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AMTT/DAI Report No. 7

AMTT/DAI Quarterly Progress Report No. 2:

June 1, 1992 to August 31, 1992

Chad Agricultural Marketing and Technology Transfer Project (AMTT)

USAID/DAI¹ Contract No. 677-0062

by

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N'Djaména, Chad
September 1992

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Introduction

This quarterly progress report describes activities completed under the institutional contract (USAID Contract No. 677-0062-C-00-2003-00) of USAID's Agricultural Marketing and Technology Transfer Project (AMTT) during its second quarter of implementation, June 1, 1992 - August 31, 1992. Development Alternatives, Inc. (DAI), is the institutional contractor for AMTT with primary responsibility for the provision of the technical assistance and training components of the project, plus limited procurement (computers), during its contract period of March 1, 1992 through December 31, 1995.

Thus this report focuses on the implementation of the technical assistance and training components under the AMTT/DAI contract. This report does not cover other AMTT activities funded outside the AMTT/DAI contract, such as commodity procurement and the provision of MIS local costs, which are administered directly by USAID/Chad (AID/C) and the Government of Chad (GOC), respectively.

AMTT/DAI Startup

Although the AMTT/DAI contract took effect on 3/1/92, the startup of the project really began during the past quarter. As of June 1, Chief or Party/Policy Analyst Greg Lassiter and family had been in place for one month. Agribusiness Development Specialist Bill Dalrymple had just arrived for a three week TDY, to return with family in late August to begin the LTTA assignment. Market News Coordinator Bruce Schulte arrived in mid June with his wife scheduled to arrive later.

A major constraint on project startup has been caused by delays in procurement. Although some orders were issued as early as September 1991, the majority of key equipment was not available for most of the past quarter. The four project vehicles were not available until August 17. Although most office furniture arrived in July, it could not be used until the AMTT and MIS offices became available in late September. Some key residential appliances arrived in August, but other appliances and the remaining office furniture will take longer. Although he arrived in mid-June, Schulte was unable to occupy his house until 8/5/92 due to renovation delays and lack of appliances. The Dalrymple family was able to occupy their home by 8/25/92, within one week of arrival, although some renovation work is still in progress.

While most of the procurement delays are understandable, it was surprisingly difficult to predict when the various logistical components would become available, which made planning difficult and was hard on morale for all concerned. More importantly, lack of offices and vehicles caused a significant loss in productivity for the AMTT/DAI LTTA team. Now that most of these logistical problems seem to be behind us, everyone concerned looks forward to a more productive phase of project implementation.

AMTT/DAI Contract Activities During the Past Quarter

Activities by the COP/MPS Component: During the past quarter, COP Lassiter was able to make some limited progress on administrative matters related to the AMTT office setup, but efficiency was low due to logistical constraints. Major staffing and procurement actions were put on hold in early July when it became apparent that the availability date for the AMTT office and project vehicles could not be estimated accurately. This was unfortunate because, by

the time the cars (8/17/92) and AMTT office (9/24/92) became available, there were no drivers, staff, or equipment in place. Nonetheless, COP Lassiter used this time to gather information on local procurement, labor law, hiring and project management practices, etc. Much of the past quarter was also spent setting up banking, field accounting, and home office communications systems. A sizeable amount of time was spent dealing with administrative issues related to residential housing renovation for AMTT/DAI LTTA, related AID procurement issues, and getting AMTT vehicles put into service.

Under the Market Policy Studies (MPS) component, Dr. Larry Herman spent a two week TDY in late July to develop the terms of reference for the CRED Millet and Sorghum Marketing Study (MSMS) in collaboration with Lassiter. As of mid August, a local hire economist, Fauba Padacke, began work on the study. Lassiter spent approximately 15% of his time during the past quarter on administrative issues related to this study.

Activities by the ASC Component: DAI's Agribusiness Development Specialist, Bill Dalrymple, came to Chad for a 3-week TDY from May 26 to June 16, 1992. During this visit, he began logistical work in setting up the ASC office, local housing, and administrative details concerning his long-term stay in Chad. He also began contacting local donor, government, NGO, and private sector people in an effort to begin familiarizing himself with the local socio-economic climate affecting Chadian agribusinesses. In addition, the required qualifications of an ASC counterpart were identified and disseminated to interested parties. Finally he completed a work plan for the ASC component of AMTT/DAI contract's first 12 months. Dalrymple returned for permanent assignment to the project on 8/25/92 and spent the remainder of the quarter getting his family settled.

Activities by the MIS Component: The Market News Coordinator (MNC) arrived at post on 6/13/92. The start-up process was particularly slow in the case of the MIS - not only due to serious difficulties associated with housing, office accommodations, transport and basic equipment but also due to the fact that the DSA was all but dysfunctional as a result of lack of resources. Adequate office space for the MNC was expected to be finally made available in late September, although it had been promised for late June.

The "MIS Budget Crisis" (i.e. the lack of operating funds which were to have been provided by the GOC, along with serious equipment shortages) remained unresolved, with no solution in sight until at least November or December. Furthermore, salaries for counterparts in the MIS were four months in arrears at the end of August, and even the very modest financial support from CILSS was temporarily unavailable.

Given the above, planned activities have been greatly scaled back. Still the MIS staff and LTTA Team continue to be optimistic and have made every attempt to move forward, using what little resources are available. While considerable time and energy was devoted to resolving personal and project related logistics problems, the MNC was able to review a number of documents relevant to the Chad MIS and become familiar with the existing operations and resources of the MIS. Several visits were made to markets in and around N'Djaména and Lake Chad. Discussions were held with representatives of a number of institutions with interests in the MIS including the Office National des Céréales, Projet Diagnostique Permanante, Système d'Alerte Précoce, Radio Rurale, CARE, FEWS and ACIDI.

Other important activities included preparation, in full cooperation with MIS counterparts, of a workplan and two versions of detailed budgets for the MIS. MIS computer requirements were carefully analyzed and discussed with MIS staff and the FEWS Representative. The MNC coordinator also provided a number of documents relating to experiences with market information services in a number of countries, as well as computer manuals and software programs. These materials have been exceptionally well received were put into immediate use.

Finally, it is perhaps worth noting that an excellent rapport has been established between the MNC coordinator and the MIS staff, which should permit future productive working relationships once resources become available.

Important Issues/Problems

MIS Budget Impasse: Soon after the DAI team arrived, it became apparent that there was a serious misunderstanding about MIS local costs. Chadian MIS staff at the DSA were under the impression that the DAI technical assistance budget would be covering all local costs for the MIS. However, the PP and Project Agreement clearly state that MIS local costs are part of the GOC contribution to the AMTT project. Unfortunately, DSA and other Ministry of Agriculture staff appear to have been unaware of this clause in the ProAg, and the DSA SIM staff claim to have never received a copy of the ProAg.

Even in the absence of the GOC's current budget crisis, it was arguably unrealistic for the PP and ProAg to assume that the GOC could provide these costs at all, much less in a timely manner. It appears that the PP assumed that the CILSS DIAPER II project would provide these local MIS costs. Careful analysis by the MNC and MIS staff has demonstrated, however, that the CILSS MIS budget is probably only 10% of what MIS requires for effective implementation, and only 30% of what the PP and Proag assumed that the GOC would provide.

Despite this enormous disparity and the total blockage it has put on MIS activities, little progress has been made on resolving this crisis during the past quarter. If anything, the crisis may have worsened. First, it appears that MIS and Ministry of Agricultural staff have operated for the entire quarter under the assumption that USAID will be able to provide this local cost funding, despite the language of the ProAg. MIS staff have invested much effort in the past quarter developing a budget for AID funding under the full expectation that this is a viable solution to the problem. Second, even the inadequate CILSS funding has not been available during the past quarter. The first tranche of the 10 month "bridging" funding (bridging from the 4/30/92 end of DIAPER II until the 3/1/93 beginning of DIAPER III) was immediately taken by the bank to cover past debts and the 2nd tranche has not become available.

Recommendation: Given MIS staff's expectations that USAID can cover the GOC contribution to MIS local costs, it is requested that the ADO office mediate an agreement between USAID and DSA concerning his budget crisis.

AMTT Project Management and Relations with the Contractor: There is some concern on the part of the DAI team about communication gaps related to AMTT project implementation.

Recommendation: It is requested that routine meetings be held between the ADO, Project Manager, and COP, plus periodic meetings including the entire DAI team and either the AID Representative or the PDO. It is also requested that the DAI COP be put on the mailing list for the travel schedule of AID/C staff.

Important Actions to be Initiated or Completed in the Next Quarter

AMTT Administration (COP):

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|--|----------|
| 1. Establish, staff, and equip a fully functioning AMTT office | 12/31/92 |
| 2. Complete AMTT/DAI computer and office equipment procurement | 12/31/92 |

Marketing Policy Studies (MPS):

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|---|----------|
| 3. Complete MSMS background data review and bibliographic reports | 12/31/92 |
| 4. Conduct initial MSMS rapid reconnaissance (RR) surveys | 01/15/93 |

Agribusiness Support Component (ASC)

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|--|----------|
| 5. Establish database of local consultants and agribusinesses | 10/15/92 |
| 6. Report on agribusiness environment and market for ASC consultants | 12/31/92 |
| 7. Begin agribusiness investment monitoring system | 12/31/92 |

Market Information System (MIS)

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|--|----------|
| 8. Resolution of MIS budget crises (prerequisite to below) | 11/31/92 |
| 9. Begin MIS Users survey | 01/31/93 |

Annex A. Financial Data

NAME OF CONTRACTOR: DEVELOPMENT ALTERNATIVES, INC.
 APP: 7211-121014
 REGISTRATION NBR: 677-0062-3-10017

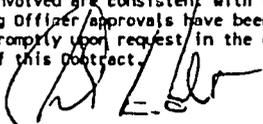
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CHAD AG MARKETING & TECHNOLOGY TRANSFER
 CONTRACT NO.: 677-0062-C-00-2003-00
 REPORTING PERIOD: JULY 1 - 31, 1992
 SUBMISSION NO: 4
 SUBMISSION DATE: AUGUST 18, 1992

| CATEGORY | BUDGET AMOUNT | INCEPTION TO LAST REPORTED PERIOD | THIS PERIOD | CUMULATIVE AMOUNT | REMAINING AMOUNT | PERCENT OF BUDGET EXPENDED |
|--------------------|----------------|-----------------------------------|-------------|-------------------|------------------|----------------------------|
| SALARIES | \$1,861,390.00 | 30,600.05 | 15,193.47 | 45,793.52 | 1,815,596.48 | 2.46% |
| FRINGE BENEFITS | \$119,552.00 | 3,696.43 | 1,754.08 | 5,450.51 | 114,101.49 | 4.56% |
| OVERHEAD | \$1,091,310.00 | 23,703.80 | 11,649.85 | 35,353.65 | 1,055,956.35 | 3.24% |
| TRAVEL/TRANSP. | \$938,895.00 | 6,516.76 | 12,970.68 | 19,487.44 | 919,407.56 | 2.08% |
| ALLOWANCES | \$553,850.00 | 10,810.46 | 7,594.88 | 18,405.34 | 535,444.66 | 3.32% |
| SUBCONTRACTOR | \$1,800,156.00 | 0.00 | 0.00 | 0.00 | 1,800,156.00 | 0.00% |
| TRAINING | \$37,607.00 | 0.00 | 0.00 | 0.00 | 37,607.00 | 0.00% |
| OTHER DIRECT COSTS | \$505,545.00 | 14,441.80 | 9,493.14 | 23,934.94 | 481,610.06 | 4.73% |
| SUBTOTAL | \$6,908,305.00 | \$89,769.30 | \$58,656.10 | \$148,425.40 | \$6,759,879.60 | 20.39% |
| RESERVE | \$450,000.00 | 5,843.97 | 3,818.51 | 9,662.48 | 440,337.52 | 2.15% |
| TOTAL | \$7,358,305.00 | \$95,613.27 | \$62,474.61 | \$158,087.88 | \$7,200,217.12 | 2.15% |

The undersigned hereby certifies that (i) the fiscal report and any attachments have been prepared from the books and records of the Contractor in accordance with the terms of this contract, and to the best of my knowledge and belief, that they are correct, that the sum claimed under this Contract is proper and due, that all the costs of contract performance (except as herewith reported in writing) have been paid or will be paid currently by the Contractor when due in the ordinary course of business, that the work reflected by the costs above has been performed, that the quantities and amounts involved are consistent with the requirements of this Contract, that all required Contracting Officer approvals have been obtained, and (ii) appropriate refund to AID will be made promptly upon request in the event of disallowance of costs not reimbursable under the terms of this Contract.

BY


 CHARLES HOLT

TITLE: PROJECT ACCOUNTANT

DATE: AUGUST 18, 1992