

February 27, 1987

Issues Paper

Country : Burundi
Project Name & Number : Human Resources Development
(HRD), No. 695-0121
LOP Funding for an Eight-
year Term : \$4,750,000
Authorization Venue : USAID/Bujumbura
Obligation this FY : \$1,010,000

A. Recommendations of Project Committee (PC) to ECPR

1. This project should be approved at the proposed level of \$4,750 million.
2. OAR/B should be given authority to approve the PP and to authorize the project.

B. Issues

1. Issue: What is the optimal relationship between this bilateral project and the upcoming regional umbrella project AMDP III?

Discussion:

- The PP for a major new regional umbrella AMDP III should be ready by April, 1987. Estimated LOP \$40-50 million.
- AID/W management has indicated initial preference for such a regional umbrella into which missions could buy-in, rather than numerous small bilateral programs.
- The PID sees a marginal role for AMDP III, essentially limited to health and population training. It proposes to use the

bilateral activity for key agriculture and private sector priorities.

- Because this project is the centerpiece of the Mission portfolio, it would like to retain managerial responsibility for the project locally.

Recommendation: The proposed bilateral project and that currently being developed at the regional level do not appear incompatible. Subject to guidance from the DAA, the Project Committee recommends that design continue with the bilateral project as outlined in the PID but that the PP design team carefully factor the intentions of AMDP III into its analysis. For this and other reasons noted below, the team should also generate a project implementation plan which is periodically reviewed and which can be modified to adapt to evolving field realities.

C. Concerns:

1. Concern : Has the question of sectoral and public/private focus, first raised in the initial PID submission, been adequately addressed?

Discussion: The PC was comfortable with the greater PID focus of project funds into agriculture and the private sector. Several questions remain outstanding, however, and are noted for further Mission inquiry:

- While both sectors are strategically important to USAID and the socio-economic development of Burundi, has a clear case been made that training is the primary constraint to be overcome in promoting these sectors?
- Is the allocation of project funds between public (2/3) and private (1/3) sectors in line with USAID priorities?
- Shouldn't the private sector share a greater percentage of costs of training?
- Can management of the private sector portion be successfully carried out through the Chamber of Commerce; would not it be more logical to manage the public sector portion directly through the Ministry of Agriculture, rather the Ministry of Education?

Recommendation: The PC recommends that the PP design team resolve these outstanding questions in the course of PP design. Because the question of focus will undoubtedly change over time, it is again recommended that implementation planning include periodic structured review and be flexible enough to adapt to local opportunities which

are consistent with USAID and Burundian development priorities. The PP monitoring/evaluation plan should contain clear criteria and measurable indicators so as to ensure substantive review.

2. Concern: Has sufficient attention been paid to local donor coordination?

Discussion: The PID notes (page 2) that there is already an "oversupply" of university graduates in Burundi as well as the fact that there are many "very active" donors involved in Burundian training (Eastern bloc, UNDP, France, Belgium, etc.). Furthermore, the IMF and IBRD are in the process of fostering structural changes in the Burundian economy which could have important repercussions on training needs of the country.

Recommendation: The PC recommends that the project implementation planning carefully factor in other donor past, present and future activities as major decisions on funding for training (location, level, sector) are made. The PP team will need to more actively examine and document this question prior to the development of the illustrative PP financial plan.

3. Concern: Has the PID fully recognized the management burden which the project imposes upon the Mission?

Discussion: The PID proposes to hire one PSC to "undertake the bulk of the administrative burden" of the project, as augmented by local Mission staff. It is not clear that one PSC could deal with all projects tasks, however, particularly those related to the more substantive monitoring/evaluation/donor coordination functions noted above, and given the complex nature of third country training, as well as the myriad of unforeseen problems inherent in most training projects.

Recommendation: The PC recommends that the Mission examine carefully and openly such managerial implications with the PP team to ensure adequate coverage of this key Mission activity.