrict project inputs to legume research and soils services to producers, until there is evidence the GOZ can support a broader scope.	

	<u>Page</u>
<u>Recommendation No. 6</u>	15
USAID/Zaire require HASI to develop a program to collect data on prior research that can be used as a basis for planning research efforts.	
<u>Recommendation No. 7</u>	20
USAID/Zaire require HASI to (a) prepare a Mission approved system which can be implemented by Mulunqu for the ordering, receipt, use, maintenance and custody of all commodities, and (b) place appropriate AID emblems on the equipment as required by the agreement.	

APPENDIX B

List of Report Recipients

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