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PROJECT IMPLEMENTATION STANDARD TECHNICAL OPERATING NOTES

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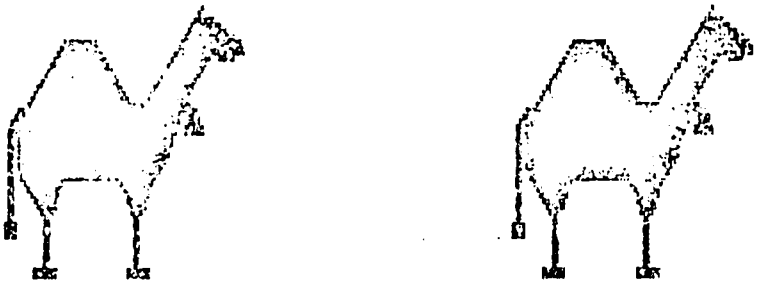

USAID/SOMALIA

July 1986

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PROJECT IMPLEMENTATION SYSTEM AND TECHNICAL OPERATIONS NOTES

(PISTON)

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PROJECT IMPLEMENTATION SYSTEM AND TECHNICAL OPERATIONS NOTES (PISTON)

P R E F A C E

This manual was developed by USAID/Somalia as a guide for Project Managers and other mission staff to assist them in implementing our USAID projects. It is a cooperative effort, representing in part the result of a series of weekly seminars on project implementation held by the mission in 1984 and 1985. It incorporates some philosophy, some codification of mission policy, and a compendium of experience and procedures on the practical aspects of carrying out AID projects. Hopefully it will provide its users with a handy guide to explain who does what, and how, in the mission with respect to project implementation. We regard PISTON as a dynamic document, one which is likely to go through periodic revisions as time passes and the situation changes. It is the responsibility of the mission Project Office to monitor requirements for updating and to ensure that needed changes are incorporated.

We would like to see this manual stay within easy reach of all project managers in the mission for regular and frequent consultation. It does not supercede or replace the AID handbooks, but should serve as a convenient shorthand guide to those voluminous documents. While not exhaustive, we believe that the manual represents a useful and practical overall description of our project implementation system and is therefore a valuable tool for all Project Managers and other project staff. We further expect that any substantial deviations from the procedures contained in this manual will be the exception rather than the rule.

Development projects are the heart of our program in Somalia, and successful implementation of these projects is at best a difficult task, requiring competence, diligence and more than a little luck.

However, the development projects lay the foundation for long-term sustainable growth of the economy, and therefore well-implemented projects are essential, if we are to accomplish our overall goals in Somalia. The manual is based on the idea that the AID direct hire Project Manager of any project is <u>the</u> key person in the implementation process.

We look to the Project Manager to take responsibility for initiating necessary actions, coordinating activities and monitoring project progress. Other mission staff including the Controller's Office, the Project Office, the Engineering Office, the Program Office, and the Management Office have specialized contributions to make to project implementation, but it is the job of the Project Manager to call on those offices as needed and to coordinate their inputs. The concept of the Project Committee is central to the process of systematic project implementation and represents the heart of the coordination process. The Project Manager, in his position as Chairman of the Project Committee, is the key to making the system work.

We hope that this manual proves useful to all Project Managers in the mission. We recognize that it is not a static, one-time document and would therefore welcome any suggestions for modifications, additions or corrections from Project Managers or other users of this manual, which could be incorporated by the Project Office in later editions.

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July 1986

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LIST OF ACRONYMS

AA/AFR	Assistant Administrator for Africa
AA/M	Assistant Administrator for Management
ABS	Annual Budget Submission
ADP	Automated Data Processing
A&E	Architectural and Engineering Services
AFGRAD	African Graduate Training Project
AFR/DP	Africa Development Projects
AFR/EA	Africa Bureau, Office of East Africa
AFR/PD	Africa Bureau, Office of Project Development
AFR/TR	Africa Bureau, Office of Technical Resources
AID	Agency for International Development
AID/W	Agency for International Development, Washington
AMDP	African Manpower Development Project
APBP	Annual Program Budget Plan
CBD	Commerce and Business Daily
CDSS	Country Development Strategy Statement
CF	Call Forward (for participants)
CIP	Commodity Import Program
CIPL	CIP Local Currency Unit
CN	Congressional Notification
CP	Congressional Presentation
DA	Disbursing Authorization
DD	Deputy Director
DOA 140	Delegation of Authority, No. 140
DRA	Direct Reimbursement Authorization
FAR	Federal Acquisition Regulation
FAR	Fixed Amount Reimbursement
FSU	Field Support Unit
GAO	Government Accounting Office
GTR	Government Transportation Request
GSDR	Government of the Somalia Democratic Republic
GSP	Generated Shillings Proceeds Committee
HB	Handbook (official AID operating procedure)
HC	Host Country
HG	Host Government
IQC	Indefinite Quanity Contract
LAIS	Loan Accounting Information System
L/C	Local Currency
LEG	Office of Legislative Affairs, AID/W
MIS	Management Information System

LIST OF ACRONYMS CONT'D

OE or O/E	Operating Expenses (Mission budget)
OPG	Operational Program Grant
PASA	Participating Agency Service Agreement
PC	Project Committee
PD&S	Project Development and Support
PERT	Chart displaying timing of scheduled work
PES	Project Evaluation Summary
PL480	Public Law 480 (Food for Peace)
PID	Project Identification Document
PIL	Project Implementation Letter
PIO/C	Project Implementation Order/Commodities
PIO/P	Project Implementation Order/Participants
PIO/T	Project Implementation Order/Technical Services
PIP	Public Investment Program
PM	Project Manager
PP	Project Paper
PROAG	Project Agreement
PROJ	Project Office
PSA	Procurement Service Agent
PSC	Personal Services Contract
PVO	Private Voluntary Organization
RCO	Regional Contracts Officer
REDSO	Regional Economic Development Service Office
REDSO/ESA	Regional Economic Development Service Office/East and South Africa
REDSO/WCA	Regional Economic Development Service Office/West and Central Africa
RFP	Request for Proposals
RFTP	Request for Technical Proposals
RLA	Regional Legal Advisor
RLDC(s)	Relatively Less Developed County(ies)
RSA	Republic of South Africa
SEPRAC	Senior Project Review Committee
SER/AAM/OS/AFR	AID/W backstop office for procurement and contracting
SF	Standard Form (SF-1034)
S&T	Science and Technology
S&T/IT	Science and Technology, Office of Int'l Training
SMO	Supply Management Officer
TCN	Third Country Nationals
TDY	Temporary Duty
USAID	Agency for International Development Field Mission
USIS	United States Information Services

I. PROGRAM DOCUMENTATION

Introduction

This section of the PISTON Handbook covers the Country Development Strategy Statement (CDSS), the Annual Budget Submission (ABS) and the Congressional Presentation (CP). The CDSS, ABS and CP are all major planning documents critical to the program budget cycle, the basis for the allocation of funds by AID/W to the mission and a necessary prerequisite to the design and funding of the mission's project portfolio.

1. Country Development Strategy Statement (CDSS)

The CDSS for Somalia is prepared every three years and provides the framework for focusing mission development activities. A CDSS update is required when conditions change significantly from the approved document. CDSS preparation is coordinated by the Program Office, drawing upon all of the mission's technical and managerial resources.

The CDSS should address two fundamental questions:

1) What are the priority developmental needs of Somalia, both long and short term?

2) What is the most logical and effective role for AID assistance in helping the Somalia Government (GSDR) and the local economy meet these development needs?

The CDSS formulation is a continuous thought process aimed at evolving and refining the mission's strategy. In addition to planning for AID's activities, the CDSS should take into consideration the following:

Assessment of the GSDR's own development strategy, its capacity and resources and appropriateness of the GSDR's policies affecting economic growth and performance.

Review of what other donors are planning or doing to support Somalia's development effort and analysis of how such activities relate to or complement our own. The CDSS is a valuable instrument for mutual planning and coordination with other bilateral and international donors with similar development objectives in Somalia.

The CDSS has two major sections, the Analysis and the Strategy.

The Analysis:

The Analysis section presents the Mission's synthesis of what determines Somalia's rate and pattern of economic growth and the problems and potential Somalia has for accelerating broad-based development. The Analysis section draws from the body of available research, as well as from mission-sponsored studies.

The Strategy:

The Strategy section presents the mission's development assistance objectives and identifies proposed program interventions to achieve them. The Strategy defines U.S. assistance objectives and the mission's role, within the given constraints of the projected AID levels of resources and staffing, in conjunction with the objectives and expectations of the GSDR. It also describes major program elements, priorities and prospective program interventions (i.e. project assistance, program assistance, P.L. 480, regional activities, etc.). In addition, the Strategy section discusses Mission's plans and tactical considerations for implementing the strategy, including the research agenda, development of benchmarks, sequencing of programs, transition to new portfolio and other specific requirements.

The CDSS is reviewed and approved by AID/W. Once approved, it constitutes the framework for the mission's programs and projects. In concept, all new projects must conform to the approved CDSS, although occasionally the need for unplanned interventions arises, such as in response to an emergency.

2. Annual Budget Submission (ABS)

The ABS is prepared annually and presents essentially a series of tables, a proposed program (based on the funding levels given by AID/W) to carry out the approved CDSS strategy in the budget year. The ABS thus provides the link between the agreed strategy and specific projects through which the mission strategy is to be implemented.

The ABS is prepared fifteen months prior to the budget year (i.e. the FY 1987 ABS was prepared in May 1985), to allow time for AID/W review and to serve as the basis for the Congressional Presentation (discussed below). The ABS contains the following elements:

Mission Action Plan: The Mission Action Plan focuses attention on program implementation. It is intended to be a management tool linking the long-range objectives in the regional strategy and CDSS to the specific operational program which the mission expects to carry out in the budget year. The action plan serves as a means of assessing program performance rather than as a budget justification. The action plan also includes the policy dialogue agenda, which provides the bridge between the approved CDSS and mission's program development. Several tables facilitate the presentation of this information, including:

Table I - Long-range Plan by Appropriation Account: This table summarizes the planned program for the operational year and the proposed program for the subsequent five years.

V

Table III - Project Obligations by Appropriation Account: This table provides a project-by-project summary of the proposed program.

Table IV - Project Budget Data: This table is a key part of the ABS. It helps AID/W understand the fiscal basis for the mission's decisions for funding on-going projects in the budget year, the implications of current budget plans for future budget needs, and the proportion of new projects that the mission plans to fund.

Table V - Proposed Project Ranking: This table presents the mission's ranking of the proposed program for the budget year, based on the CDSS priorities and the objectives spelled out in the Action Plan.

Local Currency Use Plan: The table describes the local currency (LC) generated by the total U.S. assistance program and the intended uses of these resources. The LC Use Plan also presents in tabular form the amount of local currency generated, or to be generated, and the breakdown of its intended uses.

Table VII - Schedule of Planned Evaluations: This table presents the mission's evaluation schedule based on informational needs for program development, project implementation, and funding. The table supports the evaluation narrative in the Action Plan.

Table VIII - Operating Expense Summary: This table is prepared by the Controller and Management Office. It presents the mission's operating expense budget request.

Table XI - P.L. 480 Title I/III Requirements: This table presents the commodity requirements for the Title I (or Title III) program. The table shows a breakdown by type of commodity, quantity and estimated dollar value.

3. Program Week

As a new concept planned for the Africa Bureau, Program Week will afford an opportunity for top bureau management to meet with senior mission staff in Washington for an entire week to review in detail the proposed country program for the coming year. It is an outgrowth of the so-called Asia Experiment, which proved useful in assessing AID programs in a number of Asian countries. In Africa, Program Week will apply only to Category 1 missions with delegated authority up to $20 million and will be timed to take place after the Mission Assessment, which for USAID/Somalia is December, 1985. Basic documents considered will be the report of the Mission Assessment, the ABS and the CDSS.

It is likely that USAID/Somalia will be the first African mission to experience Program Week, probably early in 1986. At that time important decisions will be made about the activities proposed in the FY87 ABS, including which project proposals will be accepted or rejected and which will be delegated for field approval. Program Week is designed to provide a unique, comprehensive high-level exchange between bureau and mission staff on the details of the proposed program. In effect, it replaces all of the AID/W PID reviews of individual projects under $20 million, which under the new delegations will now be the mission's responsibility.

4. Congressional Presentation (CP)

The Congressional Presentation (CP) reflects the program and budget justification of the Administration's Bilateral Foreign Assistance Program. The CP summarizes the proposed project and program assistance requested by the missions and AID/W on a country-by-country basis. It also describes issues of special concern which are relevant to the U.S. development assistance efforts. Project-level detail for each region and each country (as well as for centrally-funded programs) appear in the five annexes to the Main Volume, along with fiscal and summary tables for the entire AID program.

The CP is the only programming document that the mission prepares and forwards to AID/W in "draft form". The ABS constitutes the basis for the preparation of the CP by the mission. The final CP, including the volume of most importance to us, the Africa Annex, is prepared in AID/W, normally by the country desk (AFR/EA) and the bureau program office (AFR/DP). The CP is then thoroughly reviewed and cleared by various interested offices, including the project office (AFR/PD), the technical offices (AFR/TR), the lawyers (GC/AFR) and the Congressional Liaison Office (LEG). The completed CP is fowarded to Congress by LEG. Prior to the actual obligation of funds for a particular activity, an Advice of Program Change (better known as a Congressional Notification) summarizing the activity and describing how it fits into the country or regional development effort, is drafted by the mission and cabled to AID/W for review, clearance and forwarding to Congress by AID/W.

II. PROJECT DOCUMENTATION

1. Introduction

This section seeks to detail the steps and procedures involved in project documentation relating to the development, approval, authorization, and obligation of USAID/Somalia projects. Non-project assistance, which for Somalia includes the Commodity Import Program and PL 480 assistance, is not substantively treated in the PISTON manual, which is intended as a guide for project activities. (General guidance on non-project assistance can be found in Handbook IV, and within the mission, the Program Office and Supply Management Officer can furnish additional information on the operation of program assistance.)

The project documentation requirements to authorize and obligate a project are complex and require the collaboration and expertise of various AID specialists, as well as outside contractors and consultants in many cases. It is not the purpose of this manual to cover in detail the mechanics of how to complete the various required project documents. For guidance on these forms, the reader is directed to Handbook 3 and its annexes. The handling of basic project documentation is fairly standard from mission to mission, and there is no need to repeat in this short section detailed material which has already been prepared for the use of AID staff worldwide. Rather this section attempts to provide Project Managers, contractors and other staff, especially those newly assigned, with an understanding of the overall system and process under which AID projects are developed and the general steps and rules necessary to advance projects from the design stage through to successful implementation.

2. References

The principal references available in the mission regarding project documentation and procedures are as follows:

Reference	Location
Handbook 3 (Project Assistance) Chapters 1, 2, 3, 5, 6, & 13	Library, Project Office, Director's Office
Africa Bureau Delegation of Authority No. 140, Revised	Project Office
Mission Order 13-1, Project Committees, as revised.	All Offices

3. Project Committees

The Project Manager has been delegated the principal responsibility for the design and implementation of USAID Somalia projects. To assist Project Managers in this responsibility, USAID has established Project Committees, consisting of individuals within the mission who possess specialized skills and experience to support the Project Manager. The Project Committee concept recognizes that a Project Manager does not have all the requisite skills and experience to deal successfully with the often complex requirements of project management and required AID documentation. The Project Committee provides a mechanism for such support in the form of a multidisciplinary team approach to project design and implementation. For a complete explanation and description of USAID Project Committee mechanism, see Mission Order 13-1 (revised).

4. The Mission Project Office

The principal backstop office regarding project documentation is the USAID/Somalia Project Office. Each project management unit will have a link to the mission Project Office, whose role is to ensure that all phases of project development and implementation conform to AID and mission policies and procedures. Specific responsibilities of the Project Office regarding project development are: 1) to ensure coordination of inputs from various AID offices and outside consultants in the final project design; 2) to be aware of design issues and to coordinate their resolution; 3) to be responsible for the final packaging and editing of design documentation.

5. Project Documentation

The procedures for initiating and processing required project documentation is described below.

- Pre-PID Documents
- Project Identification Documents (PIDs)
- Project Papers (PPs)
- Project Authorizations:
  - a. Action Memorandum
  - b. Authorization
  - c. Project Data Sheet
- Project Agreements (PROAGs)
- Implementation Letters (PILs)
- Project Amendments

Pre-PID Project Documentation (Annual Budget Submission)

Contrary to popular belief, a project does not begin life as a Project Identification Document. The initial "creation" of a project idea takes place when the ABS is prepared each year during April and May. This is the time when prospective projects are initially identified for design a year or more in the future. The ABS assigns a project number, indicative life-of-project funding and

yearly funding levels, and includes a short narrative summary of what the project hopes to achieve and how. Under the new decentralization of AID operations and increased delegation of authority, the ABS review and Program Week may be the only occasions in which AID/W has an opportunity of approving or disapproving project proposals up to $20 million for Category 1 posts (large missions and programs, including Somalia). Contrary to practices in the recent past when all PIDs had to be submitted to AID/W for review and approval, now full authority for development and approval of most PID and the subsequent Project Paper (PP) should be in the mission's hands. Project narratives in the ABS should recommend either Mission or AID/W approval of the PID. The ABS review cable from Washington will indicate whether PID approval is with the Mission or reserved for AID/W. Initial ideas for potential new projects may come from a variety of sources, including the Mission Director, Program and Project Offices, mission technical offices, all with the appropriate involvement of relevant GSDR ministries. Proposals should respond to a priority development need and be consistent with AID's country strategy as set forth in the CDSS.

After the ABS is reviewed in June and July the project will be included in the Congressional Presentation which is prepared in November of each year. The Project Manager is responsible for assuring that an accurate and appropriate narrative sheet is prepared for the project.

PIDs

Guidance for developing PIDs is contained in Handbook 3, Chapter 2. Normally, it is the Project Manager who is responsible for carrying the documentation through to completion. The first step in the development of a PID is for the Project Manager to distribute the project data sheet from the ABS and the Congressional Presentation to the Project Committee and to convene the committee to discuss the following:

1) what analysis and specific documentation is required;
2) who will do the documentation; and
3) setting a timeframe for completion of this work.

The results of the Project Committee meeting will be drafted into an Action Plan which will be cleared by the Project Committee and approved by the Deputy Director. The Project Office will monitor the Action Plan.

After the document has been completed, it will be circulated to the following offices for comments: Project, Program, Controller, Engineering (if applicable). The Initial Environmental Examination (IEE) will be cleared by the Mission Environmental Officer. The chiefs of each of these offices and the Deputy Director will constitute the Senior Project Review Committee (SEPRAC). The Project Office will coordinate the formulation of issues and draft an issues paper. Based on the SEPRAC review, the document will be put into final form, including any modifications proposed by the SEPRAC.

Following is a summary of the sequence of events:

	Task	Action	Clear	Approval
1.	Convene Project Committee	PM		
2.	Draft Action Plan	PM	PC	DD
3.	Prepare PID	PC		
4.	Draft Issues Paper	PROJ		
5.	SEPRAC Review	PROJ	SEPRAC	Dir
6.	Finalize PID	PC	DD	Dir

The Project Paper (PP)

General guidance for the development of PPs is contained in Handbook 3, Chapter 3. The Project Manager will distribute the approved PID to the Project Committee and convene a meeting of the committee to develop a design scheduling plan. The project PID contained a PP design stracegy in which the type and quantity of resources necessary to develop the PP were estimated, along with the source of funding for these resources, e.g. mission operating expense (OE), mission project development and support (PD&S) or REDSO or AID/W account. The committee should review this initial strategy, identify consultants to perform required analyses, confirm the availability of any requested REDSO and AID/W support. Finally, the Project Manager should check with the Project Office and Controller to make sure that required funding from one or more of the above sources is available and will then prepare an Action Plan for preparation of the PP. The plan should identify outside resources required and how such will be obtained; name mission personnel who will be involved in the design and spell out their respective roles. Finally a realistic timetable for the design must be prepared. The Action Plan should be cleared by the Project Committee and approved by the Deputy Director.

The Project Manager is responsible for assuring that all contracting arrangements are in order, including preparation of all necessary documentation such as PIO/T's for consultants and cables for REDSO and AID/W personnel.

The Project Manager will be responsible for directing and coordinating the efforts of the PP team in the preparation of this detailed project analysis. The PP develops the project concept from where the PID left off, filling in the details of implementation methodology, refining the project budget and providing supporting economic, social and administrative justification for the project concept and its implementation strategy. It is important that the PP team and mission staff involved work together in an integrated fashion, involving relevant

Host Government officials where necessary to ensure full GSDR support. After completion of the draft PP, it must be circulated to the following offices for review and comment: Project, Program, Controller, and if applicable, the Engineering Office and the Mission Environmental Officer. SEPRAC will also officially review the PP in draft, whereupon it will be put in final form for the Director's approval. The Project Office will then draft a Congressional Notification for the project. Under current delegations of authority, the Mission Director may approve, authorize and obligate projects up to $20 million. Projects over this amount must be approved in Washington. For mission- approved projects, the CN will take the form of a cable to AID/W; for AID/W-approved projects, the CN will be included as an annex to the PP. The Project Office will request budget codes from AID/W.

Project Authorizations

Guidance for the preparation of Project Authorization is found in Handbook 3, Chapter 5. A Project Authorization package consists of the following: 1) an Action Memorandum; 2) the Authorization itself; and 3) Project Data Sheet. After the PP has been finalized, the Project Office will draft the authorization documentation which will be cleared by the Project Committee and by the Regional Legal Advisor. Under the provisions of DOA 140, the Mission Director is then authorized to sign the Authorization, if the life-of-project funding does not exceed $20 million, or if special ad hoc authority is delegated by AID/W.

Project Agreements

Guidance for the preparation of the Project Agreement is found in Handbook 3, Chapter 6. The Project Grant Agreement consist of three sections: 1) body of the Agreement, 2) Annex I - Amplified Description of the Project; and 3) Annex II - Standard Provision Annex. The Project Office will draft the Project Grant Agreement, the Project Committee will clear the document for substance, and the Regional Legal Advisor will approve the document following a review to ensure that it is complete and accurate in all legal respects.

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Following is a summary of the sequence of events to be followed for PP approval, Project Authorization and obligation of funds:

Task	Action	Clear	Approval
1. Convene Project Committee	PM	PC	
2. Draft Action Plan	PM	PC	DD
3. Prepare documentation for outside resources	PM	PC	Dir
4. Prepare PP analyses	PD/CONT	PC	
5. Draft PP	PP Team	PC	
6. Prepare Issues Paper	PROJ	PC	
7. SEPRAC Review	PROJ	SEPRAC	Dir.
8. Finalize PP	PC		
9. Approve PP	SEPRAC		Dir.
10. Draft CN	PROJ	PC	Dir.
11. Request Budget Code	PROJ	PC	Dir.
12. Draft Project Authorization	PROJ	PC	RLA
13. Draft Grant Agreement	PROJ	PC	RLA

Special Consideration:

Even though the preparation of a PP may require varying amounts of outside assistance from consultants, AID/Washington or REDSO, the drafting of the final PP is the responsibility of the mission. The Project Committee, chaired by the Project Manager, is the principal mission body responsible for this action. Certain sections of a PP require approval from certain AID staff, who will normally be members of the Project Committee. These are as follows:

Section	Approval
Cost Estimate and Financial Plan	Controller
Financial Analysis	Controller
Implementation Plan	Controller/PROJ
Environmental Analysis	AID/W or REDSO
Economic Analysis	Program Economist
Procurement Plan	Supply Management Officer
FSU Arrangements	Management Office

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Implementation Letters (PILs)

The purpose of Project Implementation Letters is to furnish additional information to the Host Government about matters stated in the Project Agreement. PILs are also used to confirm and record the mutual understanding of AID and the grantee on aspects of the implementation of the Agreement. PILs cannot be used to amend the Agreement except for PACD's, source and origin and minor revisions of the amplified description of the Project in Annex I. Implementation Letters are numbered in sequence. Implementation Letter No. 1 is particularly important, in that it provides essential guidance on such matters as shipping requirements, method of payment, AID criteria for acceptance of evidence regarding conditions precedent to disbursement, etc. Ideally, PIL No. 1 should be transmitted at the same time the Grant Agreement is signed. If this is not feasible, it should be sent as soon as possible after the signing. A model Implementation Letter No. 1 can be found in the Project Office.

The Project Manager is responsible for drafting all implementation letters, which must be cleared by appropriate members of the Project Committee. The RLA should clear PIL No. 1 and any PILs approving CP's and others which the Project Committee feels warrant legal input or review. All PILs must be cleared through the Deputy Director before signature by the Mission Director.

Project Amendments

From time to time it may be necessary to amend Project Papers to reflect significant changes in project elements, funding levels, implementation methodology or timing requirements. Guidance on project amendments is contained in Handbook 3, Chapter 13. Mission procedure to execute project amendments is exactly as described above in the procedures for PIDs and PPs.

A model format for Grant Agreement amendments is contained in Handbook 3, Chapter 6, Appendix 6H. Grant Agreement amendments to add additional funds should be drafted and executed as soon as possible after levels are determined and allotments received. The mission usually receives annual allotments in December. The Project Office will draft the Grant Agreement amendment, the Controller will certify the availability of funds, and the Project Committee and Deputy Director will clear the amendment before going to the Director for signature. If the changes involve substantive modification of the provisions of the agreement or the amplified project description (i.e. are more than the addition of incremental funding) the RLA will clear the amendment.

III. COMMODITIES

This chapter is divided into 5 sections:

1. Introduction
2. Factors affecting procurement
3. Procurement methods
4. The USAID/Somalia procurement system
5. Waivers and Authorities

The Introduction provides a general description of where to turn for help on procurement questions. The factors affecting procurement provides a short discussion of the procurement process, lead times, and requirements that project managers should be aware of. The Procurement Methods section discusses the various ways of doing procurement both as Host Country procurement and Direct AID procurement. The USAID/Somalia procurement system section describes how project procurement is handled in the Mission, assigning responsibility for each of the various procurement and commodity related actions. The waivers and authorities section describes the major waivers that might be needed and summarizes the delegations of authority for granting those waivers.

1. Introduction:

Commodity procurement is a complex and often thorny area of specialization within the field of project management. In probably no other area are there as many exceptions to the rules and varying applications of the rules depending on such factors as dollar amount being procured, country of source and origin, recipient country, size and category of the USAID mission, etc. This chapter of the PISTON manual covers briefly the main areas of concern regarding commodity procurement, and is a checklist and summary of the procedures required.

It is important that Project Managers and Mission Project Development Officers be generally familiar with procurement regulations and procedures for both AID-direct and Host Country procurement. Agency guidance is provided in several sources, including:

AID Reg 1,
Handbooks
HB 1B (Procurement Policies)
HB 11 (Country Contracting)
HB 14 (Procurement)
HB 15 (AID-Financed Commodities)

as well as numerous detailed attachments and appendices to these handbooks. (For example, see Appendix D7 of HB 15 for instructions on the preparation of the PIO/C form.) This extensive material represents a great deal of information on which to become informed and stay current. USAID/Somalia, however, does have a full-time resident Commodity Mgt Officer (CMO) to assist in project commodity procurement. This officer, as well as the RLA in REDSO/ESA, should be used liberally whenever questions of substance or procedure arise on project procurement. All outgoing documentation in reference to commodity procurement must be cleared by CMO prior to transmittal.

2. Actions Affecting Procurement

When purchasing project goods and related services from the United States, a time of 6 to 14 months is required from the time of writing the specifications to receiving the goods. The length of time will vary depending on the quantity and types of goods required and mode of shipment.

Actions	Time: Min/Max
Write specifications and obtain waiver, if applicable	2/4 wks
PSA reviews specifications and advertises in the AID Export Opportunities Bulletin and CBD	6/8 wks
Review offers, make awards, and issue purchase order	2/6 wks
Supplier consolidates and ships goods	12/28 wks
Goods on the high seas and transshipment through Durban, Republic of South Africa for arrival at port of Mogadishu	4/8 wks
Customs clearance and delivery to project site	2/3 wks
Total	28/57 wks

Project Managers should not assume that purchasing from an eligible code 941 source, even from a nearby African country, will result in faster procurement than from the United States. For example, purchasing goods from Kenya may take 6-9 months to arrive, depending on road condition and/or availability of sea transport. Ocean shipment between Mogadishu and Mombasa is limited to two vessels, which are typically in dry dock about half of the time. During the rainy season in northeast Kenya, the roads are usually closed because of mud. Proximity, therefore, does not ensure rapid delivery in Africa.

Specifications - Competition is a basic principle in determining procedures for obtaining AID-financed commodities. In order to encourage maximum competition, specifications should remain unrestricted to the maximum feasible extent. Special requirements for a specific brand or trade name in order to be compatible with existing equipment will require justification. Ideally, justification should be in the PP; if not, the Project Manager must provide the justification and obtain approval of the Mission Director. It is the Project Manager's responsibility to work closely with the project technicians in compiling commodity specifications and obtaining appropriate justification for waivers to permit prompt procurement of project goods.

The mission experience has been that the following areas have been to most difficult to gain control of:

Arrival/Accounting - It is imperative that when the project commodities arrive at the port of Mogadishu, the Field Support Unit (FSU) immediately process all appropriate documents in order to clear the commodities from the port. However, before the commodities are accepted from the port authorities, FSU must inspect all containers, crates, and other packing crates for external damages. If damages have incurred, FSU must make a written report, pictures if possible, and all documents signed by the port authorities and witnesses.

Insurance Claims: - It is imperative that FSU personnel proceed promptly with insurance claims actions, especially those against carriers. If circumstances permit, the cargo in a shipment with shortcomings, etc. should be subject to a "joint inspection" by the consignee, a representative of the carrier. Where a claim is deemed appropriate, FSU should refer to HB 15, Chapter 8, for general guidance and seek assistance from the mission CMO and consult with the Project Manager.

Receipt of Goods - After the project commodities have arrived at the FSU warehouse, FSU personnel with the host country project counterpart should open all containers and check for damages, missing items, etc. If there any damages or discrepancies in the items, FSU should contract the Lloyd Agent (Mogadishu) to have a survey report done for insurance claims. After the commodities have been inspected and accepted, FSU must issue a inspection and receiving report. Copies of the report must be sent to USAID Project Officer, Controllers office, host country project manager, CMO, and a copy for FSU file. All of the commodities, damaged or otherwise must be recorded in the project property book for accountability.

End-Use Check - Throughout the life of the project, the Project Manager or his representative and AID End-Use Checker should continue to spot check the end-use of all project goods. The basic objective is to ensure that AID-financed commodities are used for the purpose for which they were intended in the project design and the Project Agreement. The end-use check should verify actual final use of such commodities by checking inventory records, inventory of goods in the warehouse, confirmation of location of all goods as stated in the inventory records, etc.

3. Procurement Methods

There are numerous options for procurement of commodities and different regulations apply to different approaches. The CMO is responsible in the mission's commodity system for determining which option is most appropriate in each case. In its simplest form, project procurement can be done by the USG itself or through a host country mechanism. The rules which apply to these broad categories are summarized below.

DIRECT USG PROCUREMENT:

PIO/Cs for Procurement of Goods

Authorized Agent	Authority	Amount	Procedure
USAID - authorized Agent Mission or AID/W	FAR & AIDAR	Under $10,000	Solicit offers and issues purchase order on PIO/C directly to supplier
		Over $10,000 and under $100,000	Solicit offer and issues supply contract on PIO/C. Publish awarding CBD, AID Bulletin and Small Business Bulletin.
		Over $100,000	Formal tender
Other US Government Agency-Authorized Agent	FAR	A worksheet PIO/C is sent to AID/W (SER/AAM/OS/AFR) for reissuance to appropriate US government agency. The worksheet should contain all appropriate fiscal data, specs, clearances, etc.	

HOST COUNTRY PROCUREMENT.
Contracting for PSA Services:

Except in rare instances which must be approved in AID/W (SER/AAM), the use of Procurement Services Agents (PSAs) is restricted to Host Country contracting and should not be used for AID-direct contracting. For Host Country contracts, a PSA is normally invaluable throughout the procurement process, especially in preparation of bid documents, and coordination with suppliers and arrangements for shipping. See HB 15, Chapter 4 for a general description of PSAs and their uses. A checklist of procedures and references related to PSAs is offered below:

Procedure	Guidance	Cost of Services	Competition
HB 11, Ch.7	HB15, Ch.3&4	Under $10,000	Formal Advertising for PSA not required.
	HB1B, Ch.12		Solicitation of offers should be obtained from more than 1 PSA.
HB 11, Ch.1	HB15, Ch.3&4 HB1B, Ch. 12	$10,000 to $100,000	Formal advertising in the AID Export Opportunity Bulletin and Commerce and Business Daily (CBD) for PSA services is not required. However, award of contract must be published in the above Bulletin and CBD.

The mission preference is to utilize Host Country contracting approaches using a PSA and management by the CMO and FSU.

4. The System

USAID/Somalia has adopted the following system for project commodity procurement in order to better control the ordering, transport, receipt, and utilization of commodities in our projects. The objectives of the system are:

(1) Assign specific responsibility for each step of the procurement process to a specific location within the mission;

(2) Standardize and centralize the selection of Procurement Services Agents;

(3) Maintain strict and accurate control of Waivers;

(4) Institute a standardized tracking system for procurement activities;

(5) Implement a reliable receiving and inventory system for project commodities;

(6) Implement an independent end use checking program.

There is no longer a stated agency preference between AID-direct and host country contracting. The Mission designates the method of procurement for all AID-financed development assistance projects in the Project Paper. It is the practice of USAID/Somalia to procure project commodities through the Commodity Management Office and the Field Support Unit per the discussion below:

Procurement of project commodities will generally be handled by the CMO and the FSU. FSU is responsible for procurement of household furniture, appliances, and items required for westernization of local housing for project technical assistance members. Project furniture purchased in the United States will be through the Department of State furniture contract which at the present time is with Ethan Allen. Generally, all project commodities not in direct support of TA contractor residences are to be procured through the CMO.

For FSU procured commodities, notification by the project manager to FSU of the number and timing of contractor arrival and provision of funds by PIL based on the USAID approved FSU budget needs as restricted in the FSU dollar budgets. (Chapter III of this manual) is sufficient for FSU to proceed.

For other project commodities, the system will be as follows:

(1) Project Manager, in coordination with project committee determines commodity requirement pursuant to PP and PROAG.

(2) Project Manager forwards memorandum to CMO (cleared by Project Committee) with quantity, commodity specifications, estimated cost, justification for waivers if required, delivery schedule, and any special instructions relating to the commodities to be procured.

(3) CMO will review the requirement, identify needs for further information, waivers, etc and consult with Project Manager to complete the package.

(4) CMO will solicit offers directly from PSA's, or use an existing IQC contract.

(5) CMO will organize a selection committee to evaluate PSAS' offers and make award.

(6) CMO will draft the supply contract and the PIO/C backup documents to include standard provisions relating to procurement status report.

(7) CMO will circulate the prepared supply contract and attachments to the project committee (including the controller for certification that funds are available per Chapter VI of this manual) for clearances.

(8) CMO will return the contractual documents with its clearances to the Project Manager who is responsible for the signature of the GSDR.

(9) Project Manager will return the contractual documents with the GSDR signature to the CMO who will forward the documents to the Mission Director for signature.

(10) After receipt of Mission Director signature, CMO will forward contractual documents to the PSA.

(11) CMO will monitor procurement status and report monthly to the Project Manager with info to FSU/commodities.

(12) CMO will advise FSU by memorandum the expected ETA of the commodities and transfer copies of the PIO/C, supply contract and shipping documents to FSU at least one month prior to ETA.

(13) At this point CMO's responsibility in the procurement process is complete and CMO returns the procurement file to the project manager for the official record.

(14) FSU will monitor the arrival of commodities in the port and clear the commodities from the port.

(15) FSU will prepare a receiving report on the commodities with copies to CMO, Controller and Project Manager for their files.

(16) FSU will prepare all insurance claims for short landed, damaged commodities, etc.

(17) FSU will prepare property record cards for the commodities pursuant to their standardized inventory system.

(18) FSU will advise Project Manager that the commodities are ready for issuance to the project.

(19) The Project Manager will arrange for the project to pick up the commodities from FSU.

(20) FSU will release the commodities along with the Property Record cards to the project as the Project Manager and GSDR sign the detailed inventory for receipt.

(21) FSU forwards the original of the signed receipt to the Project Manager for the official file, one copy of the inventory receipt to the CMO for their file, maintains one copy for themselves and provides one copy to the Project.

(22) The project at this point is responsible for maintaining inventory records on the property.

Following on this system, the CMO takes responsibility for periodic end use checks for commodities. Staff from the CMO will visit project sites to check inventory records, property issuance, and spot check physical location of project commodities. An end use check for each project will be scheduled to be done annually and in no case will a period longer that 2 years pass without an end use check.

5. Waivers:

Of all the various AID operational documents, few are as simple in concept as a waiver. However, in practice waivers seems to cause more problems, delays and frustration than practically any other document. This confusion stems from failure to follow established procedures and insufficient or inappropriate justification for the action requested.

In order for a waiver to be acceptable, the following steps must be followed:

(1) Tell the addressee what rule he or she is being asked to waive and describe the transaction in question. For example, "you are being asked to waive source/origin requirements for the purchase of $40,000 dollars worth of Arabic text books which are not available in the United States or the cooperating country." or "you are being asked to waive the requirement for competition in the procurement of technical services in the amount of $75,000."

(2) Cite the handbook provision or delegation of authority under which the official in question is empowered to grant the waiver. For example, "you are authorized to waive source and origin for the procurement of commodities pursuant to Handbook 1, Supplement B , Section 5b4D (2) for individual transactions up to $250,000." Finding your way through delegations of authority or handbooks on these subjects can be difficult and CMO will assist upon request.

(3) Tell the addressee which of the criteria for waivers you are relying on in making your request and quote the relevant language. The handbooks indicate, in each case, several criteria which may justify a waiver. You may use more than one but tell the addressee which criteria you are relying on and even better quote the language from the handbook or delegation.

(4) Explain how your factual situation fits within the criterion you have selected. You cannot simply say, for example, that a particular waiver is "Critical to the success of project objectives." You have to say why! What will be the results of project implementation if the requested waiver is not granted? Be detailed and specific.

The following is a list of possible waivers which may be required in order to purchase project commodities or services:

1. Source/Origin
2. 636 (i) (vehicle)
3. Non - Competitive Procurement
4. Non-Competitive Procurement Based on Predominant Capability
5. Delivery Service
6. Transportation source
7. Sole source
8. Equipment for sugar Production
9. Advertising Requirement
10. Supplier's Certificate

Mission is required to report all Mission approved-waivers, granted Delegation of Authority 140, immediately upon approval. Project Managers are therefore required to draft a cable summarizing the content of the waiver. This cable must accompany the waiver request.

EMERGENCY PROCUREMENT:

It is USAID/Somalia policy that emergency procurement will ONLY be allowed when the Host Country project manager makes a written request with justification to the USAID Mission Director on why emergency procurement is required. Emergency procurement can only commence after Mission Director approval. Justifications for emergency procurement are as follows.

(a) to avoid a serious delay in project completion or a plants production.

(b) to avoid a substantial increase in cost should the procurement not be completed within a specific time period;

(c) to prevent failure to meet required planting schedule.

Emergency Procurement required because of each of planning will be approved only in the most exceptional circumstances.

SOLE SOURCE AND PROPRIETARY:

USAID/Somalia has standardized some of project commodities and those items are:

(1) Vehicles - GM and AMC vehicles

(2) Microcomputers - MS DOS Compatible

(3) Household appliances

If project manager(s) need to purchase other than these standardized items, written justification must be given in an Action Memorandum to the Mission Director for approval.

Other sole source or proprietary procurements, not pursuant to established mission standardization plans shall be prepared by the Project Manager in an action memorandum to the Mission Director which has been cleared by the project committee. Guidelines for a rational for proprietary procurement are found in HB 15 Chapter 2.

In order to eliminate the need to approve waivers after the project paper has been approved, the project paper should contain, if possible, all waiver requirements, so the waivers will be approved at the time the project paper is authorized. The project paper should include a project procurement action schedule, so ad hoc procurement action which causes confusion, delays and cost overruns. throughout the project implementation stages can be eliminated.

SOURCE AND ORIGIN:

The source/origin of project commodities and commodity supplies for Somalia is limited to A.I.D. Geographic Code 941 (Selected Free World) unless commodities are purchased under the off-shelf rule."Off-shelf" means commodities imported through normal channels available in the country. The off-shelf has been extended by AID/Washington to include countries in the Sub-Sahara which includes such countries as Kenya and Djibouti. However, the off-shelf rule has certain dollar limitation when purchasing A.I.D. Geographic Code 899 (Free World) items.(Off-shelf does not include communist manufactured items). These limitations are:

(1) Unit purchase price cannot exceed U.S. $5000.00; and

(2) Total amount of A.I.D. Geographic Code 899 commodities which can be purchased off-shelf per project without a source/origin waiver is U.S.$250,000.00

Any project commodity that is required from a country listed under Geographic Code 899 and not available off-shelf will require a source/origin waiver. See Handbook 15 for complete Geographic code listing.

Delegations of Authority Pertaining to Commodity Procurement

This listing is only a guide, the relevant handbook and DOA must be consulted prior to exercising the delegation.

Type	Approval Authority	Handbook Provision or Del of Authority
Source/origin (upto 3 million for goods and services)	Mission Dir	HB 1B abd DOA 140
Transportation (if Director has approved S/O waiver, the transport waiver cannot exceed $750,000)	Mission Dir	HB 1B, Ch. 7B, 4b
Transportation	SER/AAM	HB 1B, Ch. 7B, 4b
Non-competitive (Host County Contracts)	Mission Dir under $1,000,000	HB 1B, Ch. 7B, 4b DOA 140
Source/origin Pharmaceuticals	AA/AFR	HB 1B
Source/Origin of motor vehicles and sec 636 (1)	Mission Dir (up to $50,000)	DOA 140
Waiver of Advertisement ($500,000 limit) host Country)	Mission Dir	DOA 140
Commodities and spare parts to support sugar, palm oil and citrus industry	AA/AFR	PD 71
Incidental services which exceed $50,000 or 25% of total purchase contract	AA/AFR	HB 1B
Supplier's Certificate	AA/M	AID Regulation 1, HB 1B, Ch. 8 para 8D, HB
15 Extension of PACD or Terminal Date up to three years (LOP cannot exceed 10 years).	Mission Dir	DOA 140

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Annex A

A.I.D. Geographic Codes.

Code 000 The United States: Including areas of U.S. associated sovereignty.

Code 899 Free World: any area or country in the Free World excluding the cooperating country. The Free World excludes the following countries: Albania, Bulgaria, Cambodia, Cuba, Czechoslovakia, German Democratic Republic, Hungary, Laos, North Korea, Mongolia, Peoples Republic of China, Poland, Romania, USSR, and Vietnam.

Code 935 Special Free World: any area or country in the Free World, including the cooperating country itself.

Code 941 Selected Free World: any independent country i the Free World, except the cooperating country itself and the following:

EUROPE		OTHER	
Andorra	Luxembourg	Afghanistan	Libya
Austria	Malta	Angola	Mozambique
Belgium	Monaco	Australia	New Zealand
Denmark	Netherlands	Bahrain	Qatar
Finland	Norway	Canada	Saudi Arabia
Franco	Portugal	Cyprus	Singapore
Germany, Federal Republic of (including West Berlin)	San Marino	Gabon	South Africa
	Spain	Greece	Syria
	Sweden	Hong Kong	United Arab Emirates
	Switzerland	Iran	
Ireland	United Kingdom	Iraq	Yemen, Peoples Democratic Republic
Italy	Vatican City	Japan	
Iceland	Yugoslavia	Kuwait	
Liechtenstein			

Annex B

PROCUREMENT ACTIONS/RESPONSIBILITIES

Action	Office	Clearance	Approval	References
1. Identify Proj. Commodity	Proj. Mgt Design team Somali PMU	CMO	Div. Chief	Design team
2. Memo to CMO for proc. action	Proj. Mgt. TA team	Div. Chief	Div. Chief	PP
3. Review proc requirements	CMO	Proj. Mgt. TA team Somali PMU	Div. Chief	Proc. Action Memo
4. Prepare proc. doc'n & waivers	CMO	Proj. Mgt. Proj Com. Cont. D/Dir CMO	Div. Chief	Revised proc. list & memo
5. GSDR Signature	Proj. Mgt.	-	Somali PMU	-
6. Mission Dir. Signature	CMO	-	Mission Dir.	-
7. Solicitation for PSA's	CMO	Proj. Mgt. Proj. Dev. D/Dir.	Mission Dir.	PIO/C
8. Evaluation PSA's offers	CMO	Proj. Mgt. Proj. Dev. Cont.	Evaluation Committee	PSA Solicitation

9. Issue Contract	CMO	Proj. Mgt. Controller	Somali PMU	PSA Award
10. Monthly Status Reports	CMO		CMO	Supply Contract
11. Report ETA Proj. Com. to FSU	CMO	Proj. Mgt.	-	PSA's table
12. Proj. file to Proj. Mgt.	CMO	Proj. Mgt.	-	-
13. Clear Com. from Port	FSU	FSU	FSU Dir.	Supply Contract
14. Receiving/ Insp. Report	FSU Property	FSU Dir.	SEXO	B/L; Invoice and Packing list
15. Insurance Claim Doc'n	FSU Property Section	FSU Dir	SEXO	B/L; Invoice and packing list
16. Property Records	FSU Property Section	FSU Dir.	SEXO	
17. Commodities for Insurance	FSU Dir.	Proj Mgt.	Div. Chief	Supply Contract, B/L Invoice Packing list

18. Pick-up Commodities	Proj. Mgt.	Div. Chief	Somali PMU	Memo from FSU
19. Release Commodities	FSU	FSU Dir.	Proj. Mgt. & Somali PMU	Memo from FSU
20. Forwarding inventory receipt	FSU	FSU Dir.	SEXO	
21. Maintaining inventory records	FSU			
22. End-use Check of Project Commodities.	CMO	Proj. Mgt.	Div. Chief	

IV. CONTRACTING FOR TECHNICAL ASSISTANCE

Introduction

The majority of our projects rely heavily upon technical assistance as a major project component. Although there are several diverse ways to obtain the technical assistance required, they each go through similar contracting steps before the technicians are recruited. The project manager plays a key role in arranging for the technical assistance services for his project and in monitoring and guiding their performance throughout the implementation stage. This section deals with the various types of technical assistance (generally referred to as TA), the steps and procedures required for contracting and the need for contract monitoring by the mission staff.

Possible Contracting Modes

Term	Type	Applicability
Short	Indefinite Quantity (IQC)	Primarily design (AID/W)
	Personal Services (PSC)	General
	Purchase Order (PO)	Only for end product
	Part of Long-term Inst. Contract	Common in Implementation
Long	Institutional	
	Firms:	General
	- Small Business	General when qualified
	Minority (8a)	General when qualified
	- Open Competition	General - preferred
	- Joint Ventures	General on larger project
	University:	When appropriate
	- BIFAD collaborative	University/research
	- Contract	General when appropriate
	Private Voluntary Organizations (PVO)	
	Grant (OPG)	PVO-proposed
	Cooperative Agreement	Joint PVO/mission
	Contract	General when appropriate
	Participating Agency (PASA)	When USG agency is best source

This listing is not all-inclusive, as other combinations and permutations are possible, but it will provide a useful starting point. Consultation with other Project Managers, the project office and the Director's office can help identify the most appropriate contracting mode in each instance.

Steps to Contract for Technical Assistance

The basic tenet of the AID contracting procedures is competition, and the following procedures are designed to maximize competition, while ensuring

that the best candidates for the job are identified and selected. In the case of Indefinite Quantity Contracts (IQCs), competition takes place in connection with the award of the initial contract, after which individual activities are authorized by work orders. General competition is not required for contracts awarded to minority firms under Section 8 (a) of the Small Business Act, but a limited competition among a small number of 8(a) firms is encouraged for larger contracts. For small procurements (under $10,000), no competition is required.

Task	Action	Clear	Approval	Reference
Identify needs	Proj Mgr	Proj Officer	Off Chief	PP
Draft RFTP	Proj Mgr	Off Chief Proj Off Cont Mgt Off REDSO	Dep Dir	HB 11 sec Proj Off Guidebook sec Sample Book sec
Prepare PIO/T	Proj Mgr	Off Chief Proj Off Controller Mgt Off Dep Dir	Director Prog Off	HB Proj Off Guidebook sec
Advertise CBD Journal News Local	Contract Off (Mgt Off) (REDSO) (AID/W)	None	None	
Issue RFTP	Contract Off	None	None	
Review Handbook Proposals	Contract Off	Proj Mgr Proj Off	Contract Off	Proj Off Guidebook sec
Define Compet. Range	Contract Off	Proj Mgr	Contract Off	
Get Cost Offers	Contract Off	None	None	
Negotiate	Contract Off	None	None	
Execute	Contract Off	None	None	
Order to Proceed	Contract Off	FSU	Proj Mgr	

1) At this point in the process it is mission policy to have contract administration transferred to the mission rather than leaving it with an external contract officer (REDSO/ESA or AID/W).

There may be modifications in the above listing due to variations in the different contracting modes but, in general, all contracting follows the same basic steps, even if they are called by different names.

In certain cases, specialized skills may be required for technical assistance where other offices in the mission should be consulted and asked to clear documentation. One specific example is the Engineering Office. In any project where engineering services are called for under technical assistance, the Engineering Office is required to clear the documentation.

The FSU is shown for clearance only on the notice to proceed. However, as explained in the section of this manual dealing with the FSU, the FSU must be informed of TA plans at the earliest possible stage so that they can prepare their plans. It is preferred that funds be transferred to FSU concurrently with issuance of the PIO/T at the latest.

For additional advice on questions concerning contracting, project managers should consult the project office and the management office.

Special Considerations in Contracting

Host Country Contracts

The project paper will establish the contracting mechanism to be utilized. Based on previous mission experience and a review undertaken in 1984 in connection with contracting for the Kismayo port, current mission policy is to prefer direct AID contracts, as opposed to host country contracts, with dollar funding under AID projects. Rationale for a Host Country contract mode will need to be particularly strong in the PP.

Any deviations from the contracting approach defined by the PP will be approved by action memorandum to the Director.

Non-Competitive Procurements

Mission policy is to adhere to the requirements for competitive selection of contractors. Any deviations from this policy must be specifically approved by the Mission's Non-Competitive Review Board, consisting of the Deputy Director (Chairman), the Chief of the Project Office and the Controller. Documentation requesting approval of non-competitive procurement is to be submitted in Action Memorandum form to the Chief of the Project Office. In some cases, IQCs and centrally funded contracts may offer the potential for the mission to "buy-in" to an existing contract for short-term assistance without further competition.

Contract Monitoring

Monitoring of performance and costs under the contract are the responsibility of the Project Manager. The Project Manager is encouraged to require from the contractor any necessary reports pursuant to the Mission Policies described below.

Project Plans

Mission Policy is to require each contractor to establish an Implementation Plan for the portion(s) of the project for which that contractor is responsible. This could be only the technical assistance element, or it could be the entire project. This requirement is to be incorporated into the basic contractual document of the contractor. This overall plan is subject to annual modification and approval of the Project Manager through the Project Committee.

The contractors are also required to prepare annual work plans for their technical assistance teams and project activities for which the team is responsible.

Reports

Mission policy is to require quarterly reports from contractors in which they report actual accomplishments against those programmed in their annual plans. Any exceptions to the quarterly report time period must be approved by Action Memorandum to the Deputy Director from the Project Committee.

Project Manager Visits to Project Sites

Mission policy calls for Project Managers to visit project sites regularly, with a target of at least once a month and a requirement of once a quarter. In these visits the Project Manager should discuss performance of the technical assistance team with their counterparts, observe the TA team at work and confirm the validity of accomplishments cited in the quarterly reports.

Administrative Approval of Vouchers

The Project Manager is required to certify that the billed services have been provided according to the procedures established by the Controller's Office. This is the first line of AID financial responsibility and Project Managers are advised to exercise this responsibility carefully, in accordance with the requirements of mission policy. (See the Financial Management section of this handbook.)

Approval of Contract Personnel

Contracts will normally require mission approval of contract personnel. The Project Manager is responsible for coordinating the individual judgments of the Project Committee and the Government of Somalia and for reconciling differences of opinion. The Project Manager will then prepare for the Director's signature an official letter or cable to the contractor, informing him of the decision reached on contractor personnel and indicating desired arrival dates at post. Copies of this approval are provided to the Management Office and to the FSU.

Contract Amendments

The project manager is responsible for coordinating any project amendments that may be called for. Depending on the size and scope of the amendment, the mission may be able to execute it, or it may have to be forwarded to a contracting officer (REDSO/ESA or AID/W). An Action Memorandum to the Director with the Project Committee's recommendations for amendments, a statement of whether the Director has the authority to execute the amendment and appropriate PIO/T amendments is to be prepared by the Project Manager and cleared by the core Project Committee and Deputy Director. If the amendment is to be executed in the mission, the Management Office will be the action office for preparing and negotiating the amendment with the clearance of the Project Manager.

V. PARTICIPANT TRAINING

Introduction

This section deals with the hows, whys, whats and whens of the rules and regulations governing participant training and attempts to relate them to the Somali situation in a practical way. It seeks to address not only the usual challenges in conducting participant training programs anywhere, but also reviews some specifically Somali characteristics and problems which Project Managers and contract implementation teams will face.

1. References

AID Handbook 10 is the basic reference source for all participant training activities. It is available in the mission library, Director's Office and EHR Office. It is complete, clearly written, kept up to date, and is essentially self-contained. Another valuable reference is the Participant Training section of the Project Implementation Course's Participant Manual. This material was prepared for AID by Development Associates, Inc. for the Project Implementation Course and is normally only in the possession of those mission and contract persons who have taken the course.

2. Definitions

The official definition of AID participants states that they are foreign nationals under AID-sponsored training outside their home country. For USAID/Somalia purposes, the term "participant" is also loosely applied to those Somalis trained in country by technical assistance (TA) personnel brought to Somalia under a USAID project, although technically, this is called "Development Training". Foreign nationals traveling to attend short-term conferences or observation tours under invitational travel orders, or financed under general support grants are not considered participants.

Management of training has traditionally been the responsibility of the mission, assisted by S&T/IT or an AID contractor, or the host country. However, because, of the extremely high costs of these arrangements, particularly involving contractors, the mission is exploring the possibility of directly contracting with universities, and have them assume full responsibility. It now appears that savings from 30-50 percent could result from judicious use of this procedure, and that these savings, wisely used, could result in training a significantly larger number of qualified Somalis.

3. Purposes

The agency encourages participant training for three major purposes: (1) staff development for bilateral projects; (2) strengthening of key developmental institutions; and (3) training of trainers. Policy guidelines suggest care should be taken to achieve a healthy balance in training activities, stressing a close relationship to CDSS objectives. Also, that the overall program be consistent with special AID concerns, such as support of the private sector and training of women.

All participants are subject to AID procedures, regulations and reporting requirements. Participants are obliged to return to their home countries upon completion of their programs, and to apply their skills in development-related activities. Care needs to be taken to have both host country officials and participants understand that AID grants are not individual scholarships, but parts of an overall strategy for development of the institutions of the host country, usually through a specific AID project.

4. Programs and Types of Training

There are a variety of participant training resources that can be brought to bear on any specific project. First and clearly most important are the project's own participants. Care taken in the planning of these activities can lessen the need for additional training support. However, when appropriate, additional assistance can be obtained through ongoing centrally-funded projects, such as the African Manpower Development Project (AMDP) or the African Graduate Project (AFGRAD). This training need not be tied to the requirements of particular bilateral AID projects.

5. Selection of Participants

To operate a participant training program successfully, standards agreeable to both the mission and the host country should be clearly identified in writing. When a request for training has been made by the host country, a joint statement of scope and objectives should be developed. The nominee's preferences, level of motivation, academic background and capability, etc., need to be assessed in detail. The relationship of these personal characteristics to the objectives of the project should be clearly understood. The suitability of candidates must be objectively evaluated by the mission to ensure that participants are drawn from both appropriate and qualified GSDR and private sector association personnel. In addition, an effort must be made to make sure that every participant is mentally prepared for culture shock and all aspects of life away from home.

An important element frequently overlooked is personal health. As AID becomes totally responsible for the participant once he/she leaves the host country, undetected health problems can be costly, time consuming, and a valid reason for poor training results. As U.S. medical services are far superior to those in Somalia, and are available at no cost to the participant, there is a strong temptation to hide known or suspected health problems until arrival at the training institution. Medical Form FS-398 needs to be completed and proper medical exams undertaken prior to departure to avoid serious medical problems in the U.S.

All participants must be citizens of the host country. American and third country nationals (TCNs) are not eligible for training under project funding. Selection factors include a candidate's background, education, English language proficiency, current job and prospective position after training. These factors are evaluated through forms, tests and interviews. Nominees previously trained outside the host country or returned participants are selected only in unusual cases when complete justification exists. A mission paper outlining procedures for selection of participants can be obtained from the training office.

6. · Timing

The typical Somali participant, almost without exception, at the time he or she is selected for training, will be occupying a position that pays an equivalent of U.S. $10-30 a month. Long-term participants in the U.S. receive $450-550 a month in maintenance allowances alone, with many additional benefits (health coverage, travel, etc.). The lure of such an extreme jump in remuneration imposes social and moral strains on participants, who are, after all, only human. Most people would naturally seek to continue such an arrangement as long as possible. Frequently, however, inappropriately long training and delays in the return of participants can impose an extreme cost to the project, less in terms of money than in lost time. Timing of training, both English language training and academic training, must be carefully scheduled. Every effort needs to be made to see that the schedule is realistic and that it is adhered to rigorously.

There are several concomitant, exacerbating, problems which complicate planning of training and selection of candidates: (1) Many academic advisors at U.S. universities seem to feel strongly that academic success can only be properly rewarded by the granting of additional training, i.e. competent students finishing a masters degree should go immediately into a doctoral program, with no intervening experience. (2) Most of our candidates for graduate degrees took their undergraduate training at Somalia National University. A realistic look at SNU shows that its instructional staff is far from well-qualified professionally (they admit this, in writing), and the libraries and laboratories, where they exist, are usually poorly equipped. The result is that potential participants, no matter how individually talented, often are not prepared to do graduate work without long, costly periods of training in undergraduate background courses. (3) Closely related, is the fact that many agencies nominate candidates without the slightest attention to academic background, i.e., a student with a home economic degree is nominated for a masters degree program in accounting. Such a change of field would be difficult even for a well-trained U.S. graduate. Given the added cultural and educational barriers facing most Somali participants, it is simply unworkable.

With the time pressure of deadlines and the need to evaluate hundreds of pieces of information in the decision-making process, there is no easy solution to this dilemma. However, sensitivity, perseverance, patience and understanding on the part of both the Project Manager and the participant will help produce successful training results.

7. English Language Training

Most universities require a TOEFL (Test of English as a Foreign Language) score of 500-550 for long-term trainees. While somewhat less stringent requirements are placed on short-term trainees, the participant must be able to understand and interact effectively in the English language in order to benefit fully from most courses.

English language training is available at USIS/Somalia, and this facility should be used fully. There are, for emergencies, alternative training locations. Traditionally, Georgetown University in Washington, D.C. has been a major center for intensive English training, a source greatly preferred to USIS/Somalia by all participants, but extremely expensive and seldom cost effective. Recent audit reports have been critical of using this facility or its equivalent. The Mission is currently exploring the possibility of using the American University of Cairo as our other-than-USIS facility for intensive, short-time English. Specific information on this alternative will be available early in 1986.

At the mission we may tend to overlook a chance to monitor participants at the earliest phase of their training program. A student's willingness and ability to successfully complete English Language training in Somalia may be an accurate indicator of how well that participant will fare in the actual U.S. training program.

8. The PIO/P

The PIO/P is the basic training document. It is here that the project manager describes the purposes of the training program, provides for the funding, explains objectives, sets time limits, and otherwise generally establishes a pattern for implementation of each participant's training. In most instances, the PIO/P serves as the obligating document. It is used for both U.S. and Third Country training, and provides data for the Participant Training Information System.

For most training, especially academic training, PIO/Ps are for individuals, and are used for groups only when objectives, location, timing, cost and duration are identical. Significant changes in funding or type of training must be effected through amendment of the original document. See HB 10, Appendix 11D for guidance on the completion of the PIO/P.

9. Processing For Departure

Approximately 3 months following the submission of the PIO/P, a Call Forward (CF) cable should arrive from AID/W. It will suggest a date for arrival in Washington, or perhaps approve travel directly to the place of training, if the participant is known to have been in the U.S. for training previously.

The training section of the EHRD Office is responsible for assistance and guidance in these matters. The project manager is the action agent who is responsible for seeing that the process runs smoothly. This calls for the following series of actions:

Visa -- The mission completes, and a designated American officer signs, the IAP-66A, application for visa. The participant completes his/her sections of that document and takes it to the Consular Section of the U.S. Embassy. There participants fill out another form, have their pictures taken and subsequently are issued a visa valid for their period of training. The Visa Office complains that many requests are for almost immediate departure. This is proper only in rare emergency cases. Proper planning should decrease the incidence of this abuse.

Tickets -- The mission issues a GTR, valid for travel to and from the training site. (We are reviewing this process, specifically the routing of travel to the U.S. It seems that the traditional route of Mogadishu-Rome-New York may now be impractical because of recent carrier curtailment. In any case, the alternative route of Mogadishu-Nairobi-Frankfort-New York is less costly and will henceforth be the designated routing.

Travel Advance -- An advance of $300 is issued to cover travel and early adjustment costs. The Training Office, upon request, will arrange for this by memorandum to the Controller's Officer.

Briefing -- While this element can vary widely, according to need and the style of the project manager, care must be taken to ensure that all necessary conditions and objectives of the training program are fully understood by the participant.

Advising AID/W of Arrival -- This telegraphic notice must be sent in advance of departure. It should contain participant's name and PIO/P number, advice of medical clearance, airline name and flight number, date and estimated time of arrival, and amount of advance provided. (If the participant is of ministerial rank, include data on official status and whether protocol courtesies are desired.)

WIC -- First-time participants are urged to attend the briefing sessions available at the Washington International Center (WIC). This week-long program introduces participants to the U.S., the purposes of training, facilities available to them while in the U.S., etc.

10. Monitoring

During training the AID/W support agency, most usually S&T/IT or a private contractor, is responsible for monitoring the training program and informing the project manager of progress, problems, etc. In the mission's view, this process has not worked smoothly in the past, and we are investigating alternatives. Effective reaction to problems and communication time between the university and the training agency and the mission is often so long that it is too late for corrective action or results in unapproved action being taken unilaterally by the college. AID/W is looking into ways to reduce this time lag.

11. Return

As in the briefing before departure, the project manager can be an effective agent in ensuring positive results from training. AID/W is very effective in notifying the mission of estimated dates of arrival for participants completing their training programs.

The participant's nominating agency should be informed of his/her return date and, if it can be arranged, meet the returnee. This will help to ensure that the participant can return to the position listed in the training proposal as smoothly as possible, and begin to contribute to the realization of project objectives. Depending on the length of the training program, this reentry can be fairly traumatic, and should be carefully monitored by the project manager. The mission is currently studying the possibility of establishing a coordinated Follow-up Program for long-term participants.

VI. FINANCIAL MANAGEMENT

Project Accounting Transactions and Controls

Project Accounting Transactions and Controls are closely related, since controls are exercised over transactions. Certain valid conditions (control rules) must exist before succeeding transactions are permitted. The attached hierarchical diagram (DIAGRAM A) presents the overall manner in which project accounting transactions and controls are related. This diagram will be referred to as the "Control Hierarchy". It portrays the various accounting transactions involved in project accounting, both loan and grant, in a descending order of control levels. As in Budget Allowance Accounting*, a sufficient "unencumbered" fund availability must exist at an immediate higher level, before a subordinate transaction is allowed. Depending on funding source and pre-established limitations included in authorizing or obligating documents, other conditions may have to be met before subordinate transactions are allowed. The following section explains the controls that should be exercised over transactions in terms of the Control Hierarchy.

DIAGRAM B reveals the document flows and examples of the types of documents used at each stage of the Control Hierarchy. Attachment I provides examples of Earmarking versus Commitment Documents.

1. Individual Controls

a. Project Authorization

AID policy requires the formal approval of project assistance before AID funds are obligated pursuant to a Project Agreement. A standard Project Authorization serves loan, grant and loan/grant projects. The Project Authorization together with the Project Data Sheet, constitutes the first part of a Project Paper. Signature of the authorization by the official who is delegated power to authorize the project constitutes approval of the project design, including the total projected AID life-of-project budget, but does not constitute funding of the project. Funds are made available for obligation through the Operational Year Budget (OYB) and budget allowance processes. In some cases funds may be "allowed" to a mission before a project is authorized.

Control of the mission Operational Year Budget is exercised at the AID/W bureau level, as reflected on the illustrated Control Hierarchy.

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* On October 1, 1982, budget allowance replaced allotments in the field as the authority to obligate funds.

FINANCIAL MANAGEMENT: A DEFINITION OF TERMS

FINANCIAL MANAGEMENT TRANSACTIONS, TERMS AND RELATED DOCUMENTS

b. Operational Year Budget

The Operational Year Budget (OYB) is AID's control over allocation of appropriated funds. The OYB precedes the allotment/budget allowance process, and in some cases project authorization, and is the control by individual country of allocations throughout the year via subsequent master and individual OYB revisions.

c. Budget Allowance

In past years, USAIDs obligated funds directly against allotments. Recent changes to the system add a concept called "budget allowance", which is a subset of an allotment. Allotments will only be received at the bureau level, and missions will be allocated funds only in the form of budget allowances, which are in consonance with their OYBs. Budget allowance accounting is a fiduciary type of accounting concerned with OMB, GAO, and Treasury policies for obligating and disbursing U.S. Appropriated funds. It is basically a system of funds control to ensure that Agency allotments are not over-obligated or over-disbursed, so as to avoid Section 3679 (the Anti-Deficiency Act) violations. The applicable AID/W bureau must ensure that budget allowances do not exceed their respective allotments.

d. Conditions Prior to Obligation

Conditions that must be met prior to obligation of project funds are generally specified in the Project Authorization. Controls over conditions that must be met prior to obligation should be exercised following receipt of Budget Allowances, but prior to issuing a fund citation and the simultaneous reservation of funds entry in the records. Once a reservation is made, the control over certain conditions such a the expiration of a Congressional Notification waiting period, is lost. Therefore, no fund citations should be made until conditions prior to obligation have been met. In addition, the mission Controller must ensure that a project has been authorized prior to issuing a fund citation, since it is possible to receive a budget allowance for a project prior to project authorization.

e. Reservation

The reservation or "administrative reservation" stage of the project implementation process is the first stage at which a mission Controller must exercise direct control over subsequent project implementation activity. The reservation stage is the point at which a determination of funds availability is made, and if available, an administrative reservation is made of budget allowance funds. The budget allowance is then "encumbered" to the extent that funds in that amount are no longer available for other subsequent reservation or obligation. The mission Controller must ensure that an unencumbered budget allowance is available for grant funds has been delegated to the mission. The determination of funds availability is called "prevalidation of funds availability". Prior to prevalidation of funds, all conditions prior to obligation must have been satisfied, outlined in (d) above.

f. Obligations

Once budget allowance funds have been administratively reserved for a particular project, obligation transactions occur as evidenced by signed project agreements or contractual documents in accordance with criteria established in Section 1311 of the Supplemental Appropriations Act, 1955, 31 U.S.C. 200. They are entered into budget allowance records as well as as subsidiary project accounting records. The USAID Controller must ensure that funds were previously reserved for the full amount of the obligation before the transaction is entered into the official accounting records. In addition he should ensure that the signatures on the obligating documents are valid signatures by those having the proper delegation of authority to sign for U.S. Government as well as the host country. If doubt should arise as to the legality of the obligating document, the mission Controller should seek legal counsel from the RLA. If the Mission Controller discovers that funds have been obligated and not prevalidated and reserved, he should immediately advise the Mission Director, since this is a serious violation of agency funds control procedures.

g. Project Element Budgets

Each project obligating document (Project Agreement) generally sets forth a financial plan or budget detailed to the major elements of a project.

The total amount of all project elements should agree with the total obligation amount. The amount of each financial project element should be entered in the element fund control ledgers to control subsequent implementation activity known as earmarking.

h. Conditions Precedent (To Disbursement)

Many project agreements include certain Conditions Precedent to Disbursement of Funds. The Conditions Precedent may vary in nature and number depending on the particular agreement. These conditions require tracking by the mission Controller to ensure that they have been complied with before prevalidating (earmarking) documents, such as financial Project Implementation Letters (PILs) or Project Implementation Orders (PIOs). The term "Conditions Precedent to Disbursement" is misleading under the current terminology, since the condition must be met before earmarking is effected. An earmarking document authorizes the execution of contractual agreements generally with third party entities not directly part of the bilateral project agreement.

i. Earmark Reservation

An earmarking transaction represents an implementation action of a project which involves funding. Earmarks are generally bilateral in nature and normally require approval of a USAID official(s), as well as approval of an authorized official(a) of the host government. An earmark is consummated when all required approvals are established either by signatures on an implementing document or by an exchange of letters. An

earmark reservation document may take the form of either a Project Implementation Order (PIO) or a Project Implementation Letter (PIL) which is submitted to the Controller's Office for funds availability prior to execution. A PIO is used when AID is the implementing agent. A PIL is used when the borrower/grantee (Host country) is the implementing agent. In the case of a PIO action, the PIO document must be prevalidated for funds availability with the USAID Controller's office prior to release to the host country for endorsement. The USAID Controller must ensure from his records that all Conditions Precedent have been complied with and that the earmark is within the respective project element budget. If the mission has received a disbursing authorization known as a Direct Reimbursement Authorization, (DRA) the mission Controller must ensure that cumulative earmark activity does not exceed the DRA.

If a PIL document constitutes the earmark reservation action, the USAID controller follows the same procedures as outlined for PIOs in determining funds availability. A PIL usually authorizes the host country to proceed with procurement of goods of services.

j. Earmark

An earmark takes place when all appropriate approvals have been established as supported by signatures on PIOs or PILs, including prevalidation of fund availability by the USAID controller. The USAID controller should ensure that all earmarking documents are previously prevalidated or "reserved" as described in the foregoing section. If earmarks are established without first being reserved by the USAID controller, he should advise the USAID Project manager involved as to the proper procedure and also notify the Mission Director, since this is a violation of fund control procedures and could result in the mission overcomitting its designated resources for a particular project.

k. Commitment Reservation

Following the earmarking of funds, the next step in the project implementation process is contracting for goods and services, usually with third party vendors/contractors. This stage is known as the commitment state. A "Commitment Reservation" transaction is established when a contracting or commitment document is "cleared" with or prevalidated by the USAID controller prior to its issuance and/or the presence of all requisite authorizing signatures, such as that of the contractor or contracting officer. Multiple commitments can exist under a particular earmark.

l. Commitment

A Commitment transaction is the recognition of the execution of a contractual document, such as a purchase order or contract for services. The USAID Controller should ensure that commitments and commitment reservation do not exceed the amount earmarked for a particular category of procurement. It is not possible for all commitment actions to be reserved by the controller's office for each action. Once all commitment activity has taken place against a particular earmark, any residual earmark balance should be "de-earmarked" and returned to unearmarked status for alternate use.

m. Advances, Disbursements and Accruals

Advances for projects should be given only where funds have been previously committed and where there is an "amount available for payment". An amount available for payment is calculated by subtracting the aggregate of cumulative disbursements plus unliquidated advances from the commitment amount. In other words, unliquidated advances plus cumulative disbursements cannot exceed the commitment amount.

Disbursement can be made only where funds have been previously committed and there is an "amount available for payment". Again disbursements plus unliquidated advances cannot exceed the commitment amount.

Accruals plus cummulative disbursements should not exceed the commitment amounts.

Accrued Expenditure Basis of Accounting

1. Ledgers - Project ledgers for projects are maintained on the accrual basis.

2. Accrual Concept - AID utilizes the accrued expenditure system of accounting for projects in order to provide management with the monetary value of material provided and services actually performed applicable to each project on a current basis. This system requires that:

a. An analysis of expenditures by project or purpose be on an acceptable accrual basis.
b. Project reports be in terms of accrued expenditures, rather than disbursements.

3. Method of Obtaining Accruals - Accrued expenditures represent costs incurred during a given period for goods received and services rendered. Expenditures accrued regardless of whether cash payments are made, or invoices have been rendered.

The term "accrued expenditures" is also defined as "changes incurred during a given period requiring the provision of funds for (a) goods and other tangible property received; (b) services performed by employees, contractors, grantees, lessors, and other payees; and (c) amounts becoming due under programs for which no performance or current services are required (such as annuities, insurance claims, other benefit payments, and some cash grants)".

Accruals are added to disbursements on the projects ledgers to arrive at "accrued expenditures". In developing accruals, the USAID must analyze the disbursement vouchers and Advices of Charge and the unliquidated obligation files, in conjunction with the reports from contractors, procurement agent's status reports, data provided by USAID project managers and previous mission experience. Attachment II discusses accruals in more depth providing examples.

Attachment 1

Project Agreement Financial Plan

The ProAg contains an estimated budget by Element, but this does not constitute either an earmark or commitment of funds. Procurement specifications must be prepared and approved, and there must be assurance by the Controller that funds are available.

Earmark

An earmark represents a reservation of funds prior to commitment. Earmark documents are usually in the form of a PIO when AID is the implementing agent or a PIL when the host country is the implementing agent, both of which must be prevalidated for fund availability by the Controller prior to release to the host country for endorsement. The following are examples:

1) The host country desires to solicit proposals for a host country contract over $100,000 and has submitted a proposed scope of work and estimated cost to the USAID for consideration. USAID approves the proposal via a PIL and therein earmarks a specified amount of funds for this purpose. Note that this is only an earmark, since the commitment is contingent on subsequent AID approval of the contract. The PIL should state that funds are being earmarked.

2) The host country presents a training or commodity plan. The USAID generally agrees with the proposal, but requires additional information prior to approval, such as specifics on participants or commodities. An earmark of funds is thus desirable at this point, in that it gives the host country a degree of confidence that funds will be available upon presentation of the required specifics.

3) The host country presents a proposal complete with adequate plans and cost detail. A PIL can now be issued to commit the funds, i.e. upon clearance by the Controller it will be earmarked, and upon receipt of the signed copy it will be committed. In this case, a separate earmark PIL is not needed.

4) A final PIO represents an earmark of funds.

Commitment

A commitment represents a firm pledge or promise to pay upon fulfillment of the terms of an agreement. Commitments are usually in the form of a contract, purchase order, travel authorization or Ls with either a third-party or the host country.

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Comments about commitments are as follows:

- USAID commitments to the Somalia Government for host country implementation activities must by via sequentially numbered PILs, not via routine correspondence. Approvals within activities already committed can normally be made by routine correspondence.

- Commitments must be stated in U.S. dollars. A commitment PIL for local costs in response to a shilling proposal will normally state the commitment as, "Somali Shillings 100,000 or $144.50, whichever is less".

- A commitment PIL should clearly specify the intended action such as, "we hereby commit So.Sh. 100,000 or $144.50, whichever is less, for the model farms element of the project". Other terms such as "We agree to budget or disburse", should not be used.

- Commitments should contain adequate budgetary detail to enable the paying office to determine if costs submitted for reimbursement are allowable. This can be accomplished by either formally attaching brief budgetary proposals to PILs or summarizing lengthy budgets in the text of a commitment PIL. In any event, the complete budget proposal should be provided during the clearance process, to enable a determination that costs are reasonable and allowable.

Bilateral project funds may not be earmarked, committed, or disbursed without the concurrence of the Host Government. Since funds have been granted to the host country, they represent host country assets.

Attachment 2

Definition of Accrued Expenditures

Accrued expenditures represent costs incurred during a given period for goods received and services rendered. Expenditures accrue regardless of when cash payments are made, or whether invoices have been rendered. Generally, goods are considered to be received when shipped by suppliers, as indicated by bills of lading, inasmuch as title passes to AID at that time. When bills of lading covering consignment of goods to AID are not available, receiving reports are used to document receipt of goods. Services are received when they are rendered as indicated by time and attendance reports, travel authorizations, invoices presented by contractors and suppliers, etc. Services rendered for construction may be documented by inspection reports or certificates of performance.

Development of Accrued Expenditures

Accordingly, responsibility for developing accrued expenditure data rests with the responsible management unit. The controller, project manager and others directly involved in project implementation are specifically responsible for securing the necessary source data, and developing the accrued expenditures each accounting period.

While the Controller is responsible for maintaining project accounting records and submitting the required financial reports to headquarters, the development of reliable accrued expenditures -- one measure of project performance -- is a responsibility to be shared by the Controller and Project Manager. USAID missions are free to develop their own management reports from the base data used to prepare recurring financial reports for Washington. The types of accruals and the most common documents used to accrue expenditures are as follows:

A. Shipment of Goods Expenditures are accrued on the basis of shipping reports and/or bills of lading and suppliers' invoices provided to AID by suppliers or host countries. If suppliers' invoices are not available, costs of the goods shipped may be obtained from underlying contracts or suppliers' catalogs.

B. Receipt of Goods - Expenditures are accrued on the basis of receiving reports prepared by AID or arrival reports prepared by the host country for AID. If suppliers' invoices are not available, costs of goods received may be obtained from underlying contracts or suppliers catalogs. Accruals based on shipment of goods generally are preferred to accruals based on receipt of goods because the former method accounts for delivery of goods at an earlier date.

C. Receipt of Services - Delivery and receipt of services occur at the same time.

1. Personnel Services - Accrued expenditures for salaries and allowances are generally based on time and attendance reports and family status; accrued expenditures for travel (including transportation of persons and things and storage of household effects) are based on estimates included in travel authorizations.

2. Training Services - Except for transportation costs, accrued expenditures for training services are based on standard costs beginning with notice of departure for the United States and ending with completion of scheduled training. If training is conducted in the host country or a third country, the estimates in the training budget are prorated for elapsed time . Accrued expenditures for transportation are based on the request for transportation.

3. Rentals, Utilities, Etc. - Accrued expenditures for rentals are based on rates in existing and anticipated contracts, while accrued expenditures for utilities are based on current utility rates and estimated consumption.

4. Construction Services - Accrued expenditures for construction services (including supervision) are based on inspection reports and/or certificates of performance provided to AID to assure that construction has been completed in accordance with approved specifications. These documents are usually issued to support progress payments for a percentage of completion or completed units of the total project. Normally, engineers cost out inspection reports, and certificates of performance are accompanied by a billing from the contractor. As a last resort, approved billings submitted by contractors (or the host government when it performs the work itself) may be used to accrue expenditures.

VII. LOCAL CURRENCY

1. General

The GSDR and the USAID Mission have the responsibility to jointly program the allocation and use of local currency generated by the PL-480 and commodity import programs. The local currency (or counterpart funds) are deposited in special accounts managed by the Ministry of Finance. All allocations of counterpart funds are approved by the Minister of Finance and the USAID Mission Director.

The Counterpart Funds are used to fund the following:

GSDR Development Budget

The Development Budget comprises the Public Investment Program (PIP) as approved by the aid donors at the Consultative Group Meetings. The budget includes, inter alia, GSDR contribution to USAID and other donor development projects.

USAID Project Support Trust Fund

The project support trust fund is used to finance Field Support Unit (FSU) activities in support of project personnel (i.e. rent, utilities, maintenance, guard services). In addition to FSU activities the project support trust fund is used to finance the English Language Training Program, Self-Help activities, and other miscellaneous activities in support of the USAID program.

USAID Operating Expenses Trust Fund

The OE trust fund constitutes the GSDR contribution to defray USAID's operational costs in Somalia. The OE trust fund is determined on a specific amount stipulated in the Commodity Import Program Agreements.

Other Activities

The counterpart funds also can be used to finance special activities or programs as determined by the Minister of Finance and the USAID Director.

2. Programming of Counterpart Funds

The Program Office is responsible (on the U.S. side) for coordinating the generation, deposits, programming, and allocation of counterpart funds. The Ministry of Finance's Domestic Development Department (DDD) formerly the CIPL Unit-shares the same responsibilities on the GSDR side.

The Generated Shillings Proceeds (GSP) Committee, composed of equal members from the Ministry of Finance and USAID, is responsible for overseeing the allocation and use of counterpart funds. The GSP Committee is composed of the following:

MOF Director General for Budget, Chairperson
MOF Director of Research Department, Member

MOF Director of Budget, Member
MOP Director General for Planning, Member
USAID Program Officer, Member
USAID Special Assistant to the Director, Member
USAID Assistant Program Economist, Member
USAID Budget and Fiscal Officer, Member

3. The Domestic Development Department (DDD)

The DDD is the operational office at the Ministry of Finance responsible for the management of all counterpart funds. The DDD is headed by a Coordinator and supported by a controller, project officer, auditors and an administrative officer. The USAID Mission provides one advisor to the DDD.

4. The Budget Process

a. Public Investment Program. The GSDR and the Donors have agreed to fund the projects/activities included in the PIP. The PIP is controlled by the Ministry of National Planning who is responsible for general coordination of development efforts in Somalia. The PIP is adjusted from time to time to delete and add new activities but the expenditure ceiling, as approved in the Consultative Group meetings, should not be exceeded.

b. Project Agreements. The budget process starts with a valid legal obligation by the GSDR to provide local currency support for the project/activity. The project agreement sets the parameters to determine GSDR contribution to the project/activity. If the need for local currency exceeds the amounts indicated in the project agreement, or if the purpose for which local currency is requested deviates from the approved project agreement, the project agreement must be amended to reflect the change.

c. Local Currency Budget (LCB). The individual project management unit is responsible for the preparation of the LCB for the project. The project management unit is responsible to insure that the LCB complies with the PIP and the Project Agreement. If this is not the case the PMU should request, through the corresponding ministry and USAID that, amendments be prepared. The LCB should be completed at least five months before the beginning of the year for which it is prepared (i.e. the 1987 budget should be ready by August 1986). The budgets must be submitted, through the respective ministry, to the Ministry of Planning, and the Ministry of Finance's DDD not later than three months preceding the budget year. This action will insure that the requested budget is reviewed by the appropriate authorities (Ministry of Planning and Ministry of Finance) and included in the National Development Budget. Early preparation and submission of the LCB allows ample time for USAID intervention, on behalf of the project, if the budget is reduced to the point that project activities are jeopardized.

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d. The Annual Program Budget Plan (APBP). The APBP is an annual document, signed by the Mission Director and the Minister of Finance, which identifies the projects and activities to be funded with counterpart funds in a given year. The APBP is prepared by the Program Office in consultation with Mission and the Ministry of Finance. During the formulation of the APBP, the Program Officer will convene a meeting of all division chiefs and the Deputy Director to discuss the draft document. The Advisor to the DDD may meet individually with division chiefs or project managers as necessary. Note: Inclusion in the APBP should not be interpreted as the final approval for the Budget. In this connection, all projects must provide the DDD with supporting documentation and reports, as necessary.

e. The GSP Committee Review. Once the APBP is approved the GSP Committee meets to review allocation and disbursements of funds to the projects/activities. A well-prepared budget will pass GSP review without delay. Prior to the GSP review meetings, the Program Officer will circulate to all division chiefs and the Office of the Director the agenda items to be discussed at the meeting. The division chiefs should provide comments and any other information that will assist the Program Officer formulate the USAID position. Following GSP review, the Committee prepares an action memorandum for the Minister of Finance's and the USAID Director's signature. The action memorandum is signed by all eight members of the GSP Committee. Both, the Minister of Finance and the USAID Director, must ratify all GSP decisions before these are passed to the DDD for implementation. Once proper authorization from the Minister of Finance and the USAID Director has been secured, the actions approved in the memorandum are forwarded by the GSP to the DDD for implementation. The Program Office will forward information copies of all actions approved by the Minister of Finance and the USAID Director to the relevant division chiefs.

f. Disbursements. Disbursements of counterpart funds to individual projects/activities are normally made by the DDD on a quarterly basis. A quarterly expenditure report is required prior to the disbursement of the subsequent quarter. From time to time, the DDD may withhold disbursement to projects until specific concerns are satisfied. Individual PMUs should cooperate with the DDD to insure the timely disbursements of funds.

5. Reprogramming

During the budget year, normally in June, the Ministry of Finance and USAID conduct a review of fund utilization and requirements for the rest of the year. At this time the APBP is amended, as necessary, to reflect such changes in funding. During the reprogramming exercise the Program Office will meet with all division chiefs and the Deputy Director to consult regarding changes in funding requirements for USAID projects and activities. The GSP Committee is responsible for implementing the reprogramming exercise and prepare recommendations for the Minister of Finance and the USAID Director's approval.

6. Summary of USAID Management of Local Currency

Action	Officer	Consultation	Comment
ProAg	Proj Mgr	Proj Off Prog Off Cont	Establishes max Loc Curr. LOP
Annual Bud. review	Proj Mgr	Loc Curr. Adv. Div Chief Cont	GSDR Proj Staff preparation & submit to GSP
APBP	Prog Off	Div Chiefs Dir	Meeting
GSP Disb.	Prog Off	Div Chiefs Deputy Dir Dir	Agenda circ. for comment
Reprog.	Prog Off	Div chiefs Dir	Meeting

USAID Representation on GSP Committee

Representatives of:

Program	-	Prog Officer Program Specialist
Controller	-	Financial Analyst
Director	-	Special Assistance

VIII. ENGINEERING SUPPORT

Introduction

The Office of Engineering is a major technical resource to the mission and the GSDR. Its main functions are to provide the means to carry out the mission's various architectural, engineering, construction, energy, environmental and related technical requirements and to provide direct engineering support and advisory services on technical matters related to project design and implementation.

Duties of the Office of Engineering

1. Advises the Mission Director and other mission officials on engineering, environmental, energy and capital project development and managerial matters.

2. Advises the mission and host government with respect to the adequacy of technical proposals received in connection with project designs.

3. Maintains a close working relationship on technical and engineering matters with field representatives of other USG agencies which are responsible for providing engineering services under Participating Agency Service Agreements (Bureau of Public Roads, Bureau of Reclamation, Army Corps of Engineers, Naval Facilities Engineering Command, etc.).

4. Maintains and monitors standards for professional engineering practices, criteria and procedures for feasibility studies, engineering design, construction, cost analysis, and selection of appropriate technology.

5. Prepares and/or reviews scope of works for the award of engineering contracts and for preparation of final plans and specifications.

6. Monitors ongoing project construction and engineering work on AID capital projects; keeps the mission appraised of the progress of work and makes periodic investigations to assess the status and quality of work.

7. Advises the Mission Director with respect to engineering/environmental/energy/construction problems which arise throughout the host-country, particularly as they relate to successful completion of AID projects.

8. Inspects and approves completed construction and engineering work performed on projects, to ensure that prescribed technical requirements and standards have been met.

Development and Management of the Engineering Activities

The Office of Engineering must be involved in all stages of the development of a project containing an engineering component, including preliminary assessment, scopes of work, feasibility study, PID, Project Paper, award of A&E and construction contracts.

This involvement applies to all projects with an engineering component. Environmental concerns are also monitored out of the Office of Engineering, and the mission Environmental Officer must review and approve all IEEs and, as needed, assist in their preparation. In the case of a construction project, the Office of Engineering develops, controls and oversees all phases of work, including design, supervision, completion and certification. Since this constitutes a major function of this office, it is worthwhile to examine these activities in more detail.

Design

The Office of Engineering is responsible for and controls the development of the construction design. The design begins with a definition of the scope of work and establishment of design criteria by the Office of Engineering in consultation with the Project Manager. Except for unusual cases, the design is subcontracted to an A & E firm or an outside consultant. All technical aspects of the subcontracting of design are the responsibility of the Office of Engineering, which provides guidance and supervision to the subcontractor during the performance of its work. The Office of Engineering is the authority which accepts or rejects the final design produced by the A & E subcontractor.

Construction Supervision

Prior to the start of construction, the Project Manager and the Office of Engineering must decide on the type of supervision to be performed throughout the construction, i.e. periodic inspection or continuous supervision. It is evident that the periodic inspection produces less than optimum results and that continuous supervision would always be more desirable if resources are available; however, the degree of complexity of the project, its size and cost, as well as consideration of local conditions such as contractor capability are all factors which should be taken in account when deciding on the type of supervision.

The Office of Engineering should provide periodically, preferably once a month, written progress reports covering all aspects of construction, including quality of work, compliance with specifications, progress, recommendations, etc.) These reports are used by the Project Manager and the Controller as an instrument for partial progress payments to the contractor.

Certification of Completion

For all construction projects the Office of Engineering is required to produce a "Certificate of Completion". This Certificate should verify that the construction has been completed in accordance with the design and specifications and all other relevant technical quality standards. The issuance of this certificate can take place only after a final field inspection performed by the Office of Engineering. The Certificate of Completion can be therefore used by the Project Manager as an instrument for the final payment to the construction contractor. No final payment should be authorized without a Certificate of Completion.

IX. PROJECT MONITORING

Introduction

Effective project monitoring is a key ingredient in all successfully completed projects. Basically, project monitoring involves tracking project implementation in a systematic way, to ensure that planned inputs (technical assistance, commodities, construction, training, etc.) are introduced appropriately and in accordance with the project's implementation schedule. If, as often happens, delays occur through a variety of factors, some of which may be beyond the control of the mission or the contractor, careful monitoring can help assess the seriousness of such delays and provide the basis for possible emergency measures. By keeping top mission management informed of potential problems, serious breakdowns in project implementation can be avoided through regular project monitoring. In the latter stages of the project, monitoring should include an assessment of how well projects outputs (planned achievements) are taking shape, particularly the more intangible outputs, such as institutional development. Basically it is the responsibility of the Project Manager to establish and generate an effective monitoring system for his project(s). Often regular, open communication between the Project Manager and the the contract team can avoid misunderstandings and prevent a project from falling out of touch with current mission or host country expectations.

References

The principal references available in the mission regarding project monitoring are as follows:

Reference	Location
Handbook 3, (Project Assistance Chapter 11.	Project Office, Library, Director's Office
Project Implementation and Monitoring Plan (Memorandum: 18 October 1984)	All Offices
Manual for Monitoring and Evaluating Development Projects (USAID/Monrovia, 7 August 1984)	Project Office

Project Monitoring Responsibilities

It is the responsibility of the Project Office to ensure the proper monitoring of each USAID/Somalia Project. To achieve this, all projects are assigned a Project Office Backstop Officer whose functions are:

-to become familiar with relevant project documentation, workplans, implementation status, issues and problems;

-to become acquainted with the objectives of the projects to which assigned and to develop a working relationship with the project staff(s).

-to coordinate the submission of his projects' contribution to the Mission Quarterly Implementation Status Reports;

-to assist Project Managers in:
a) developing implementation tracking systems
b) preparing project documentation
c) identifying and resolving implementation problems

Sources of Information for Project Monitoring

Project Officers and Project Managers have a variety of sources to help them track their projects in a systematic way, including both formal and informal documents, as well as personal contacts. An illustrative list of these sources is offered below:

Project Agreement and PILS
Project Paper Implementation Plan
Contractors' annual workplans
Host Government policy and planning documents or operating guidelines;
Mission or project Management Information Systems (MIS);
Contractor quarterly Progress Reports and financial reports;
Interviews with returned participants;
Site visits by project manager and mission engineer;
USAID/GSDR periodic project review meetings;
AID audit reports
AID project evaluations.

Project Implementation Scheduling

The complexity of a particular project will determine the timetable for implementation scheduling and the degree of implementation monitoring required. Normally, each project will require pre-implementation actions, that is, actions necessary following the initial obligation of project funds through the signing of the Project Agreement with the GSDR, but prior to the selection of an implementation contractor. The monitoring requirement continues throughout the life of the project, but should be concentrated at relatively small number of critical milestones or checkpoints. Key points of intervention for project monitors are offered below:

From the signing of the ProAg to the arrival of project inputs (technical assistance, commodities, training, etc.) is a period of intense USAID involvement in the Project. Each Project Paper contains a Schedule of Major Events which demonstrates the actions that will be required to achieve project outputs. However, until technical assistance contractors are on board, it is the responsibility of the Project Manager and Project Committee to ensure that the required actions are taken.

Following are the usual steps involved in pre-implementation:

Tasks	Action	Clear	Approval
1. Meeting Conditions Precedent	PM/GSDR	PC	RLA
2. Preparing Documentation:			
PIO/T	PM	PC	D/Dir.
PIO/C	PM,PC	D/Dir.	
RFP, RFTP	PM,PC	RCO	
IFB	PM	RLA	
3. Soliciting Proposals			
Commerce Business Daily	PM	PC	RCO
AID Export Opportunities Bulletin		RLA	
Local Procurement	PM	PC	Dir
Procurement Service Agents	PM	PC	D/Dir
4. Negotiating/Signing Contracts			
AID/W	SER/CM		
REDSO	RCO		
USAID	Dir		

More detail on contracting actions are provided in Section IV of this handbook. The steps given are illustrative of the actions that may be required for a relatively complex project. Given the length of time involved in meeting conditions precedent, preparing documentation, soliciting proposals, negotiating and signing contracts and mobilizing consultants and shipping commodities to Somalia, the elapsed time from the signing of a Grant Agreement until the project is operational can run from one to two years. Seemingly minor delays up front can snowball into major slippages which affect important events on the project's critical path. Bad timing in the arrival of major project inputs can cause diastrous blockages in the normal flow of project work, if for example, a key element (a technician, a returned participant, a vital piece of equipment) is not in place in time to interact with other elements which are ready to operate. It is therefore imperative for the Project Manager to review the pre-implementation steps required, map out the time required for each step and ensure that action is initiated at the appropriate time to assure completion when needed. In scheduling these actions, a PERT chart or Critical Path Analysis are very useful management tools (details of which can be obtained from any of several excellent text books on project development and management available in the library).

The pre-implementation plan should be developed in conjunction with the Field Support Unit. Collaboration with FSU at this state is imperative. The Project Manager should consult with FSU at each step of the pre-implementation cycle to ensure that the FSU is aware of and performing necessary actions prior to the arrival of the contract team, including acquisition and westernization of housing, purchase of vehicles and other project-support basic commodities. The status of pre-implementation actions will be monitored by the Project Office and reviewed at the Mission Quarterly Project review.

Implementation Scheduling - The Project Workplan

It is the responsibility of each Project Manager to develop life-of-project workplans with each contractor Chief of Party. The workplan should describe not only activities that the contractor will perform, but also how these activities will lead to achieving project objectives. In complex projects involving more than one contractor, the workplan should establish necessary linkages with other activities and show how the contractor expects to achieve the objectives of the project. The workplan should be completed no more than 90 days after the Chief of Party arrives at post. The Project Committee will clear the workplan, which will be approved by the Deputy Director and distributed by the Project Office.

X. PROJECT EVALUATION

Introduction

In this section, the various types of evaluations undertaken by AID are described, with emphasis on project evaluations done by the mission. The objectives of the different types of evaluation are examined, along with a description of the methodology employed and a list of assignments for action responsibility within the mission.

Project and program evaluations provide an objective and rational basis for making decisions about current and future projects, programs, policies and procedures. Normally, evaluations are planned and undertaken to provide information that will be used in making a specific or fairly limited set of decisions.

USAID evaluations fall into two general categories: a) those which may answer a set of evaluation questions by examining one project, program, policy or procedure; and b) those which must examine more than one project, program, policy and/or procedure to answer a set of evaluation questions. Since most evaluations undertaken at the mission are limited to one project, we will first examine different types of project evaluations.

A. Types of Single-Project Evaluations and Their Uses

1) In order to provide USAID, GSDR and other interested organizations (contractors, PVOs, et al.) with information needed to assess projects qualitatively while they are in progress, it is important to evaluate projects in the early stages of implementation, perhaps several times for large and complex projects. This valuable management tool, known as the Formative Evaluation, has several objectives, including:

- providing a mechanism for objectively reviewing project issues and opening communications which can lead to innovative solutions to operational problems which project staff might not think of or be able to introduce alone;

- reinforcing the judgments of project management staff, thus providing a stimulus to staff motivation and a validation of those elements of the project that are going well. Such assurances are valuable to project staff, mission management and AID/W;

- offering a clear focal point and perhaps a unique opportunity to examine project performance critically while it is still early enough to make significant course corrections in the project's design and/or implementation methodology.

2) Evaluations undertaken in later stages of a project, or at the time when USAID funding terminating, often called Summative Evaluations, have somewhat different objectives. They provide:

- information that can be used in planning and justifying a major extension of the project, a follow-on project, or a similar project in a completely different context or even another country;

- a basis for the development of new hypotheses about the best ways to achieve specific objectives in a developing country context, thus providing momentum for further experimentation;

- a vehicle for confirming systematically that authorized project inputs were spent as budgeted; verification that all planned project outputs are in place and that any host country institution(s) created or supported by the project are strong enough to operate independently.

3) There is a third kind of evaluation which may take place up to five years after the completion of a project. Known as an Impact Evaluation, this serves still a different set of purposes, namely:

- measuring changes which have occurred in addressing the basic problems which the project was designed to overcome;

- measuring the operational effectiveness of the host country institutions established or assisted by the project;

- measuring how appropriately personnel trained under the project were utilized and how effectively they were able to apply their training;

- measuring socio-economic changes among intended project beneficiaries, including increased incomes, cultural or attitudinal changes, etc. Also possible unplanned negative effects, such as cultural or environmental impact, can be assessed.

B. Evaluations of More Than One Project Program, Policy or Procedure

In addition to information on the efficiency, effectiveness and impact of specific efforts, it is occasionally necessary to require information or answers that can only be secured if more than one activity is examined. Listed below are some of the types of questions we might seek to answer through evaluations of more than one project, program, policy or procedure:

- How effective is a specific course of action under varying conditions? (For example, are there differences in the efficiency, effectiveness an impact of projects of the same type in different developing countries?)

- What are the combined effects of USAID's efforts in a specific area or on a specific target group? (For example, what has been the impact of USAID policies, program lending, PL-480, PVO and bilateral projects in a particular part of Somalia?)

- Which of several courses of action has been most effective in addressing a common problem? (For example, if AID has three types of projects it frequently employs to address a specific problem, which of these is most cost-effective in practice and which has the greatest impact?)

Each of the illustrative questions above requires that an evaluation examine more than one project, program, policy or procedure if a comprehensive answer is to be developed. While specific questions defining these evaluations differ from those asked in the evaluation of a single entity, the general reasons for undertaking these evaluations remain the same. Evaluations of multiple efforts thus allow us to determine the validity of continuing a course or type of action; redirect or terminate it; identify the implications of external events; and assess impact.

C. Mission Responsibilities for Evaluations

	ITEM	Action	Assist	Clear
1.	Prepare Mission Eval Plan	PROG/EVAL	P.M.s	DIR
2.	Prepare Project Eval Plan	P.M.	PROG/EVAL	PC
3.	Prepare SOW for Eval	P.M.	PROG/EVAL	
4.	Review of SOW	PC		DDIR
5.	Prepare PIO/T	P.M.		DIR DDIR PROJ CONT
6.	Collect Documentation	P.M.	PROG/EVAL CONT	
7.	Assist Team	P.M.	PC	
8.	Midterm review	P.M.	PC	
9.	Final team debriefing	P.M.	PC	DDIR
10.	PES Draft	P.M.	PROG/EVAL	PC
11.	Final PES Draft	P.M.		DIR
12.	PES Submission	PROG/EVAL		
13.	Follow-up on recommendations	P.M.		PROJ

1) Evaluation Officer - The Program Office is responsible for management of the mission's evaluation system. This officer prepares the annual evaluation paln submitted in the ABS and subsequently assists project managers in planning and conducting evaluations and reporting evaluation findings and decisions.

2) Project Manager - Responsibility for evaluation of projects during implementation is assigned to the Project Manager as Chairperson of the AID Project Committee. Responsibility is so placed because the Project Manager is in the best position to implement changes indicated by evaluation findings.

3) GSDR Counterpart Agencies and PVOs - Full collaboration with and the participation of GSDR officials and PVOs in evaluations is desirable in order to make maximum use of and develop recipient country capabilities. Also, where appropriate, outside consultant assistance should be used to augment USAID and GSDR resources. To ensure an independent, unbiased approach, outside consultants (IQC or PSC contractors) are frequently used to supplement USAID and GSDR evaluators or to undertake a complete evaluation.

D. Annual Evaluation Planning

As part of the Mission Action Plan in the ABS, USAID/Somalia prepares an overall evaluation plan, which contributes to the Agency Annual Evaluation Plan. This plan will address both current needs and future requirements that can be foreseen from the programming cycle. The evaluation plan is considered when preparing the Annual Budget Submission to ensure that personnel requirements are reviewed and funds programmed for evaluation activities. The potential availability of key AID, Host Country or contractor personnel is taken into account when preparing the plan. The responsibility for preparing the evaluation plan lies with the Mission Evaluation Officer, who consults with the Program Office, the Project Office and appropriate technical divisions.

E. Guidances for Scope of Work

We wish to utilize evaluations as a serious management tool in the mission. Therefore, the evaluation must be a comprehensive, accurate and unbiased analysis of the project.

The following is a checklist of minimum items to be incorporated in a project evaluation.

- Assess the validity of the original project design in light of perceived changes in the project setting.

- Record progress to date (i.e., construction, training, equipment installed, institutional development, etc.) and measure against project work plan.

- Summarize financial status of the project both dollars and shillings.

- Identify problems, obstacles, delays and unforeseen events which have occurred and assess their impact on project effectiveness.

- Derive lessons learned from the project - what worked, what didn't.

- Develop a set of recommendations for additions, changes or corrective actions.

  Implement the decisions that result from the evaluation review.

F. Project Evaluation Summary (PES)

1) General - The PES is the formal document for recording and transmitting evaluation findings.

2) Format and Content of the PES - The PES comprises a facesheet and summarized conclusions with follow-up action assignments affixed to the top of the main evaluation document for convenient mission use. Evaluation reporting is a responsibility of the Project Manager, with assistance as necessary from the Evaluation Officer. Guidance on the preparation of summary report is provided in Handbook 3, Appendix 12A

3) Distribution of The PES - The Mission Evaluation Officer is responsible for final distribution of the PES. Copies of the completed evaluation report with the PES attached are distributed to project personnel and appropriate Host Country officials for their records and follow-up. In addition, the report and attachments are forwarded to AFR/PD/EAP for printing and distribution.

XI. EXTERNAL RESOURCES

Introduction

In connection with project design and implementation, USAID/Somalia can turn for assistance to a number of external sources. Normally existing AID direct-hire resources should be tapped before seeking help through the contract route. Except in those relatively rare instances when other African missions can lend a hand on a TDY basis, the principal sources of external help will be REDSO/Nairobi and AID/W.

REDSO/ESA

The Regional Economic Development Services Office for East and Southern Africa (REDSO/ESA) is located in Nairobi, Kenya. Along with its counterpart, REDSO/WCA, in Abidjan, Ivory Coast, which covers the western half of the continent, REDSO was established in the early 1970s to reinforce and complement the then small country AID offices whose programs, with a few exceptions, concentrated mainly on drought relief and food assistance. When development activities began to expand sharply in the form of project aid, it was evident that these small AID offices lacked both the technical and managerial resources to undertake this mode of assistance. Rather than attempt to assign technical and management specialists to each post, which would not be cost-effective or desirable from a practical or policy standpoint, the REDSO concept features a pool of specialists assigned to two central and convenient locations (Nairobi and Abidjan) and made available to their respective client posts throughout the year.

While the REDSOs no longer exercise direct project or program management control (which they once did in a number of countries before the staffing of bilateral missions was built up to its present level), most missions, including USAID/Somalia, rely heavily on REDSO for several major services. These include project design and evaluation, engineering services (e.g. approval of plans and specifications, monitoring and inspection of construction, etc.), a range of contracting and legal services, and various technical specialties not normally present in mission staffing. REDSO technical officers cover the fields of agricultural sciences (agronomy, forestry), macroeconomic analysis, cultural anthropology/sociology, environmental sciences, pest control, energy, population/family planning, supply management and food aid. REDSO tries to be as responsive as possible to requests for assistance from its 20 client posts, but obviously careful planning and scheduling are necessary. Most REDSO work is scheduled at the annual fall design conference in Nairobi (and Abidjan for REDSO/West), and so it is wise to advise REDSO of mission requirements well ahead of time. While emergencies do occur, work planned at the October design workshop takes precedence over ad hoc requests when REDSO officers set their travel schedules.

AID/Washington

Most direct support from AID/W to USAID/Somalia comes from the Africa Bureau. The prime source is the Somalia Desk in AFR/EA, the geographic office serving East Africa. This is the mission's basic contact in AID/Washington and the focal point for all USAID/Somalia activities. This includes processing the ABS, the CDSS and the CP (described in an earlier section), handling all Congressional inquiries about Somalia, coordinating all cable traffic to Mogadishu and backstopping the mission on all management, personnel and logistical matters. Normally, the desk officer visits post about once a year, or more if time permits.

Project concerns from initial design (PID) through the implementation stage are the responsibility of the Project Office, East Africa Division (AFR/PD/EA). This office is fully independent of the "desk" (AFR/EA), but the two offices work very closely together on a daily basis. Ideally, AFR/PD is staffed with Project Development Officers (PDOs), the majority of them Foreign Service Officers on rotation assignment in AID/W, who are experienced in the practical aspects of project design and implementation. One Project Officer in this division is assigned to backstop Mogadishu on a near full-time basis and is available to the mission as a field resource on the average of one month a year, mainly for project design and evaluation.

Typically, the balance of this officer's time is devoted to a variety of project support operations. Until the recent increase in delegation of authority for field project approval, processing documents for proposed new projects through the AID/W review and approval system occupied much of an AFR/PD Project Officer's time. This is being replaced in part by wider country coverage and in part by a closer association with contractors through greater AFR/PD involvement in the competitive contractor selection process and by working closely with contractors on various project support issues (assignment of contractor field staff, training requirements, assistance with project commodities, arrangements for evaluations, etc.).

The Africa Bureau's Office of Technical Support (AFR/TR) is another AID/W resource to field missions. It is divided into subject matter divisions (Agriculture, Education, Health, Population, Engineering, and Special Development Problems, including energy and the environment). Officers from AFR/TR monitor projects Africa wide in their subject area and are available for occasional short field assignments, principally to assist with project implementation problems.

AID's Science and Technology Bureau also has a number of highly qualified technical specialists who occasionally can be called upon to assist with mission projects. However, since S&T administers a wide array of centrally-funded projects of its own, its staff's primary responsibility is to support these projects and other activities such as research and liaison with the U.S. university community. Thus for technical help from AID/W, AFR/TR is normally the most appropriate place for the mission to look.

Finally, if REDSO/ESA is unable to respond to unexpected requirements in the contract, commodity or legal fields, the mission should not overlook the excellent expertise which exists in these areas in AID/W's central bureaus (SER and GC). Operational mission activities must necessarily be a lower priority for these offices, in light of their very heavy domestic workload, but a occasional overseas TDY can be a welcome respite to the officers involved, who will try to be as responsive to mission requests as their situation permits.

Mission Planning for External Resources

The Project Office begins planning for the REDSO scheduling conference in July. At that time Project Managers, with the concurrence of their division chiefs, identify their requirements for REDSO assistance for the coming fiscal year. Emergency or ad hoc requirements can be submitted individually throughout the year as they arise, but every effort should be made to anticipate major assistance requirements during the July planning period.

To request external assistance from either REDSO or AID/W, the Project Manager must: 1) define the task to be performed, 2) develop a concise scope of work, and 3) calculate both a date and time period for its completion. The mission Project Committee should clear all requests for external services from REDSO or AID/W. Based on these requests, the Project Office prepares a cable for RESDO, repeated to AID/W to permit preliminary planning for the annual scheduling conference.

XII. FIELD SUPPORT UNIT

Preface

This section presents an overview of the Field Support Unit (FSU) concept and duties but does not attempt to provide guidance on the operational details of the unit. This detailed guidance will be the subject of a specialized FSU users manual to be prepared in 1986-87.

Introduction

The Field Support Unit of USAID/Somalia was established in 1984 as a mechanism to provide consistent, cost-effective services in logistical support and maintenance to AID-funded projects and contractors. Since support operations are a major factor in the implementation of projects in Somalia, the basic concept of FSU is to centralize this complex function in a single organization large enough to produce the necessary critical mass of staff, equipment and management skills to provide the wide range of required support services in a timely and efficient fashion. The more traditional approach to project support is to charge each project with the responsibility for its own logistical and maintenance arrangements, thus requiring all projects to have their own management support units. Not only does this practice require the duplication of staff among projects, but it also distracts professional staff from the performance of their prime duties and often results in an uneven standard of logistical support among different projects and contractors.

In this section the scope of FSU's functions will be described, along with guidelines for its operation and financial arrangements between FSU and the projects which it serves.

References

Following are the most relevant AID references to FSU's operation and to the functions which it performs.

Handbook 11 - Country Contracting

Handbook 23 - Overseas Support

Federal Acquisition Regulations (FAR)

FSU General Information and Procedural Guidelines, Denzil David, 1985

FSU Progress Report, December, 1984

General Objectives of FSU

- To upgrade the level and range of general logistical support services provided to AID projects and contractors at post.

- To improve the cost efficiency of support services provided to AID projects and contractors.

- To facilitate the proper use and maintenance of commodities procured with project funds for general support services.

- To maintain centralized stock and records of general support activity material and supplies procured by/for projects in order to improve accountability.

- To facilitate effective follow-up and proper monitoring of the movement, storage and final disposition of commodities procured by/for projects in compliance with the Project Agreement and AID regulations.

FSU Functions and Services

Housing:

- Survey and selection of suitable residential housing.

- Lease negotiations and management of leases, including settlement of disputes and/or proper conclusion of terminated/expired leases.

- Westernization/renovation of newly leased houses, including major modifications, fitting of standard household appliances, providing plumbing and rewiring, installation of kitchen sinks, cabinets, shelves in store room, air conditioners, electric stoves, washing machines, dryers, water heaters, fixing curtains, hot shower and baths, medicine cabinets, provision of furniture and survival kits for newcomers. Also inspection of jobs such as fixing of screens, security grills and lights, painting, repair of roofs, doors and windows, replastering of walls and floors, and other work normally done by the lessor as part of lease negotiations.

- Install and maintain generators.

- Maintain liaison with water, and electric utility companies, including upgrading of primary entrance circuitry and meters.

- Repair and maintain the leased houses per terms of the lease.

- Keep track of utility consumption and follow up bill payments.

- Repair and maintain furniture and appliances.

- Organize and supervise security/guard services.

Shipment of Effects:

- Assist contractors in receiving, clearance and transport of personal effects and POV to residence in Somalia.

- Assist contractors in preparation of documentation necessary for receipt, sale or onward shipment of effects.

- Contract for and supervise packaging and forwarding of effects for onward shipment when contractor leaves post.

Travel:

- Facilitate contractors' in-country travel.
- Assist contractors in procurement of airline tickets.
- Assist contractors in obtaining visas, permits, licenses and ID cards.
- Coordinate and arrange guest house or hotel accommodations.
- Assist contractor in emergency/med-evac movements.

Guest House:

- Maintain and operate contractor guest housing in Mogadishu for visitors and new arrivals as required to supplement AID Mission's guest house facilities.

Procurement:

- Procure furniture and appliances as needed for contractor housing.

- Procure spare parts for satisfactory maintenance of contractor housing appliances.

- Procure local or international materials, tools and equipment as needed for westernization/renovation and maintenance of contractor housing and appliances.

- Clear, receive and transport ordered shipments for FSU or contractors to the FSU warehouse.

- If and when requested and duly authorized, assist projects in procurement of spare parts, vehicle and other project commodities. Follow up project procurement orders, prepare status reports, arrange port clearance, receive and facilitate transport of project commodities to required locations in Mogadishu and other installations in Somalia.

Warehousing and Inventory Management:

- Receive and inspect commodities procured against purchase orders, or project supply contracts, or directly purchased by FSU for projects. Initiate and follow up all actions required for rectification of discrepancies.

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- Arrange proper warehousing facilities for secure and satisfactory storage of project commodities placed under FSU custody.

- Maintain proper inventory records of all commodities received by FSU for/from projects for the period the commodities remain under FSU custody.

- Facilitate availability of adequate base level inventory of spare parts, material and supplies needed for satisfactory maintenance of contractor's housing, appliances and project vehicles by prompt and timely procurement action.

Vehicle Maintenance:

- Maintenance and repair of project vehicles operating in Mogadishu and other locations in Somalia under direct control of USAID (excluding mission O/E vehicles).

- Routine servicing and minor repairs of project vehicles operating in the field under direct control of USAID. (Major repair jobs will be done only in Mogadishu)

- Provide advice and assistance to projects when requested in procurement of spare parts. However, since procurement of spare parts is currently performed directly by the projects, the repair and maintenance services can be carried out by FSU only to the extent that the spare parts are made available by the projects.

FSU's Facilities and Staffing

FSU maintains facilities in several locations in Mogadishu, including an office, a warehouse and a garage for vehicle maintenance. Nine expatriate staff members are authorized, plus 70 Somali staff including clerical, general maintenance and vehicle maintenance personnel. This figure does not include eight laborers and 60 guards, bringing the total personnel of FSU to about 150.

Budgeting and Financial Transfers

FSU's Source of Funds

With the minor exception of a few O/E funded Personal Services Contractors, all of FSU's funding comes directly from the budgets of the projects which it serves. It has no budget or income generating capability of its own and is designed to operate on a no-profit/no-loss basis. All projects started since FSU's inception are required to participate. (The sole exception is the major Kismayo Port reconstruction project, whose contract provides for logistical support.) Older projects which have their own support set-up are not obliged to participate in FSU, but a few have chosen to do so by special arrangement.

FSU's overhead costs are prorated among participating projects. Since most of these costs are relatively fixed, the more projects in the system, the less each one must pay to meet FSU's overhead costs. Annual adjustments to the prorated share are therefore necessary and should decline as more new projects come under FSU.

Capitalization of FSU

The entire cost of capitalization in terms of procurement of tools, equipment, furniture, appliances and base level inventory required for the establishment of FSU's infrastructure must take place in the early years of FSU's existence and must be borne by the projects participating at that time. Almost 60 percent of FSU's first two years overhead cost is for capitalization, even though the returns on this investment will continue beyond the life of the projects have have financed this capitalization.

Transfer of Funds from Projects

Upon signature of a Project Agreement, the Project Manager, with the approval of the HG counterpart manager, completes a PIL providing for the participation of the project in FSU and authorizing appropriate funding. (In the case of future projects, the Project Paper's implementation plan and budget should also reflect this arrangement.) The PIL becomes the authorizing document for funds to transferred from the project to FSU, but should be followed by a PIO/C from the Project Manager to procure necessary commodities.

Since FSU is totally dependent on its client projects for funds, the arrangements and timing of financial transfers is of critical importance. FSU has recently entered into its second year of operation, and by far its biggest problem so far has been a cash flow shortage brought on by several factors: 1) the capitalization requirement described above, 2) the small number of projects in the FSU system the first year, and 3) transition pains, characterized by the slow rate of payments to FSU by participating projects because their budgets had not provided for such payments. As capitalization needs ease and new projects join the system, FSU's cash flow problem should gradually subside, but this will continue to be a serious concern for at least the coming year.

The Importance of Timing

So far, funding for FSU has been on a fiscal year basis, with $812,000 budgeted for the first year's operations. In reality substantially less than this amount was received from the FSU's client projects during this period, with some projects making in-kind contributions. Since actions such as the westernization of houses and commodity procurement from the U.S. require a lead time of at least nine months, early planning and funding are essential to their completion on schedule. Since annual increments of funding are often insufficient to cover these large "up-front" costs, the mission has now decided to introduce a policy of requiring new projects to make a single contribution to FSU "up-front" for life-of-project support. While some minor modifications may be

needed in subsequent years to reconcile services received with funds paid, this procedure would greatly increase FSU's operating capital and would speed up the completion of work by assuring funding support.

Accounting and Control of Property

Since FSU purchases a large volume of commodities and non-expendable property for many projects, funded by contributions from those projects, obviously both an effective financial and physical accounting system must be in place to track where commodities go, how they are used , and how they are ultimately disposed of. Since project funds contributed to FSU are earmarked for specific use (e.g. housing, furniture, vehicles, etc.), it is possible to equate goods and services received with payments made. Although some trade-offs may be feasible because of timing and optimal-use considerations, FSU's system of attribution permits satisfactory property control.

It is important for Project Managers to understand their responsibilities with respect to procurement and property management and the relationship of their projects to FSU. For this purpose the following procedural description may be helpful.

Nonexpendable property needs will be defined by the AID Project Manager in consultation with his Somali counterpart and in accordance with the Project Paper. Next, he will prepare a detailed procurement plan which includes a summary of all project procurement, specifications, timing and the mechanism to be used.

The Project Manager is responsible for actual procurement. He will solicit procurement services as required, prepare additional procurement documents, maintain loss-of-shipping information and pursue follow-up action on delays, while keeping FSU current as to procurement status. FSU will take responsibility for the commodities upon arrival and prepare arrival and receiving report, place goods in their warehouses, prepare property cards on nonexpendable property, and when the commodities are released to the project, pass a complete inventory of all commodities and property cards for nonexpendable property to the Project Manager. The FSU will advise the Project Manager of any insurance claims which need to be processed and arrange for a local insurance surveyor if required. The Project Manager will be responsible for processing of claims.

At this point, each project becomes responsible for its own nonexpendable property management. Mission policy will be stated for each project in an implementation letter, (PIL 1 for new projects, a special PIL for ongoing projects). This policy incorporates three specific guidelines. First, the property records for nonexpendable property which are set up by the FSU must be maintained for all nonexpendable property. Second, an annual nonexpendable property report must be submitted each year on forms which AID provides. Third, AID Project Managers will, during their regular field visits, perform spot checks of nonexpendable property records to verify the validity of the records. Failure to comply with the property control procedures may result in termination of further procurement.

Disposal of project property which has either passed its useful life or is no longer needed within the project will be based on a survey done jointly by the Project Manager and the contract team and will be authorized by PIL.

Mission oversight of this process will include increased use of specific contracted property inventories, using project-funded PSC mechanisms to identify possible problem projects and to help resolve issues on nonexpendable property. Mission will also require Project Managers to address property control in quarterly management reviews. The FSU has been created to provide, among other things, a solid base for property accountability, and the mission believes it will prove to be more effective than any other available alternative.

The mission view is that property control is not the responsibility of the TA contractors, although in some projects they may play a major role. We offer two reasons for not taking this seemingly easy way out. First, since the contractors are hired because of their technical skills, placing them in the role of watchdogs for all property would limit their effectiveness in day-to-day activities with their counterparts. Second, if the contractors had full responsibility for all property control, when the project ended there would be no control system left in place, and since we expect that most of our projects will continue after the technical assistance ends, this would leave a serious void in terms of property management experience. Therefore, we have determined that the mission should take responsibility for the initial procurement, set up of accountability procedures, and then ensure that the GSDR implementing agency follows the procedures, verified by regular follow up by the AID Project Manager.

With the coming of automated data processing (ADP) to Somalia, which began in 1984, we hope to be able to automate a large portion of this activity both within AID and in the ministries. USAID has recently installed its ADP equipment, and most of the projects are scheduled to receive equipment early in the implementation stage.

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PROJECT GOODS

SOURCE ORIGIN	3 MILLION TRANS. NOT POLITICAL JUST	DIRECTOR	RLA, SMO, RCO	DOA 140
S&O VEHICLES (6361)	50,000 TRANS. NOT POLITICAL JUST	DIRECTOR	RLA, SMO, RCO	"
SHIPPING	WHERE DIR APP. S&O COMM SHIPPING (750,000)	DIRECTOR		
	PER CRITERIA HB 1b			
NON COMPETITIVE HC	1 MILLION	DIRECTOR	MISS REVIEW BRD	HB 1b CHAP 7
CBD AD	500,000	DIRECTOR	RLA, SMO, RCO	HB 1b CHAP 7
HC NONCOMPETITIVE	UNLIMITED	DIRECTOR	RLA, SMO, RCO	DOA 140
HC Contract	EMERGENCY, EXISTING	DIRECTOR	RLA, SMO	DOA 140
Informal Compet. HC	PER STANDARDIZATION PLAN			HB1b
ADVANCE NON REG 1	UNLIMITED	DIRECTOR	RLA, SMO	"
	10% OF TOTAL CONTRACT	DIRECTOR	CONT	"
ADVANCE ADVACE REG 1	(1,000,000)			
	10% OF TOTAL CONTRACT	DIRECTOR	AA/AAM	"

DIRECT AID CONTRACTS

SIGNATURE	100,000 NON PSC	DIRECTOR		AIDR 702.170-3 & 10
	250,000 PSC	DIRECTOR		"
	500,000	EXO		"
	500,000	EXO		"
	1,000,000	Contract Officer		AIDR 706 "
NON COMP WAIVER	100,000 NON PSC	DIRECTOR	RCO	AIDR 706
	250,000 PSC	DIRECTOR	RCO	AIDR 706 + FAR Part 6
	100,000 - 1 mill.	D. DIRECTOR	Mission review Brd	AIDR 706 + FAR Part 6
	1 mill. - 10 mill.	DIRECTOR	RCO	

ADMINISTRATIVE

PURCHASE ORDERS	(25,000	EXO		WARRANT per FAR 1.6
LEASES	(25,000	DIRECTOR/EXO		6 FAM 721.1
	(5 YRS	DIRECTOR/EXO		6 FAM 721.1
TORT CLAIMS	(2,500	DIRECTOR	RLA	HB 23 CHAP 15
EXTEND TOURS	(3 MO	DIRECTOR		HB 25 CHAP 6

THIS SUMMARY IS FOR GUIDANCE ONLY THE CURRENT COMPLETE
DELEGATIONS OF AUTHORITY ARE IN THE DIRECTOR'S FILE
THESE MUST BE CONSULTED PRIOR TO UTILIZING

Category	Action	limit	Mission Director	Concurrance	Reference
PROJECT	APPROVAL				
	PID	(20 Million (10 YRS	DIRECTOR or AID/W	Defined in ABS	DOA 140 rev
	PP	(20 Million (10 YRS	DIRECTOR	Unless Excepted	"
	PP AMEND	(10% or 2 Million (50% or 10 Million No Policy Issues Same Purpose	DIRECTOR	RLA AA/AFR	" "
	PVO non Umbrella	1 Million	DIRECTOR		
	PVO Umbrella sub	5 Million	DIRECTOR		PVO Project Auth
PROJECT IMLEMENTATION					
	CP STISFACTION	NONE	DIRECTOR	RLA	DOA 140
	EXTEND TDCP	6 MONTHS	DIRECTOR		"
	ISSUE IMP LET	NONE	DIRECTOR		"
	EXEC. GRANT AGR.	NONE	DIRECTOR		"
	PIO APPROVAL	NONE	DIRECTOR		"
	EXTEND PACD	3 YRS NTE 10 YR LOP	DIRECTOR		"
PROJECT TA					
	COOP AGREEMENT	100,000 1,000,000	DIRECTOR Contract Officer		DOA 149 Personal DOA
	NON PSC	100,000 1,000,000	DIRECTOR Contract Officer		DOA 149 Personal DOA
	GRANTS - NGO	5,000,000 1,000,000	DIRECTOR Contract Officer		DOA 149 Personal DOA
	PSC	250,000 1,000,000	DIRECTOR Contract Officer		DOA 149 Personal DOA
	ADVANCES TO PVO	NONE	DIRECTOR		DOA 149
	ADVANCE FOR NGO	NONE	DIRECTOR		DOA 149
	ADVANCE FIRM HC	100,000	DIRECTOR		HB 1 SUP B
	OPG	5,000,000	DIRECTOR		DOA 149

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

December 11, 1986

MEMORANDUM

TO: PPC/CDIE Staff

FROM: J.M. Lieberson Jo Lieberson

SUBJECT: AID Procedures and Practices---Understanding the System

Attached is a reference manual prepared by the USAID Somalia Mission. It provides a convenient summary of AID regulation and procedures along with comments on the "hows and whys" of practical operations of an AID program. It is one of the best explanations that I have seen of AID's system---planning, budgeting, project approval and project operations.

I found it to be a good summary of how AID operates---in both theory and practice. You may also find it useful. In addition, if could be a practical reference guide for outsiders. It explains the mystery of the AID system in clear and simple language. You might want to give copies to teams who are going out to evaluate AID projects. They need to understand the AID process if they are going to evaluate AID projects.

Let me know if you want additional copies.

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