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AUDIT OF THE SAHEL  
REGIONAL INTEGRATED PEST  
MANAGEMENT PROJECT

Project No. 625-0928

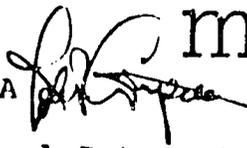
Audit Report No. 7-625-86-8

May 14, 1986

DATE: May 14, 1986

REPLY TO  
ATTN OF:

John P. Competello, RIG/A/WA



# memorandum

SUBJECT:

Audit of the Sahel Regional Integrated Pest Management Project  
(Audit Report 7-625-86-8)

TO:

Herbert N. Miller, Director, USAID/Burkina Faso

This report presents the results of audit of the Sahel Regional Integrated Pest Management project (project number 625-0928). The audit objectives were to determine whether (1) the project was meeting its purpose and objectives, (2) project management was effective, and (3) AID funds were programmed and spent in compliance with AID policies and procedures.

The audit disclosed that limited progress was made in achieving the project's purpose and objectives. USAID/Burkina Faso, as regional project manager, did not effectively monitor the project and cash management was not in accordance with AID and U.S. Treasury regulations. Because of these problems, and policy and budget considerations, the Africa Bureau has decided to terminate the project at the end of its first phase in March 1987.

Your comments to the draft report strongly requested that our audit recommendations not be directed to USAID/Burkina Faso but, rather, to the Africa Bureau and/or individual participating USAIDs in the Sahel. You argued that although the Africa Bureau had assigned USAID/Burkina Faso responsibility for regional project management, it gave insufficient authority to effectively manage the project. You cited unsuccessful efforts in the past to enforce requirements on other missions and suggested that more of the same would be unproductive.

We have not agreed to your request because we believe USAID/Burkina Faso is the most appropriate office to lead implementation of the report's recommendations. We do not dispute that some participating missions have not provided good responses to your past efforts to obtain better program and financial management information. We urge you to request Africa Bureau assistance in getting better cooperation from other missions. We will periodically follow-up on progress made in implementing these recommendations and will assess whether more extensive Bureau involvement is needed. Your first progress report on the six open recommendations would be appreciated within 30 days of report issuance. Copies of this report are being sent to the Africa Bureau and all Sahel missions.

I appreciate very much the cooperation and support given my staff during the course of the audit.

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## EXECUTIVE SUMMARY

In the eight Sahelian countries of West Africa, pest infestations have been known to destroy as much as 40 percent of crop yields in a single season. AID's long-term strategy to reduce crop losses in West Africa has focused on the introduction of integrated pest management techniques which emphasize cost effective, ecologically safe, non-chemical methods to improve farmers' crop protection practices. AID assistance was given through two regional projects: the Regional Food Crop Protection project, which terminated in early 1985; and the Integrated Pest Management project, which will terminate at the completion of its first phase in March 1987.

The Integrated Pest Management project was authorized in 1977 to establish and strengthen the Sahelian countries' integrated pest management research capabilities and to produce research packages for farmers on combating high priority pests. As of September 30, 1985, AID had obligated \$20 million of an authorized \$28.8 million and had expended \$11.5 million.

The Office of the Regional Inspector General for Audit/West Africa performed a program results audit of the Integrated Pest Management project. It had issued a report on the Regional Food Crop Protection project in August 1984. The audit of the Integrated Pest Management project was to determine whether (1) the project was meeting its purpose and objectives, (2) project management was effective, and (3) AID funds were programmed and used properly in compliance with AID policies and procedures.

The audit found that the project made limited progress in four of its five objectives, and in achieving its overall purpose of producing research results for farmers. Poor design and implementation problems were at fault. An effective system to monitor project progress had not been established. AID management did not monitor compliance with AID and U. S. Treasury regulations in programming and spending project funds. Also, several instances of non-compliance with the project agreement and internal control weaknesses were found. Other than the reported deficiencies, the audit disclosed no instances of material non-compliance.

Although the project is due to terminate in March 1987, management problems must be corrected. Project designers and management failed to establish a system to compare actual against anticipated project results. For example, quantifiable interim benchmarks, goals, and timeframes to measure progress were not established. As a result, there were no means to monitor project progress, determine the project's impact, or determine project components having the best potential for success during the remaining part of AID's assistance. The

report recommends that the project develop an information system that includes quantifiable benchmarks and timeframes for project objectives.

During this audit, AID decided to terminate support for integrated pest management on a regional basis after its first phase in March 1987, and let individual missions decide if AID assistance for pest control activities should continue in their respective countries. Missions did not have adequate and up-to-date information to make the best decisions. Therefore, the appropriate level of AID's future involvement in integrated pest management was difficult to determine; and there was little assurance that AID's \$20 million investment would be protected and used. The audit recommends that the project (1) perform evaluations in each participating country, and (2) develop a plan to protect AID's investment.

USAID/Burkina Faso, regional project manager, provided participating countries and other implementing parties excess cash advances amounting to \$2.5 million. During the course of the audit, this amount was reduced to \$1.1 million. In addition, USAID/Burkina Faso provided the United Nations Food and Agriculture Organization a cash advance amounting to \$200,000 to cover a float period in excess of the maximum 90 days authorized. Poor USAID monitoring and inadequate reporting by recipients caused these problems. Also, increases in project authorizations and obligations were inconsistent with decreases in technical assistance, training and infrastructure. USAID/Burkina Faso did not review the integrity and validity of the project funding authorizations and obligations because they were not receiving overall expenditure data as anticipated. The report recommends that USAID/Burkina Faso (1) liquidate excess cash advances amounting to \$1.1 million, (2) eliminate the excess cash advance to the United Nations Food and Agriculture Organization, and (3) reduce excess project funding authorizations and obligations.

#### Management Comments

USAID/Burkina Faso's comments to the draft report centered on which AID office should implement the recommendations. USAID/Burkina Faso strongly disagreed that it be given responsibility, suggesting that AID/Washington and/or the individual missions would be more appropriate. USAID believed that although assigned responsibility for regional project management, authority given was not consistent with the delegation. Thus, they felt unable to enforce, or even encourage, reporting compliance from other participating missions.

Other USAID/Burkina Faso comments have been considered and are included in the respective report sections. The full text of mission comments is in Appendix I.

Office of Inspector General Comments

We have not agreed to redirect responsibility for implementing the report's recommendations. While it was recognized that USAID/Burkina Faso efforts to obtain program and financial management information from other missions met with limited success, it was our view that USAID/Burkina Faso remained the most appropriate office to lead implementation of the recommendations. We have suggested that to the extent appropriate, USAID/Burkina Faso request Africa Bureau assistance in obtaining cooperation from other missions. Periodic Inspector General follow-up on actions taken on the recommendations will include consideration of the need for higher level management action. The six recommendations are considered open at the date of report issuance.

*Office of the Inspector General*

AUDIT OF THE SAHEL,  
REGIONAL INTEGRATED PEST  
MANAGEMENT PROJECT

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AUDIT OF THE SAHEL  
REGIONAL INTEGRATED PEST  
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PART I - INTRODUCTION

A. Background

Food self-sufficiency by the year 2000 is a major goal of the eight Sahelian countries<sup>1/</sup> of West Africa. One way to increase agricultural production is to reduce food crop losses caused by pest epidemics and related diseases. In the Sahel, pest infestations have been known to destroy as much as 40 percent of crop yields in a single season. In 1985, crops in several Sahelian countries were threatened by grasshopper attacks.

AID's strategy to reduce food crop losses in the Sahel focused on integrated pest management techniques. This pest control system emphasizes cost effective, ecologically safe, non-chemical methods, and applies chemicals (e.g. pesticides) only when necessary. AID's assistance was provided through two major regional projects:

- The Regional Food Crop Protection project was authorized in 1975 as a three-phase, 10-year effort to help participating countries establish crop protection programs through the creation and/or strengthening of National Plant Protection Services. Emphasis was placed on strengthening the services' capabilities to extend integrated pest management concepts.
- The Integrated Pest Management project was authorized in 1977 as a three-phase, 15-year effort to establish and strengthen the Sahelian countries' institutional capacity to conduct integrated pest management research and to produce for farmers research packages on combating high priority pests.

The Integrated Pest Management project had specific objectives in each Sahelian participating country to (1) establish research capability, (2) provide research results for extension to farmers through the Regional Food Crop Protection project, (3) establish experimentation areas to demonstrate systems to farmers, (4) develop pest surveillance systems, and (5) develop a methodology to conduct crop loss assessments to determine the economic importance of pest infestations.

The Integrated Pest Management project was managed by a tripartite committee composed of representatives from AID, the

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<sup>1/</sup> Burkina Faso, Cape Verde, Chad, Gambia, Mali, Mauritania, Niger, Senegal

Sahel Permanent Committee for Drought Control (French acronym CILSS), and the United Nations Food and Agriculture Organization (FAO). AID monitored the project from a regional office located at the USAID mission in Ouagadougou, Burkina Faso. Project management included a country task force for each participating country which was to monitor national programs and submit quarterly reports to the regional office. A USAID country liaison officer was assigned to each country task force.

FAO provided technical assistance under a contract with CILSS. FAO experts were to conduct research and provide on-the-job training to Sahelian counterparts who were to eventually replace the FAO experts.

In an August 1984 audit report<sup>1/</sup>, the Office of the Inspector General found that the Regional Food Crop Protection project had made little progress, principally because the related Integrated Pest Management project had not developed the technical packages for use in participating countries. The report also questioned AID's strategy for crop protection in the Sahel because of problems linking the results of the two projects. In February 1985, AID decided to terminate the Regional Food Crop Protection project based on audit findings and the results of a mid-term evaluation of both projects.

During the current audit, AID decided to terminate the Integrated Pest Management project when the first phase is completed in March 1987. This decision stemmed from Africa Bureau policy to emphasize bilateral rather than regional-type assistance. Contributing to the decision were (1) limited progress, (2) implementation problems, and (3) budget constraints. Africa Bureau officials said that AID was not abandoning its pest control assistance to the Sahel, but redirecting it to bilateral programs. Therefore, in the future, AID missions must support these programs within their country programs.

AID authorized \$28.8 million for the Integrated Pest Management project. As of September 30, 1985, the USAID/Burkina Faso regional project office showed obligations of \$20 million, expenditures of \$11.5 million, and advances of \$1.4 million. We could not determine other expenditures and advances made by some participating countries since March 1984 because quarterly financial reports had not been submitted to the regional project office.

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<sup>1/</sup> "Need to Reassess AID's Strategy for Food Crop Protection in West Africa," Audit Report No. 7-625-84-5 dated August 20, 1984.

## B. Audit Objectives and Scope

The Office of the Regional Inspector General for Audit/West Africa performed a program results audit of the Integrated Pest Management project. It covered activities for the period December 1977 through October 1985. The audit was conducted in Burkina Faso and Senegal between May and October 1985. The audit objectives were to determine whether (1) the project was meeting its purpose and objectives, (2) project management was effective, and (3) AID funds were programmed and spent in compliance with AID policies and procedures.

To accomplish these objectives, we reviewed pertinent project files and records, and interviewed officials responsible for project implementation in AID, CILSS, FAO and the host countries. The results of AID project evaluations conducted in 1981 and 1984 were also used. The audit included tests of project activities, records, and internal controls considered necessary in the circumstances. The audit was made in accordance with generally accepted government auditing standards for program results audits.

A draft report was provided to USAID/Burkina Faso in February 1986. Comments were received in early April 1986 and have been included in this report as appropriate. The full text of management comments is included as Appendix 1.

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PART II - RESULTS OF AUDIT

The program results audit disclosed that the Integrated Pest Management project made little progress achieving its objectives and purpose. Project management was ineffective due to an inadequate system to monitor progress. In addition, AID management needed to better monitor compliance with AID and U.S. Treasury regulations regarding cash advances and the programming and expenditure of project funds.

The project constructed and equipped laboratories, trained Sahelian researchers and began research activities. However, it made limited progress accomplishing four of its five project objectives and achieving its overall purpose of producing research results for farmers.

The project did not establish an information system that could adequately measure project progress. USAID/Burkina Faso management was not effective partly due to inefficient reporting on program and financial matters by other USAID missions. The individual missions also needed better information to help them decide if AID's assistance for pest management is needed in their respective countries. The audit also found excess cash advances were made to several countries and to an international organization.

The report contains six recommendations to improve project management, gain better knowledge on project status in order to determine where future assistance may be warranted, and recover excessive cash advances.

A. Findings and Recommendations

1. Project Accomplishments were Limited - Need to Monitor Future Project Progress

Project accomplishments were limited because of a faulty project design and implementation problems. Project designers and management failed to establish an effective system for comparing actual against anticipated project results. In addition, they did not establish quantifiable interim benchmarks, goals, and timeframes to measure progress. As a result, management did not have the means to monitor project progress, determine the project's impact in participating countries, or identify those project components that had the most potential for success during the remaining part of AID's assistance.

## Recommendation No. 1

We recommend that the Director, USAID/Burkina Faso:

(a) specify the expected project status at project completion by quantifying the outputs for the project objectives and establishing benchmarks and timeframes to measure progress towards those outputs, and

(b) establish an information system to track project progress which includes implementation plans and progress reports from each project component and participating country.

## Discussion

AID will terminate assistance to the Integrated Pest Management project at the completion of its first phase in March 1987 partly because of implementation problems and limited progress in developing new integrated pest management techniques. This limited progress can be attributed to project design and management problems, and the lack of an effective system to monitor project progress.

Project Design and Management Problems. - The project was designed in 1977 as a 15-year, three-phase effort to help establish and strengthen the Sahelian countries' capacity to conduct integrated pest management research on high priority pests, the results of which could be extended to Sahelian farmers. The first five-year phase was to develop necessary infrastructure and begin research which could be further developed in Phase II. However, because of slow implementation, limited results, and findings of a 1981 evaluation, Phase I was redesigned in 1983 to have integrated pest management technical packages available for farmers by the end of Phase I in 1987.

According to project researchers, it was unrealistic for AID to expect technical packages by the end of Phase I. They believed the original 15-year timeframe was more feasible. The United Nations Food and Agriculture Organization (FAO) regional technical advisor said that by the end of Phase I a strategy to control major pests would be developed, but at least another seven years would be required to complete the technical packages. The AID regional liaison officer said that the project did not get underway until 1982-1983, and at best only some techniques would be developed by the end of Phase I. It was noted in the 1984 evaluation report on both the Integrated Pest Management and Regional Food Crop Protection projects that the timeframe for the development of integrated pest management packages was unrealistic and should not have been accepted.

The project also had limited progress in accomplishing three other objectives (see Exhibit I). For example, one objective--

to develop a methodology for conducting crop loss assessments to determine the economic damage caused by major pests, was not completed because basic data was not available and FAO provided too few crop loss experts. The importance and need for crop loss assessments were noted in project design documents and evaluations. The FAO regional technical advisor said crop loss assessments should have been the starting point for assistance in all countries. The project director in Burkina Faso believed that other project activities could not be justified without first determining crop losses and the economic thresholds for applying pest control measures.

Another objective, to establish an experimentation/demonstration network in each country to study and demonstrate integrated pest management systems, required additional work. Demonstration trials and pilot programs were not sufficiently developed for large-scale implementation throughout the Sahel. The 1984 evaluation found the first pilot program in the Gambia in 1984 only marginally effective demonstrating innovative techniques because controls were lacking, treatment thresholds were misjudged, and many techniques were already known to farmers. The evaluation team concluded that a pilot program was not necessary and more effort should be directed towards on-farm trials with emphasis on improving technical aspects and cost-effectiveness.

The construction of project facilities was considered essential for the field research program. However, the arrival of FAO technical experts before the laboratories were completed resulted in the inefficient use of manpower and delays in project research. For example, the work of the FAO entomologist to Burkina Faso was limited to field activities for three years because a laboratory was not available. The FAO regional technical advisor said overall project progress had been delayed one year because project construction was not completed.

In order to institutionalize integrated pest management research in the Sahel the project recognized the need for trained Sahelian researchers. According to the project paper, long-term participant trainees were to work directly with FAO experts for approximately one year after completing their academic studies. Because the first trainee was not sent for these studies until August 1983, only three of 26 trainees will return in time for on-the-job training with experts. Difficulties in finding qualified personnel and insufficient funding delayed the selection of candidates.

Information System - AID Handbook 3 emphasizes the importance of establishing an information system to measure progress against project objectives. Project designers and management should establish quantifiable interim benchmarks and goals to measure progress. Agency regulations require that

implementation plans specify the necessary actions to implement the project, dates when actions are to start and finish, the resources needed to complete the tasks, and the responsible parties. Thereafter, effective project monitoring depends in part upon timely reporting on inputs, outputs, and actions critical to project success. AID and host government project managers need such detail to alert them to potential problems.

The revised Integrated Pest Management project agreement specified that the overall objective was "to help establish Sahelian institutional capacity to carry out integrated pest management research for the protection of food crops within the CILSS Member States and to produce technical packages of Integrated Pest Management control methods suitable for extension to small farmers." To achieve this, the project focused on four components: applied research, initial outreach (demonstration), establishment of pest monitoring (surveillance) systems, and training of a permanent Sahelian integrated pest management research cadre.

The audit found that project managers did not establish interim benchmarks and timeframes for the five project objectives, or quantify the outputs for four of the five project objectives. This hampered the ability to measure impact in establishing Sahelian institutional capacity to carry out integrated pest management research (see Exhibit I).

One of the objectives, for example, was to develop a methodology for and establish a surveillance and forecasting system in each country to provide updated information on major pests. Although the project designers specified the end-of-project status for the construction of observation posts and training of observers, they did not quantify an end of project status for the development of a surveillance and forecasting system.

Another objective was to organize in each country the capability to conduct crop loss assessments to determine economic threshold of major pests. The project specified that thresholds should be established on seven priority pests but established no end-of-project status for developing the countries' capability to conduct crop loss assessments.

Project management failed to quantify expected outputs or establish benchmarks in the annual country work plans, and project progress was not adequately reported. The 1983 project redesign, for instance, required the regional project officer to provide other USAID Integrated Pest Management liaison officers with a quarterly regional report, taken from the countries' quarterly reports, on the overall status of the project. However, this regional report had not been prepared because only Senegal, of all eight participating countries, had consistently submitted reports. Some of the countries prepared

reports which summarized their country task force meetings rather than provide information on project progress. As a result, the project had been operating over five years with little information on its overall progress, accomplishments and problems.

In July 1985, an Africa Bureau Task Force decided that the project needed to (1) devise plans for activities until the project ends, and (2) determine what integrated pest management results could be expected by the end of the project. We believe that project management should also focus on (1) implementing project components which have the most potential for success, and (2) developing an information system that includes quantifiable benchmarks and timeframes, and timely reporting.

#### Management Comments

USAID/Burkina Faso said it was developing a project management information system and reconstructing all project implementation actions since the start of the project. These developments should provide good information on expected project status at the end of Phase I. USAID/Burkina Faso believed that in order to implement the recommendation, the full participation and active cooperation of participating Sahelian missions would be required. They stated that they did not have the authority or leverage to ensure that corrective action was taken by other missions. They said that this lack of authority resulted from a design deficiency in which USAID/Burkina Faso was assigned the responsibility of implementing the project within varying locations yet not provided the commensurate authority. USAID/Burkina Faso believed that this recommendation as well as others concerning reporting requirements should be directed at AID/Washington and/or the participating USAIDs.

#### Office of Inspector General Comments

The recommendation was not redirected to AID/Washington or the participating USAIDs as USAID/Burkina Faso suggested. We believe USAID/Burkina Faso, as regional project manager, should lead the implementation of report recommendations.

Actions to establish a better project information system and reconstruct project implementation actions since the beginning are responsive to the recommendation. We recognize USAID/Burkina Faso's concerns about its ability to gain the full participation and active cooperation of all Sahelian missions. It is suggested that, if necessary, USAID/Burkina Faso request assistance from the Africa Bureau in implementing this recommendation. The recommendation is considered open as USAID/Burkina Faso did not concur in its responsibility for implementation.

## 2. Need to Determine AID's Future Involvement in Integrated Pest Management

The future of AID assistance for integrated pest management in the Sahel is uncertain. AID decided to terminate project support on a regional basis at the completion of its first phase in March 1987, and let individual missions decide if AID assistance for integrated pest management activities should continue in their respective countries. But because of an ineffective information system, individual missions do not have adequate information, as prescribed in AID Handbooks, to determine whether future assistance for integrated pest management is warranted in their country. Without this information, the appropriate level of AID's future involvement in integrated pest management is difficult to determine. Therefore, there is little assurance that AID's \$20 million investment in the project will be protected and used.

### Recommendation No. 2

We recommend that the Director, USAID/Burkina Faso:

- (a) direct an evaluation of project assistance to determine progress, impact, and viability in each participating country;
- (b) perform a final assessment of AID's assistance for integrated pest management in each participating country by utilizing the project evaluation, project information system, and the Food and Agriculture Organization's final report on research activities; and
- (c) determine the projected timeframe and assistance needed to achieve the project's stated purpose and goal in each participating country.

### Recommendation No. 3

We recommend that the Director, USAID/Burkina Faso request each mission participating in the Integrated Pest Management project to develop a plan of action to protect AID's project investment in research, training and construction.

### Discussion

According to AID Handbook 3 certain considerations are needed to make programming decisions as project activities move towards the final stages, such as:

- What did the project accomplish in relation to its targets?
- Has the project had its intended impact?

- Is the project viable? Should AID or another donor be encouraged to participate in expansion, replication, or redirection?
- What new developments were created and what will be the next step in development?

Generally, AID uses project evaluations to answer these questions, by assessing results achieved and identifying follow-up actions needed to sustain project benefits. With such information, AID can better determine if future AID or other donor assistance is warranted.

Any future AID assistance for integrated pest management and pest control in the Sahel will not be provided on a regional but rather on a bilateral basis. Each mission must decide if AID assistance for integrated pest management should continue. Some missions have apparently already made such decisions. For example, USAID/Burkina Faso said it would not continue, while USAID/Niger would incorporate the integrated pest management approach into its ongoing projects. Other missions were non-committal, but appeared to be cutting back. Senegal and Mali, for instance, have terminated country liaison officer positions. We believe current and better information is needed before missions can decide the nature and level of future assistance for integrated pest management.

USAID/Burkina Faso said that an evaluation was in process in March 1986. The proposed evaluation scope of work, which we reviewed during the course of the audit, did not place enough emphasis on determining the assistance and time required to accomplish project goals and objectives in each country. It should also assess the constraints to pest control and integrated pest management in the Sahel--such as weak host government extension programs, pesticide subsidization policies, and farmers' favorable attitudes toward pesticides. These were discussed in previous evaluations and our audit report on the Regional Food Crop Protection project. By focusing on these constraints, we believe the evaluation could provide the missions with better information that would help determine if future U.S. bilateral assistance for integrated pest management is warranted.

The on-going project evaluation should be completed several months before the project termination date of March 31, 1987 for technical assistance, and September 30, 1987 for participants. The project information system, being developed in response to recommendation number 1, should provide updates of the evaluation. Project regional management and the individual missions should use the evaluation, information system, and FAO's final report on research activities to perform an assessment of AID's future involvement in integrated pest management in the Sahel.

AID Handbook 3 and the Integrated Pest Management Project Grant Agreement specified that, "Any resources financed under the Grant will, unless otherwise agreed in writing by AID, be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project." Regardless of the missions' future decisions on integrated pest management, they should give primary consideration to preserving AID's project investment. These include the construction and equipping of 12 laboratories, the training of 26 Sahelian researchers, and the development of basic research. The missions should develop a plan to ensure AID's investment is used and protected.

#### Management Comments

In commenting on recommendation number 2, USAID/Burkina Faso questioned whether missions needed better information in order to decide if future integrated pest management assistance was warranted. They believed missions would not learn much from regional reports since they were based on individual country input. They agreed it would give a perspective on each country relative to the complete regional activities, but thought this irrelevant to future decisions on bilateral assistance.

Regarding recommendation number 3, USAID/Burkina Faso said that AID already had the assurance in the signed grant agreement that host governments would use project-financed resources in an appropriate manner after the project ended. They also said that they knew before the decision was made to halt the project at the end of Phase I that AID's project investment might possibly be jeopardized. USAID/Burkina Faso concluded it was unrealistic to charge Sahelian missions with the task of protecting AID's investment in facilities, trainees and commodities.

#### Office of Inspector General Comments

Recommendations numbers 2 and 3 are considered open because there has not been agreement on corrective action. In our view, USAID/Burkina Faso comments were not responsive to the issues. Food crop protection remains a major issue in the Sahel. FAO in April 1986 reemphasized its concerns by estimating that 30 percent of Sahelian crops may be destroyed by pests in the summer of 1986. Africa Bureau officials said that AID was not abandoning pest control assistance to the Sahel, but redirecting strategy to bilateral programs.

AID should not terminate its project assistance after a \$20 million investment without assessing what its assistance has accomplished in each participating country and what is needed to achieve the project objectives. In this way USAIDs will be in a better position to know specifically where bilateral

assistance should be directed. In addition, they will be able to better identify technical assistance needs which can be procured through an AID/Washington centrally funded Integrated Pest Management project.

### 3. Need to Eliminate Excess Cash Advances

AID and U.S. Treasury regulations require that cash advances for immediate disbursing needs not exceed a 30-day period. A maximum of 90 days may be approved based on written justification. As of October 1985 USAID/Burkina Faso had provided participating countries and other implementing parties project advances in excess of approved periods amounting to \$1.1 million. This occurred because of poor monitoring by USAID/Burkina Faso and inadequate reporting by the recipients. In addition, USAID needs to eliminate a \$200,000 advance provided to the United Nations Food and Agriculture Organization (FAO) to cover a period in excess of the 90 days authorized. Consequently, the U.S. Treasury incurred unnecessary borrowing costs amounting to over \$200,000 to support the Integrated Pest Management project.

#### Recommendation No. 4

We recommend that the Director, USAID/Burkina Faso:

(a) provide advances to integrated pest management components based on an evaluation of actual rather than estimated expenditures for the approved 30- and 90-day periods;

(b) liquidate advances amounting to \$467,596 which are in excess of the approved 90-day disbursing needs for Mauritania and 30-day disbursing needs for Burkina Faso, Chad, and the CILSS Regional Direction; and

(c) require other advance recipients not currently serviced by USAID/Burkina Faso to submit justifications for or refund outstanding advances amounting to about \$640,899.

#### Recommendation No. 5

We recommend that the Director, USAID/Burkina Faso eliminate the \$200,000 "float" to the United Nations Food and Agriculture Organization.

#### Discussion

AID Handbook 19 specifies that cash advances be provided to meet requirements for up to 30 days from the date the recipient received the advance. The period can be extended up to 90 days, provided AID management determines in writing that applying the 30-day rule would seriously interrupt or impede project implementation. In accordance with U.S. Treasury regulations, AID is required to ensure that recipient organizations receive cash advances which are commensurate with immediate disbursing needs. Excess advances should be promptly returned to the U.S. Treasury. Treasury regulations require

that agencies monitoring the practices of advance recipients base their evaluations on cash payments.

USAID/Burkina Faso determined in April 1984 that advances would be limited to the 30-day cash requirement of all recipients, except Mauritania which was granted 90 days due to lengthy payment processing procedures. However, the audit found that USAID/Burkina Faso had outstanding advances amounting to about \$2.5 million for periods varying between two and 19 months in excess of the approved period. The FAO account showed a balance of \$1.15 million which was sufficient for about 180 days cash requirements. AID also provided FAO an additional \$200,000 to cover a float period beyond its immediate disbursing needs. The "float" was justified to provide sufficient funds so that FAO would not charge interest if a deficit occurred in its project account.

Advances under the project exceeded the approved recipients' immediate disbursing needs because (1) initial advances were based on estimated requirements, but had not been systematically adjusted to actual disbursements; (2) recipients had not submitted documentation to liquidate their advances; and (3) USAID/Burkina Faso had not taken appropriate action to clear the advance accounts in a timely manner. In addition, attempts by USAID/Burkina Faso to eliminate the "float" to the FAO were resisted by the FAO and AID/Washington.

Based on a June 1985 audit memorandum, USAID/Burkina Faso took corrective action by (1) liquidating over \$1 million of FAO advances, (2) extending the FAO advance period from 30 to 90 days effective July 1985, and (3) verifying all other delinquent advance balances with the respective recipients. However, as of October 1985 these accounts still showed outstanding advances amounting to \$1.1 million for periods between two and 24 months in excess of the approved periods (See Exhibit 2). These advances were provided to project components serviced by USAID/Burkina Faso (\$467,956) and project components who have been responsible for their own accounting since March 1984 (\$640,899).

In addition, USAID/Burkina Faso had not eliminated the \$200,000 "float" advance to the FAO because AID/Washington had not supported such action. However, Africa Bureau and Office of Financial Management officials said the circumstances for this advance should be analyzed before a decision can be made. In our view, AID did not adequately justify why FAO warrants a \$200,000 float advance in excess of its 90-day period for immediate disbursing needs as authorized by AID and U.S. Treasury regulations.

Substantial amounts of advances made under the project were in excess of periods authorized by AID and U.S. Treasury

regulations. This was due to project management's failure to promptly eliminate advances as required. Prompt liquidation of outstanding advances is essential to prevent unnecessary borrowing costs to the U.S. Treasury. Using an average interest rate of nine percent, we determined that \$201,951 in unnecessary costs were incurred (See Exhibit 3 for details). Unless action is taken to reduce advances to levels consistent with those authorized by AID and U.S. Treasury regulations, the Integrated Pest Management project will continue to incur unnecessary costs to the U.S. Treasury.

#### Management Comments

USAID/Burkina Faso again expressed concern about its ability to effectively act on recommendations 4 and 5. Although USAID had made some progress in resolving the advance accounts of non-decentralized components, it has been unable to resolve balances where accounting functions were transferred to individual USAIDs in March 1984. USAID/Burkina Faso also said its past actions to eliminate the FAO float had been unsuccessful. In effect, USAID/Burkina Faso urged that the recommendations be redirected to AID/Washington and/or the individual missions. AID/Washington was reported to support the reassignment of recommendation number 5 dealing with the FAO float.

#### Office of Inspector General Comments

We believe USAID/Burkina Faso remains the most appropriate office to act on recommendations 4 and 5. As previously suggested, USAID/Burkina Faso can and should request assistance from the Africa Bureau as necessary to implement these recommendations. The recommendations are considered open as USAID/Burkina Faso has not accepted responsibility for implementation.

#### 4. Need to Review and Adjust Project Funding

AID regulations required project management to perform continuous review of project funding authorization and unliquidated obligations to ensure their integrity and continued validity. This function could not be carried out because the project's designated accounting station had not been receiving overall expenditure data as anticipated. As a result, increases in project authorizations and obligations were inconsistent with significant reductions in technical assistance, training and infrastructure.

#### Recommendation No. 6

We recommend that the Director, USAID/Burkina Faso:

(a) request USAIDs participating in the Integrated Pest Management project to provide quarterly financial reports of project obligations and expenditures, and

(b) review project funding levels for technical assistance, training, infrastructure, and other support costs. Based on that review, the authorized project funding levels and obligations should be reduced as appropriate.

#### Discussion

AID Handbook 19, Appendix A required that budgets be systematically entered in the accounting records before becoming valid obligations in order to facilitate financial planning. Thereafter, care should be exercised to report only valid obligations. AID regulations required management to continuously review unliquidated obligations to assure their integrity and continued validity.

USAID/Burkina Faso functioned as the project's only accounting station from inception through the transfer of financial responsibilities to individual USAID missions in March 1984. Thereafter, the missions were still required to provide quarterly expenditure reports to USAID/Burkina Faso--which in turn prepared a consolidated quarterly project financial report. However, the missions had not been providing such information. As a result, regional project management was not in a position to review overall project funding including the validity or need for obligated accounts.

Several changes provided the opportunity to deobligate funds. For example, under an AID-financed contract signed in September 1978 with CILSS, the FAO was to provide 37 experts at a total cost of \$13.8 million. While the 1983 project redesign reduced the number of FAO expert advisors from 37 to 23 at a revised cost estimate of \$9.3 million, the project

authorization was increased from \$23.0 to \$28.8 million and the FAO contract remained at its original value of \$13.8 million. Amendments to the project authorization or the FAO contract to reflect these changes were not made. Changes in other project components--such as (1) reducing the number of African professionals to receive academic training from 40 to 26, and (2) reducing construction of laboratories from 14 to 12--also offered opportunities for deobligations.

In commenting on the draft report USAID/Burkina Faso provided examples of offsetting activities to indicate that deobligations may not be as great as the audit report stated. The Chad component was one instance which was not included in the project paper amendment, yet was a fully operational component.

We believe that a review of project funding is warranted to ensure that unneeded commitments of U.S. funds are returned to the U.S. Treasury or made available for other uses. The review should focus on reducing the project authorization and deobligating funds as appropriate.

#### Management Comments

USAID/Burkina Faso agreed with the recommendation but repeated that it did not consider itself the most appropriate office to implement the recommendation.

#### Office of Inspector General Comments

We retain USAID/Burkina Faso as the office to lead implementation on the recommendation. The recommendation is considered open as USAID/Burkina Faso has not accepted responsibility for implementation.

## B. Compliance and Internal Control

### Compliance

Audit results showed two areas of non-compliance with the project agreement and AID and U.S. Treasury regulations: (a) the lack of quarterly reporting by the participating countries to the regional office (findings 1 and 3), and (b) the maintenance of excess outstanding cash advances for long periods of time to various implementing parties (finding 3). In addition, an advance of \$200,000 was made to the FAO over the 90-day limit (Finding 3). Other than the conditions cited above, nothing came to our attention that would indicate that untested items were not in compliance with applicable laws and regulations.

### Internal Control

Improvements in both administrative and financial internal controls were needed at USAID/Burkina Faso's regional project office. This was noted in findings related to the establishment of quantifiable benchmarks and the establishment of an effective management information and reporting system. In addition, as discussed in findings 3 and 4, USAID/Burkina Faso needs to better monitor cash advances and project authorization funding and obligations.

**AUDIT OF THE SAHEL REGIONAL  
INTEGRATED PEST MANAGEMENT PROJECT**

**PART III - EXHIBITS AND APPENDICES**

Comparison of Objectives to Achievements  
Integrated Pest Management Project  
August 1983 Through October 1985

<u>Objectives in Project Paper</u> <u>August 1983</u>	<u>Implementation</u> <u>Plan Interim</u> <u>Benchmarks</u>	<u>End of Project Status</u>	<u>Actual Accomplishments</u> <u>as of Oct. 1985</u>
1. Establish a research capability in the Sahel through construction of basic infrastructure and training of Sahelian personnel.	None " "	<u>Construction:</u> 14 Laboratories  7 Screenhouses 8 Greenhouses  <u>Training:</u> 32 Sahelian researchers <sup>1/</sup>	Change to 12, however only 8 completed. Not known Not known  26 in training only 3 will return in time to work for 1 year with experts. Two countries failed to send trainees.
2. Establish a network of experimentation/demonstration areas in each Sahelian country.	None	55 Experimental sites and programs developed	Not known, 1 pilot program conducted in the Gambia.
3. Provide Integrated Pest Management research results in packages for extension.	None	New IPM Packages	None
4. Develop a surveillance and forecasting system on major pests to include construction of observation posts and training observers.	None	<u>Construction:</u> 55 Observation posts  <u>Training:</u> 110 Observers	Not known  123 technicians trained (observers and research assistants).
5. Organize in each country the capability to conduct crop loss assessments to determine economic threshold of major pests.	None	Economic thresholds on 7 priority pests	None

<sup>1/</sup>Researchers are expected to return 1 year before end of project to overlap with experts.

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INTEGRATED PEST MANAGEMENT PROJECT NO. 625-0928  
Analysis of Outstanding Advances in Excess of  
Immediate Disbursing Needs at 10/22/85

<u>Advance Recipients</u>	<u>Total Outstanding Advances</u>	<u>Approved Period (days)</u>	<u>Aging of Outstanding Advances</u>							<u>Subtotal 61-180 days</u>	<u>1 to 2 Years</u>	<u>Advances in Excess of Approved Periods</u>
			<u>Less than 30 days</u>	<u>31 to 60</u>	<u>Adv. Within Aprvd Period</u>	<u>61 to 90</u>	<u>91 to 120</u>	<u>180 days</u>				
<b>A. <u>Components Currently Serviced by USAID/Burkina:</u></b>												
Burkina	\$ 69,057	30	\$50,212	\$ 0	\$ 50,212	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,845	\$ 18,845	
Chad	41,011	30	0	0	0	27,449	0	13,562	41,011	0	\$41,011	
CILSS Regional Direction	113,069	30	15,448	0	15,448	0	46,949	50,672	97,621	0	97,621	
Mauritania	428,388	90	0	118,269	118,269	0	186,032	124,087	310,119	0	310,119	
FAO	141,511	90	0	141,511	141,511	0	0	0	0	0	0	
Sub-total	793,036		65,660	259,780	325,440	27,449	232,981	188,321	448,751	18,845	467,596	
<b>B. <u>Components Serviced by USAID/Burkina prior to the 1984 decentralization</u></b>												
Cape Verde	308,980	30	0	0	0	0	58,000	0	58,000	250,980	300,980	
Gambia	45,324	30	0	0	0	0	0	0	0	45,324	45,324	
Mali	5,232	30	0	0	0	0	0	0	0	5,232	5,232	
Niger	53,707	30	0	0	0	0	0	0	0	53,707	53,707	
Senegal	58,705	30	0	0	0	0	0	0	0	58,705	58,705	
UGR - Transit Account	154,735	30	0	0	0	0	0	0	0	154,735	154,735	
UGR - Regular Account	14,216	30	0	0	0	0	0	0	0	14,216	14,216	
Sub-total	640,899		0	0	0	0	58,000	0	58,000	582,899	640,899	
<b>TOTAL</b>	<b>\$1,433,935</b>		<b>\$65,660</b>	<b>\$259,780</b>	<b>\$325,440</b>	<b>\$27,449</b>	<b>\$290,981</b>	<b>\$188,321</b>	<b>\$506,751</b>	<b>\$601,744</b>	<b>\$1,108,495</b>	

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AUDIT OF THE SAHEL REGIONAL  
INTEGRATED PEST MANAGEMENT PROJECT

Listing of Borrowing Costs  
To the U.S. Treasury Resulting from  
Excess Cash Advances

<u>Recipient</u>	<u>Amount</u>	<u>Applied Interest Rate</u>	<u>Time in Years</u>	<u>Cost to U.S. Treasury (Rounded)</u>
FAO	\$133,949	9%	1.17	\$14,104
	150,067	9%	1.08	14,586
	346,729	9%	1.60	31,205
	378,000	9%	.41	13,948
	<u>414,000</u>	9%	.25	<u>9,315</u>
Sub-total	\$1,422,746			\$83,158
Mauritania	36,143	9%	.22	716
	149,889	9%	.31	4,182
	<u>124,087</u>	9%	.64	<u>7,147</u>
Sub-total	\$310,119			\$12,045
Chad	27,449	9%	.31	766
	<u>13,562</u>	9%	.56	<u>683</u>
Sub-total	\$41,011			\$1,449
CILSS	49,649	9%	.31	1,310
	15,718	9%	.56	792
	<u>34,954</u>	9%	.64	<u>2,013</u>
Sub-total	\$97,621			\$4,115
Cape Verde	58,000	9%	.47	2,453
	4,963	9%	1.47	657
	<u>246,017</u>	9%	1.97	<u>43,619</u>
Sub-total	\$308,980			\$46,729

<u>Recipient</u>	<u>Amount</u>	<u>Applied Interest Rate</u>	<u>Time in Years</u>	<u>Cost to U.S. Treasury (Rounded)</u>
Burkina	\$18,845	9%	1.14	\$1,933
Gambia	\$45,324	9%	2.00	\$8,158
Mali	351	9%	2.05	65
	<u>4,881</u>	9%	1.14	<u>501</u>
Sub-total	\$5,232			\$566
Niger	14,667	9%	2.56	3,379
	<u>39,040</u>	9%	2.05	<u>7,203</u>
Sub-total	\$53,707			\$10,582
Senegal	\$58,705	9%	1.48	\$7,819
UGR (T.A.)	12,511	9%	3.56	4,008
	142,224	9%	1.64	20,992
	<u>14,216</u>	9%	.31	<u>397</u>
Sub-total	\$168,951			\$25,397
 TOTAL	 <u>\$2,531,241</u>			 <u>\$201,951</u>

ACTION: RIG-2 INFO: DCM AID-2

VZCZCTAA146ESC630  
 PP RUTADS  
 DF RUFHCC #2667/01 0881028  
 ZNR UUUUU ZZH  
 P 29101EZ MAR 86  
 FM AMEMBASSY OUAGADOUGOU  
 TO RUTADS/AMEMBASSY DAKAR PRIORITY 5512  
 INFO RUEHC/SECSTATE WASHDC 8502  
 RUFHJL/AMEMBASSY BANJUL 1650  
 RUTABM/AMEMBASSY BAKO 4602  
 RUTAND/AMEMBASSY NIAMEY 0467  
 RUEHNM/AMEMBASSY NIAMEY 1154  
 RUTANK/AMEMBASSY NOUAKHOTT 2620  
 RUFHPR/AMEMBASSY PRAIA 1075

LOC: 185  
 29 MAR 86  
 CN: 64813  
 CHR: AID  
 DIST: RIG

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 UNCLAS SECTION 01 OF 06 OUAGADOUGOU 02667

AIDAC

FOR RIG/A/DAKAR (PASS ALSO TO USAID/SENEGAL)

E.O. 12356: N/A  
 SUBJECT: BURKINA/IPM PROJECT (625-0928): DRAFT AUDIT  
 REPORT NO. 7-625-86

REFS: (A) STATE 064293 (B) DAKAR 01877 (C) OUAGADOUGOU 717  
 (D) DAKAR 1563

## 1. GENERAL COMMENTS:

A. WE HAVE REVIEWED THE SUBJECT AUDIT REPORT AND EXPRESS OUR CONCERN THAT ALL RECOMMENDATIONS HAVE BEEN DIRECTED TO USAID/BURKINA FOR RESOLUTION DESPITE SPECIFIC DISCUSSIONS ON THIS POINT BETWEEN THE RIG/A/WA AUDIT TEAM, THE MISSION DIRECTOR, CONTROLLER, AND PROJECT OFFICER DURING THE EXIT CONFERENCE. AUDIT RECOMMENDATIONS SHOULD BE DIRECTED TO THE MOST APPROPRIATE OFFICE FOR THE EFFECTIVE AND EFFICIENT RESOLUTION OF THE ISSUES. IN THIS REGARD ONE CANNOT IGNORE THE ENTIRE THEME THROUGHOUT THE DRAFT REPORT HIGHLIGHTING THE DEFICIENCIES CITED AS A DIRECT RESULT OF FAULTY DESIGN. THIS IS ALLUDED TO ON SEVERAL DIFFERENT PAGES OF THE REPORT, YET LITTLE IS OFFERED IN TERMS OF EXPLAINING OR RESOLVING THE PROBLEM. IN SUM, USAID/BURKINA WAS CHARGED WITH THE RESPONSIBILITY OF IMPLEMENTING A PROJECT CONSISTING OF SOME TEN DIFFERENT COMPONENTS WITHIN VARYING COUNTRY LOCATIONS, YET THE AUTHORITY TO CARRY OUT THIS RESPONSIBILITY WAS NOT CONSISTENT WITH THE DELEGATION GIVEN. IN REALITY, USAID/BURKINA HAS NO WAY TO ENFORCE, OR EVEN ENCOURAGE REPORTING COMPLIANCE FROM THE DECENTRALIZED COMPONENT UNITS. UNDER THE REVISED PROJECT MANAGEMENT SYSTEM THE DECENTRALIZED COMPONENTS RECEIVE THEIR FUNDING ALLOTMENTS DIRECTLY FROM AID/W. VOUCHERS ARE SUBMITTED AND APPROVED BY LOCAL OR REGIONAL ACCOUNTING STATIONS OTHER THAN USAID/BURKINA AND BUDGETS AND WORK PLANS, AFTER BASIC ANNUAL APPROVAL, ARE DEVELOPED AND EXECUTED WITH AUTONOMY FROM

## USAID/BURKINA SUPERVISION.

USAID/BURKINA IS NOT IN A POSITION TO ENFORCE REPORTING COMPLIANCE FROM DECENTRALIZED COMPONENTS WITHOUT THE LEVERAGE OF DIRECT FUNDING CONTROL. THIS HAS BEEN ATTEMPTED REPEATEDLY WITH LITTLE TO NO TANGIBLE RESULTS, AND HAS RESULTED IN THE SITUATION WE ARE IN TODAY. WE CANNOT HELP BUT PARALLEL THIS QUOTE FAULTY DESIGN UNQUOTE TO THE VERY SAME ACTION TAKEN IN THE DRAFT AUDIT REPORT OF CHARGING USAID/BURKINA WITH THE RESPONSIBILITY OF TAKING CORRECTIVE ACTION IN RESOLVING THE DRAFT AUDIT REPORT RECOMMENDATIONS WHILE IGNORING THE LACK OF OUR AUTHORITY OR LEVERAGE TO DO SO. WE WOULD INDEED HOPE THAT RIG/A/WA CONSIDER OUR RATIONALE IN REDIRECTING THE AUDIT RECOMMENDATIONS TO THE MOST APPROPRIATE OFFICE FOR RESOLUTION IN THE FINAL REPORT. WE WOULD RECOMMEND AS A MORE REASONABLE APPROACH, TO ASSIGN RESPONSIBILITY FOR THE REPORTING RECOMMENDATIONS TO AID/W FOR ENFORCEMENT OF DIRECTLY TO THE INDIVIDUAL USAID'S CONCERNED. AT LEAST THREE MAJOR BENEFITS WOULD RESULT FROM THE LATTER APPROACH: IT WOULD BE MORE COST EFFECTIVE IN TERMS OF MANPOWER AND TRAVEL, IT WOULD ENSURE THAT THE INDIVIDUAL USAID'S BECAME INFORMED ON A FIRSTHAND BASIS ABOUT IPM STATUS IN THEIR COUNTRIES, AND THIRDLY IT WOULD ENSURE THAT THE REPORTING IS ACCOMPLISHED.

B. THERE ARE TWO GENERALLY HELD MISCONCEPTIONS ABOUT IPM AND THE IPM PROJECT THAT THE AUDIT REPORT PERPETUATES. THE FIRST IS THAT THIS PROJECT (OR ANY IPM PROGRAM) COULD BE A MECHANISM WHEREBY A DISCRETE "PACKAGE" IS DEvised AND THEN EXTENDED TO FARMERS. A BASIC ASSUMPTION IN DEVELOPING IPM PROGRAMS IS THAT NO SINGLE CONTROL WILL BE SUCCESSFUL BECAUSE OF THE REMARKABLE ADAPTIVE POWERS OF PEST ORGANISMS. IPM THEREFORE REQUIRES CONTINUAL RESEARCH AND EVALUATION AND INVOLVES A CONSTANTLY CHANGING SET OF ENVIRONMENTAL, ECONOMIC, AND SOCIAL PARAMETERS. THE POINT IS THAT EVEN THOUGH THE PP AMENDMENT SPEAKS IN A GENERAL WAY OF TECHNOLOGICAL "PACKAGES" FOR SAHELIAN FARMERS, WHAT IPM WAS INTENDED TO DO WAS TO INSTITUTIONALIZE, OVER A FIFTEEN YEAR THREE-PHASE PERIOD, CONTINUAL PEST RESEARCH TO BE USED SYSTEMICALLY AT THE REGIONAL, NATIONAL, AND FARM LEVEL. TREATING THE PROJECT WITH ASPERITY OVER THE LACK OF DISCRETE "PACKAGES" AFTER ONLY THREE YEARS OF FIELD WORK OR BURDENING IPM WITH RESPONSIBILITY FOR THE

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FAILURE OF RIPC BECAUSE "PACKAGES" WERE NOT AVAILABLE BEFORE THE ENDING OF THAT PROJECT REFLECTS AN INADEQUATE UNDERSTANDING OF PEST CONTROL RESEARCH.

THE SECOND MISCONCEPTION STEMS FROM THE UNFORTUNATE CHOICE OF THE WORD "PACKAGE" ITSELF BY THE DRAFTERS OF THE PP AMENDMENT. THE IMPLICATION MENTIONED ABOVE OF A SINGLE DISCRETE INTERVENTION OR SET OF INTERVENTIONS IS CONVEYED STRONGLY BY THE TERM AND LEADS MANY OBSERVERS TO THE CONCLUSION THAT, LACKING "PACKAGES", THE IPM PROJECT HAS BEEN A TECHNOLOGICAL FAILURE. IPM IS AN AGRICULTURAL RESEARCH PROJECT THAT DID NOT BEGIN REGION-WIDE RESEARCH ACTIVITIES, OTHER THAN LITERATURE SEARCHES, SPECIMEN COLLECTIONS, ETC., UNTIL 1983 -- FIVE YEARS AFTER THE PROJECT PAPER WAS APPROVED. THROUGHOUT THE HISTORY OF IPM IT HAS BEEN JUDGED AS IF IT COULD HAVE BEEN PRODUCING RESEARCH RESULTS SINCE ITS INCEPTION. AS A RESULT OF THIS ERRONEOUS IMAGE THE PROJECT IS UNIFORMLY SEEN IN A MUCH POORER LIGHT THAN THE FACTS WARRANT. THE AUDIT REPORT CONTRIBUTES TO THIS ERROR OF PERSPECTIVE BY IMPLYING THAT THE PROJECT HAS A LONG HISTORY OF FIELD ACTIVITY WITH LITTLE TO SHOW FOR THE EFFORT. IN REALITY THE PROJECT HAS ONLY THREE YEARS, I.E. THREE AGRICULTURAL SEASONS, WORTH OF FIELD WORK UNDER ITS BELT. INDEED, THE AUDIT TEAM COMMENTED TO THE REGIONAL PROJECT OFFICER DURING THEIR SECOND TRIP TO OUAGADOUYOU THAT THE TECHNICAL ACHIEVEMENTS OF THE PROJECT WERE IMPRESSIVE IF ONE CONSIDERED HOW LONG FIELD WORK HAD ACTUALLY BEEN ONGOING.

C. WHILE THE ABOVE POINTS ARE NOT INTENDED AS A DEFENSE OF THE LEGITIMATE SHORTCOMINGS IN DESIGN, MANAGEMENT, AND IMPLEMENTATION FROM WHICH IPM HAS SUFFERED, WE DO BELIEVE THAT THE PROJECT AND THE EFFORT EXPENDED DESERVE A MORE EVEN TENOR THAN A READER OF THE DRAFT AUDIT REPORT RECEIVES.

2. COMMENTS ON SPECIFIC RECOMMENDATIONS:

A. RECOMMENDATION NO. 1

"...THAT THE DIRECTOR, USAID/BURKINA FASO (A) SPECIFY THE EXPECTED PROJECT STATUS AT PROJECT COMPLETION BY QUANTIFYING THE OUTPUTS FOR THE PROJECT OBJECTIVES AND ESTABLISH BENCHMARKS AND TIMEFRAMES TO MEASURE PROGRESS TOWARDS THOSE OUTPUTS, AND (B) ESTABLISH AN INFORMATION SYSTEM TO TRACK PROJECT PROGRESS WHICH INCLUDES IMPLEMENTATION PLANS AND PROGRESS REPORTS FROM EACH PROJECT COMPONENT AND PARTICIPATING COUNTRY."

USAID/BURKINA IS DEVELOPING A MANAGEMENT INFORMATION SYSTEM FOR IPM THAT IS PATTERNED AFTER THE PROJECT ACCOUNTING AND MANAGEMENT SYSTEMS DETAILED IN THE PROJECT IMPLEMENTATION COURSE HANDBOOK AND IS RECONSTRUCTING AS WELL AS POSSIBLE ALL PERTINENT PROJECT IMPLEMENTATION ACTIONS SINCE THE BEGINNING OF THE PROJECT. WITH THIS INFORMATION ABOUT WHERE WE NOW ARE WE WILL BE BETTER ABLE TO PREDICT WHERE WE WILL BE AT MARCH 1987. TO ACCOMPLISH THIS TASK WILL REQUIRE THE FULL PARTICIPATION AND ACTIVE COOPERATION OF THE SAHELIAN MISSIONS RESPONSIBLE FOR THE

DECENTRALIZED COMPONENTS. AS THIS MISSION DOES NOT HAVE SUPERVISORY AUTHORITY OVER THOSE MISSIONS THE RECOMMENDATION SHOULD LOGICALLY BE DIRECTED TOWARDS AID/W. THE DRAFT AUDIT REPORT ITSELF NOTES THAT MONITORING WAS IMPEDED BY THE LACK OF TIMELY AND COMPLETE REPORTING BY THE COMPONENTS (P.F). IF MONITORING AND INFORMATION GATHERING WAS IMPEDED WHILE IPM WAS A GOING CONCERN WITH THE EXPECTATION OF POSSIBLE SUBSEQUENT PHASES OF IMPLEMENTATION, HOW MUCH MORE DIFFICULT WILL IT BE NOW THAT WE HAVE ONE YEAR TO GO AND SAHELIAN MISSIONS HAVE ACCEPTED THE DEMISE OF THE PROJECT AND ATTACHED TO IT AN EVEN LOWER PRIORITY THAN BEFORE?

B. RECOMMENDATION NO. 2:

-- "...USAID/BURKINA FASO (A) DIRECT AN EVALUATION OF PROJECT ASSISTANCE TO DETERMINE PROGRESS, IMPACT, AND CONTINUED VIABILITY IN EACH PARTICIPATING COUNTRY; (B)

PERFORM A FINAL ASSESSMENT OF AID'S ASSISTANCE FOR INTEGRATED PFST MANAGEMENT IN EACH PARTICIPATING COUNTRY BY UTILIZING THE PROJECT EVALUATION, INFORMATION SYSTEM, AND THE FOOD AND AGRICULTURE ORGANIZATION'S FINAL REPORT ON RESEARCH ACTIVITIES; AND (C) DETERMINE THE PROJECT TIMEFRAME AND ASSISTANCE NEEDED TO ACHIEVE THE PROJECT'S STATED PURPOSE AND GOAL IN EACH PARTICIPATING COUNTRY."

A TRIPARTITE EVALUATION OF IPM IS CURRENTLY BEING CONDUCTED. THE DRAFT AUDIT REPORT STATES (PG. 20) THAT DURING THE COURSE OF THE AUDIT THE TEAM FOUND NO PLANS FOR A FINAL PROJECT EVALUATION BUT THAT SHORTLY THEREAFTER PROJECT MANAGEMENT PLANNED TO START AN EVALUATION. THE AUDIT TEAM WAS INFORMED BY THE REGIONAL PROJECT OFFICER IN EARLY SEPTEMBER IN DAKAR THAT A TRIPARTITE EVALUATION WAS ONE OF THE ITEMS ON THE AGENDA OF THE NEXT TRIPARTITE CONSULTATIVE COMMITTEE MEETING. UPON THE AUDIT TEAM'S RETURN TO OUAGADOUGOU IN OCTOBER IT WAS CONFIRMED TO THEM THAT THE EVALUATION HAD BEEN APPROVED BY THE COMMITTEE AND THAT THE DRAFTING OF A SCOPE OF WORK HAD BEGUN. SINCE FIELD WORK BY RIG/A/DAKAR WAS CONDUCTED FROM MAY THROUGH OCTOBER OF 1985, THE ABOVE STATEMENT ABOUT FINDING "NO PLANS" TO PERFORM THIS EVALUATION IS IN ERROR.

THE STATEMENT ATTRIBUTED TO THE REGIONAL PROJECT OFFICER (P. 21) THAT THE TIMING OF THE EVALUATION WILL BE EARLY ENOUGH TO ALLOW FOR A TRANSITION OF PROJECT ACTIVITIES TO ANY FUTURE ASSISTANCE WITHOUT CREATING A GAP IN IMPLEMENTATION IS A MEANINGLESS GENERALITY GIVEN THE REAL WORLD OF DONORS AND HOST COUNTRIES IN THE SAHEL AND IS TAKEN OUT OF THE CONTEXT FROM THE GENERAL DISCUSSIONS HELD WITH THE AUDIT TEAM ABOUT ALTERNATIVE COURSES FOR IPM.

PAGE 21. THE AMBITIOUS SCOPE OF WORK ALLUDED TO HERE WAS NOT DEVELOPED AT THE TRIPARTITE COMMITTEE MEETING IN SEPTEMBER. IT WAS DEVELOPED SOME MONTHS LATER AND SENT TO CISS, AID/W, AND USAID/BURKINA FOR COMMENT AND MODIFICATION.

PAGE 21. "BETTER INFORMATION IS NEEDED FOR MISSIONS TO MAKE THE BEST DECISION ON WHETHER FUTURE ASSISTANCE FOR IPM IS WARRANTED." SINCE THE DECISION ABOUT THE FUTURE OF IPM ALREADY HAS BEEN MADE IN TERMS OF A REGIONAL PROGRAM, AND SINCE THE AUDIT TEAM ONLY VISITED TWO IPM NATIONAL COMPONENTS (BURKINA AND SENEGAL), WE DO NOT SEE THE BASIS FOR THIS REMARK. PAGE 8 OF THE DRAFT AUDIT REPORT STATES: "...BECAUSE OF AN INEFFECTIVE INFORMATION SYSTEM, INDIVIDUAL MISSIONS DO NOT HAVE ADEQUATE INFORMATION TO MAKE PROGRAMMING DECISIONS ON WHETHER FUTURE ASSISTANCE FOR INTEGRATED PFST MANAGEMENT IS WARRANTED IN THEIR COUNTRY". AS STATED ON PG. 3 OF THE DRAFT AUDIT REPORT: "PROJECT MANAGEMENT INCLUDED A COUNTRY TASK FORCE FOR EACH PARTICIPATING COUNTRY TO MONITOR NATIONAL PROGRAMS AND SUBMIT QUARTERLY REPORTS TO THE REGIONAL OFFICE. USAID ASSIGNED COUNTRY LIAISON OFFICERS TO EACH COUNTRY TASK FORCE." PAGE C STATES: "THE REGIONAL REPORT HAD NOT BEEN PREPARED BECAUSE ONLY ONE OF THE EIGHT PARTICIPATING COUNTRIES (SENEGAL) WAS

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Appendix 1  
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CONSISTENTLY SUBMITTING THEIR COUNTRY REPORTS".

THE ABOVE REFLECTS CONFUSION ON JUST WHO IS UNINFORMED, WHOM AN IMPROVED INFORMATION SYSTEM WOULD ASSIST, AND FOR WHAT PURPOSE. WHILE USAID/BURKINA AGREES THAT A BETTER INFORMATION SYSTEM IS NEEDED, AND IS WORKING ON ITS DEVELOPMENT, SUCH AN INFORMATION SYSTEM SERVES PRIMARILY THE REQUIREMENTS OF CENTRAL PROJECT MANAGEMENT. AS THE REGIONAL REPORT IS PREPARED ON THE BASIS OF INDIVIDUAL COUNTRY INPUTS, THOSE COUNTRIES WOULD LEARN NOTHING NEW FROM THE REPORT RELATIVE TO THEIR OWN COUNTRIES. IT WOULD GIVE THEM A PERSPECTIVE ON THEIR COUNTRY RELATIVE TO THE COMPLETE REGIONAL ACTIVITIES BUT THIS WOULD BE IRRELEVANT TO FUTURE DECISIONS ON BILATERAL CONTINUANCE. IF ANY PARTICULAR MISSION IS UNINFORMED ON THE PROGRESS AND STATUS OF IPM ACTIVITIES IN ITS OWN COUNTRY THAT IS A REFLECTION OF THE RELATIVE PRIORITY THE MISSION PLACES ON IPM AND PROBABLY PREDICTS THAT MISSION'S FUTURE DECISION

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ON THE QUESTION OF BILATERAL CONTINUANCE. IN FACT, DECISIONS HAVE BEEN AND ARE BEING MADE ON THE BASIS OF BILATERAL GOALS, OBJECTIVES AND BUDGETARY CONSIDERATIONS EXTERNAL TO IPM.

C. RECOMMENDATION NO. 3:

-- "...USAID/BURKINA FASO REQUESTS EACH MISSION PARTICIPATING IN THE INTEGRATED PEST MANAGEMENT PROJECT TO DEVELOP A PLAN OF ACTION TO PROTECT AID'S PROJECT INVESTMENT IN RESEARCH, TRAINING AND CONSTRUCTION."

PAGE 23. REGARDING THE FUTURE USE AND PROTECTION OF AID'S INVESTMENT IN IPM IN THE SAHEL, THE AGENCY ALREADY HAS THE ASSURANCE IN THE SIGNED GRANT AGREEMENT THAT OUR COUNTERPART INSTITUTIONS WILL USE IPM PROJECT-FINANCED RESOURCES IN AN APPROPRIATE MANNER AFTER THE PROJECT'S PACT. IT IS UNCLEAR IN THE DRAFT AUDIT REPORT WHAT RIG/A WOULD HAVE THE USAID MISSIONS DO, OTHER THAN MONITORING, TO ENSURE THAT THIS PROJECT GRANT AGREEMENT PROVISION IS ABIDED BY AFTER THE FORMAL ENDING OF AID SUPPORT FOR THE IPM PROJECT. THEY COULD CERTAINLY DO SO BY DEVELOPING BILATERAL IPM PROJECTS OF THEIR OWN WHICH WOULD FOLLOW ON AFTER THE PREMATURE DEMISE OF THE REGIONAL PROJECT, BUT WITH PRESENT BUDGETARY CIRCUMSTANCES AND THE PRIORITIES WHICH MISSIONS GIVE TO THEIR INDIVIDUAL COUNTRY STRATEGIES THIS IS UNLIKELY TO HAPPEN. THE DRAFTERS OF THE PP AMENDMENT IN FACT PREDICTED THAT, SHOULD AID SUPPORT FOR THE IPM PROJECT BE TERMINATED AT THE END OF PHASE I, "IT IS UNLIKELY THAT THE SAHELIAN COUNTRIES WILL HAVE DEVELOPED THE HUMAN RESOURCE CAPACITY TO CARRY ON IPM RESEARCH ON THE NEEDED SCALE BY THEMSELVES", AND "IN THE FACE OF MINIMAL USABLE RESULTS, (THE COOPERATING COUNTRIES) MIGHT LOSE INTEREST IN CONTINUING TO FINANCE RESEARCH." IN OTHER WORDS THE POSSIBILITY THAT THE AGENCY'S IPM INVESTMENT MIGHT BE JEOPARDIZED WAS FULLY KNOWN BEFORE THE UNILATERAL DECISION WAS MADE TO HALT IPM AT THE END OF PHASE I. TO NOW CHARGE USAID/BURKINA AND OTHER SAHELIAN MISSIONS WITH THE TASK OF ENSURING THAT IPM FACILITIES, TRAINEES, AND COMMODITIES ARE "PROTECTED" SAHEL-WIDE IS NOT REALISTIC.

D. RECOMMENDATION NO. 4:

-- "...USAID/BURKINA FASO (A) PROVIDE ADVANCES TO INTEGRATED PEST MANAGEMENT COMPONENTS BASED ON AN EVALUATION OF ACTUAL RATHER THAN ESTIMATED EXPENDITURES FOR THE APPROVED 30 AND 90-DAY PERIODS; (B) LIQUIDATE ADVANCES AMOUNTING TO \$467,596 WHICH ARE IN EXCESS OF THE APPROVED 90-DAY DISBURSING NEEDS FOR MAURITANIA AND 30-DAY DISBURSING NEEDS FOR BURKINA FASO, CHAD, AND THE CILSS REGIONAL DIRECTION; AND (C) REQUIRE OTHER ADVANCE RECIPIENTS NOT CURRENTLY SERVICED BY USAID/BURKINA FASO TO SUBMIT JUSTIFICATIONS FOR OR REFUND OUTSTANDING ADVANCES AMOUNTING TO ABOUT \$640,899."

WE HAVE SEVERAL PROBLEMS WITH THE ABOVE RECOMMENDATION AS STATED. USAID/BURKINA HAS BEEN AND IS CURRENTLY

ATTEMPTING TO RESOLVE THE ADVANCE BALANCES OUTSTANDING, AND, WHILE WE ARE MAKING PROGRESS ON THE NON-DECENTRALIZED COMPONENTS, WE ARE STILL UNABLE TO RESOLVE THE ADVANCES OF THOSE LOCATIONS WHICH ARE DECENTRALIZED. THIS IS SOMETHING OF A CATCH-22 SITUATION IN THAT PART (A) OF THE ABOVE RECOMMENDATION CAN ONLY BE ACCOMPLISHED IF RESULTS ARE ATTAINED TO COMPEL REPORTING UNDER PART (A) OF RECOMMENDATION NO. 6. UNLESS EACH DECENTRALIZED COMPONENT IS INDIVIDUALLY GIVEN A MANDATE TO PROVIDE THE REQUIRED REPORTS, EITHER DIRECTLY THROUGH THIS AUDIT REPORT OR THROUGH AID/W INTERVENTION, WE WILL HAVE LITTLE SUCCESS IN FULFILLING PART (A) OF RECOMMENDATION NO. 4. IN TERMS OF ADDRESSING PART (B) THEREOF USAID/BURKINA HAS AND IS CONTINUING TO RESOLVE THESE ADVANCES AND WILL ADVISE RIG/W/WA ACCORDINGLY BY SEPTIL.

PART (C) OF THE ABOVE RECOMMENDATION AGAIN LEAVES US LITTLE HOPE OF RESOLUTION IF IN FACT SUCH RECOMMENDATION

IS TO BE DIRECTED TO USAID/BURKINA. SHOULD THIS RECOMMENDATION NOT BE REDIRECTED, WE WILL REQUEST EACH DECENTRALIZED COMPONENT MISSION TO ABSORB THEIR RESPECTIVE OUTSTANDING ADVANCE BALANCES AND TO OFFICIALLY ISSUE AN APPROPRIATE CREDIT ADVICE OF CHARGE TO USAID/BURKINA, THUS RESULTING IN OUR ABILITY TO CLEAR THE ADVANCES FROM OUR BCC'S. THIS ACTION UNDERTAKEN BY THE COMPONENT MISSIONS WILL EASE THE BURDEN UPON USAID/BURKINA OF RESOLVING THE ADVANCES, AND EACH MISSION WILL ACCORDINGLY BE RESPONSIBLE FOR LIQUIDATING ITS RESPECTIVE AMOUNTS. AGAIN, THIS APPEARS TO BE THE ONLY WAY WE CAN PUT THE DECENTRALIZED UNITS INTO A POSITION OF RESPONDING IF THE AUDIT RECOMMENDATION IS NOT DIRECTED TO EACH MISSION INDIVIDUALLY OR TO AID/W.

F. RECOMMENDATION NO. 5:

-- "...USAID/BURKINA FASO ACT TO ELIMINATE THE \$200,000 FLOAT TO THE UNITED NATIONS FOOD AND AGRICULTURE ORGANIZATION."

USAID/BURKINA HAS PREVIOUSLY ACTED TO ELIMINATE SUCH FLOAT WITH NO CONCRETE RESULTS. AMPLE EVIDENCE OF THIS WAS PROVIDED TO THE AUDIT TEAM DURING THE COURSE OF THEIR VISITS TO OUAGADOUGOU. AID/W HAS SUPPORTED THE REASSIGNMENT OF THIS RECOMMENDATION TO AFR/SWA IN ITS RESPONSE CABLE (STATE 064293) DATED MARCH 3, 1986. WE WOULD HOPE THAT RIG/A/WA CONCURS WITH BOTH PARTIES IN TAKING ACTION IN REASSIGNING THIS RECOMMENDATION IN THE FINAL REPORT. FYI: SEE ALSO ROME 05947 ON SUBJECT OF FAO FLOAT.

F. RECOMMENDATION NO. 6

"...THAT USAID/BURKINA FASO (A) REQUEST USAIDS PARTICIPATING IN THE IPM PROJECT TO PROVIDE QUARTERLY FINANCIAL REPORTS OF PROJECT OBLIGATIONS AND EXPENDITURES, AND (B) REVIEW PROJECT FUNDING LEVELS FOR TECHNICAL ASSISTANCE, TRAINING, INFRASTRUCTURE, AND OTHER SUPPORT COSTS. BASED ON THAT REVIEW, THE AUTHORIZED PROJECT FUNDING LEVELS AND OBLIGATIONS SHOULD BE REDUCED AS APPROPRIATE."

THERE IS NO QUESTION THAT THE RECOMMENDATION IN ITSELF IS VALID, HOWEVER THE SAME POINTS MADE ABOVE REGARDING THE MOST APPROPRIATE AND EFFECTIVE RESPONSES APPLY HERE AS WELL. WE AGREE THAT WE COULD COMPLY COMPLIANCE BY THE NON-DECENTRALIZED UNITS SINCE WE IN FACT CONTROL THEIR FUNDING. WE STRONGLY RECOMMEND, HOWEVER, THAT THE RECOMMENDATION BE DIRECTED TO THE APPROPRIATE DECENTRALIZED UNITS OR TO AID/W FOR PROPER AND EFFECTIVE ACTION.

IN RESPECT TO PART (B) OF THE ABOVE RECOMMENDATION WE WOULD LIKE TO POINT OUT THAT THE NARRATIVE DISCUSSION OF THIS RECOMMENDATION IN THE DRAFT AUDIT REPORT (PP. 30-31) IGNORES THE LENGTHY AND DETAILED JUSTIFICATION GIVEN IN THE PP AMENDMENT FOR THE CURRENT FUNDING LEVELS. IN FACT THERE WAS LESS OF AN INCREASE IN LOP BUDGET FROM THE

ORIGINAL PP TO THE 1983 PP AMENDMENT THAN THE 1981 EVALUATION REPORT HAD RECOMMENDED. AGAIN, THIS IS A QUESTION OF TONE RATHER THAN SUBSTANCE, BUT THE DRAFT AUDIT REPORT SHOULD INFORM THE READER OF THE REASONS WHY PROJECTED PROJECT COSTS INCREASED SLIGHTLY WHILE SOME INPUTS WERE ACTUALLY REDUCED, AND THAT ALTHOUGH THE \$7.5 MILLION INCREASE IN LOP REPRESENTED A 13 PERCENT RISE IN COST OVER 6 YEARS, THE AVERAGE ANNUAL RATE OF INFLATION FOR EACH OF THOSE SAME SIX YEARS WAS 10 PERCENT. IN ADDITION THE PP AMENDMENT BUDGET DID NOT INCLUDE THE CHAD COMPONENT, WHICH IS NOW A FULLY OPERATIONAL COMPONENT.

3. SUMMARY COMMENTS:

WE HAVE OUTLINED OUR MAIN CONCERNS ABOUT THE TONE AND SUBSTANCE OF THE DRAFT AUDIT REPORT. IT SHOULD BE UNDERSTOOD, HOWEVER, THAT IT IS NOT USAID/BURKINA'S INTENT TO MITIGATE OUR IMPLEMENTATION RESPONSIBILITY, BUT RATHER

TO POINT OUT THAT WE HAVE ALREADY TAKEN NUMEROUS PAST ACTIONS IN HOPES OF RECTIFYING THE PROBLEMS OUTLINED IN RESPECT TO REPORTING BY THE DECENTRALIZED COMPONENTS AND THAT ASSIGNMENT OF RECOMMENDATIONS REQUIRING THE SAME ACTIONS OF USAID/BURKINA, WHICH IN THE PAST HAVE NOT PRODUCED TANGIBLE RESULTS, APPEARS TO BE CONTRARY TO THE INTENT OF THE AUDIT REPORT OBJECTIVES. WHILE WE CAN, AND WILL, TAKE APPROPRIATE ACTION ON THOSE AREAS THAT WE CAN DEAL WITH EFFECTIVELY AND EFFICIENTLY, WE WOULD URGE THAT RIG/A/WA STRONGLY CONSIDER THE LIMITED RESULTS THAT MAY BE ATTAINED SHOULD WE BE MANDATED ACTION THAT WE HAVE NO AUTHORITY TO FULFILL. NEHER

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List of Report Recommendations

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<u>Recommendation No. 1</u>	5
We recommend that the Director, USAID/Burkina Faso:	
(a) specify the expected project status at project completion by quantifying the outputs for the project objectives and establishing benchmarks and timeframes to measure progress towards those outputs, and	
(b) establish an information system to track project progress which includes implementation plans and progress reports from each project component and participating country.	
<u>Recommendation No. 2</u>	9
We recommend that the Director, USAID/Burkina Faso:	
(a) direct an evaluation of project assistance to determine progress, impact, and viability in each participating country;	
(b) perform a final assessment of AID's assistance for integrated pest management in each participating country by utilizing the project evaluation, project information system, and the Food and Agriculture Organization's final report on research activities; and	
(c) determine the projected timeframe and assistance needed to achieve the project's stated purpose and goal in each participating country.	
<u>Recommendation No. 3</u>	9
We recommend that the Director, USAID/Burkina Faso request each mission participating in the Integrated Pest Management project to develop a plan of action to protect AID's project investment in research, training and construction.	

Recommendation No. 4

13

We recommend that the Director, USAID/Burkina Faso:

(a) provide advances to integrated pest management components based on an evaluation of actual rather than estimated expenditures for the approved 30- and 90-day periods;

(b) liquidate advances amounting to \$467,596 which are in excess of the approved 90-day disbursing needs for Mauritania and 30-day disbursing needs for Burkina Faso, Chad, and the CILSS Regional Direction; and

(c) require other advance recipients not currently serviced by USAID/Burkina Faso to submit justifications for or refund outstanding advances amounting to about \$640,899.

Recommendation No. 5

13

We recommend that the Director, USAID/Burkina Faso act to eliminate the \$200,000 "float" to the United Nations Food and Agricultural Organization.

Recommendation No. 6

16

We recommend that the Director, USAID/Burkina Faso:

(a) request USAIDs participating in the Integrated Pest Management project to provide quarterly financial reports of project obligations and expenditures, and

(b) review project funding levels for technical assistance, training, infrastructure, and other support costs. Based on that review, the authorized project funding levels and obligations should be reduced as appropriate.

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Appendix 3

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