

UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT

THE
INSPECTOR
GENERAL

MEMORANDUM AUDIT REPORT ON
USAID/SUDAN'S YAMBIO AGRICULTURAL
RESEARCH STATION REHABILITATION PROJECT

AUDIT REPORT NO. 3-650-82-23
AUGUST 26, 1982



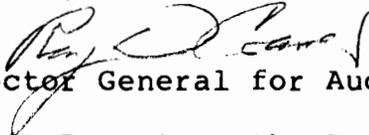
Regional Inspector General for Audit
NAIROBI

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Regional Inspector General for Audit
Nairobi, Kenya

August 26, 1982

TO : Mr. Arthur W. Mudge, Director, USAID/Sudan

FROM : Ray D. Cramer 
Regional Inspector General for Audit, Nairobi

SUBJECT: Memorandum Audit Report on the Yambio Agricultural
Research Station Rehabilitation Project (No. 650-0035)
Audit Report No. 3-650-82-23

Introduction

We have made an audit of the Yambio Agricultural Research Station Rehabilitation Project (YARSP), No. 650-0035. The grant is to provide support to assist the Agricultural Research Corporation to re-establish the Yambio Agricultural Research Station as an integral element of the agricultural and development network in Southern Sudan.

Purpose and Scope

The purpose of our audit was to determine whether (a) the Grantee effectively and efficiently used AID provided resources, (b) applicable laws and regulations were complied with, (c) the project was meeting its objectives as stated in project documentation, (d) AID funds were properly expended, and (e) USAID/Sudan gave adequate supervision to the project.

We reviewed USAID/Sudan and Grantee records, reports and correspondence; and held discussions with USAID/Sudan and Grantee officials. Our review also included a field trip to the project site in Yambio -- in the Southern Sudan. Disbursements at the time of our audit totaled \$551,000.

Summary

We found the quality of renovation work for the YARSP was good, and that internal controls over the use of AID-provided resources were adequate. However, we found the renovated facilities were not being used, a timetable to occupy the facilities had not been established, and a maintenance plan to maintain the renovated facilities had not been started. As a result, AID development funds are still not providing any assistance to the farmers in Southern Sudan.

Background

The Yambio Agricultural Research Station Rehabilitation Project (No. 650-0035) began in August 1979. Obligations and expenditures as of April 30, 1982, totalled \$1.1 million and \$551 thousand, respectively, with planned project expenditures of \$1.1 million by the project assistance completion date of September 1983.

The purpose of the Yambio Agricultural Research Station Rehabilitation Project was to provide support to the International Voluntary Services (IVS) program at the Yambio Agricultural Research Station. This program was to assist the Agricultural Research Corporation to re-establish the Yambio Station as an integral element of the agricultural research and development network in the Southern Sudan. The specific objectives of the project were to:

- Renovate the existing physical plant.
- Re-equip laboratory facilities.
- Provide farm equipment and tools essential to conduct agronomic field research.
- Train research station personnel.
- Institute all necessary preparations and backup for an applied research program to be carried out.

Findings, Conclusions and Recommendations

Renovated Facilities Were Not Being Used

Facilities renovated by the Yambio Agricultural Research Station Rehabilitation Project (YARSP) at Yambio were not being used. Approximately \$260 thousand was expended to renovate and equip housing and research facilities for the project. The facilities (including staff housing, a laboratory and other buildings) were not being used because the Agricultural Research Corporation (ARC) was unable to find qualified staff who would relocate to the research station which is located in Southern Sudan. No timetable to occupy the YARSP research facilities had been established and, furthermore, the Director of the YARSP Research Station did not

think that occupancy of the research facility was likely in the foreseeable future. As a result, infrastructure provided by the YARSP may not be used to develop Sudan unless corrective actions are taken. In addition, the lack of qualified Sudanese willing to work in the south precluded a project objective to train six Sudanese laboratory technicians.

Unless timely corrective action is taken by USAID/Sudan, the facilities and houses will not be effectively used and AID assistance funds will be wasted.

USAID/Sudan Comments

"As early as the grant amendment of November 4, 1980, it was recognized that the level of effort provided for under the grant as well as the technical expenditures available from the grantee precluded establishing the Yambio Agricultural Station (YARS) as an integral element of the agricultural research network of the south. At that time the budget and grantee staffing pattern were redirected towards first getting the physical facilities into shape. The PES (April 29, 1982) and the June 1982 amendment to the project explicitly changed the project proposal to conform to this and limited the project to the physical rehabilitation of the station. The revised project purpose became quote to rehabilitate and re-equip the existing physical plant of the YARS....thus providing some of the basic infrastructure and skilled manpower necessary for the YARS to establish an applied agricultural research program end quote. It has only been during the past several months that facilities have reached a point where YARS could consider increasing the scientific staff. The lack of facilities has been one of the major reasons why the ARC has been unable to field qualified staff.

One of the major components of the new Southern Region Agricultural Development Project (650-0046) provides assistance to establish a farming systems approach to research at the YARS. Assistance under the new project is premised on the availability of increased staff provided by the ARC. The Director of the ARC in a meeting on February 20 (minutes of the executive review of the PES) agreed to make additional staff available, and in a letter of May 29, 1982, confirmed that an additional 13 positions were authorized for the Yambio ARS. With the return of employees presently completing graduate programs Yambio ARC will have five graduate-trained scientists including two PH.Ds. The ARC had, at the time of the audit, already committed itself to providing additional staff. The new project (650-0046) lays the foundation for utilizing these staff as well as the facilities. USAID/Sudan proposed to work with the ARC as well as the Regional Ministry

of Agriculture and Natural Resources (RMANR) to further increase the professional staff at the YARS during the next four years.

Given ARC recent actions it does not appear productive or necessary to make expenditures after September 1982 contingent upon the ARC making additional commitments to those it has already made. USAID/Sudan asks that recommendation one be dropped."

RIG/A/Nairobi Response

The project under audit was to rehabilitate facilities so they could be staffed and used by the ARC. We believe it is weak management to make staffing the facilities a condition of a new project -- continuation of AID funding for the existing project should be the basis for providing staff.

The recommendation in the draft report was to develop and implement a plan to staff and use the research station. Since USAID/Sudan is satisfied that the staff is planned, we have changed our recommendation to make additional disbursements contingent upon the provision of staff. Based on discussions during the audit, we feel there is reasonable doubt that ARC will be able to provide staff to effectively use these facilities. We don't believe continued disbursements are warranted until staffing is provided, as required to implement an applied research program.

Recommendation No. 1

USAID/Sudan make future expenditures (FY 1983) under Project No. 650-0035 contingent upon the ARC's staffing and using the research station.

Renovated Facilities Were Not Being Maintained

Although the buildings are relatively new and have not yet deteriorated, we found the Agriculture Research Corporation (ARC) had made no provision to maintain them. In order to ensure that maintenance will be provided in the future, USAID/Sudan should require ARC to develop and institute a maintenance program.

USAID/Sudan Comments

"While at the time of the audit there was not a maintenance program in operation, plan for such a program had been finalized and funding and staff arranged. Maintenance had been one of the issues in the evaluation and the requirement for a maintenance program was one of the PES actions (Action 6

PES April 29, 1982). On April 21, IVS and the YARS submitted a 4 page proposal for establishing a maintenance program. This proposal served as a basis for an element in the grant agreement of June 1981 that includes the establishment of a maintenance program as one of the outputs for the project's extension. Nine of the 13 positions being made available by the ARC are for maintenance of physical facilities and several of them in addition to on-the-job training, will receive specialized short course training in Juba. Because the maintenance program is included as part of the already negotiated grant agreement and funded with GOS provided local currency, it will not be included in the new project. Since USAID had already taken the action proposed in recommendation two before the audit, and the government had responded positively, USAID/Sudan asks that recommendation two be dropped."

RIG/A/Nairobi Response

Since USAID/Sudan is satisfied an adequate maintenance plan has been completed, and adequate maintenance personnel and funds will be provided; we have deleted the portion of our original recommendation that the ARC develop a long-term program. We, however, have retained the portion of the recommendation to institute the agreed to plan.

Recommendation No. 2

USAID/Sudan ensure that ARC institutes the agreed to long-term maintenance program for the facilities renovated under the project.

cc: Deputy Administrator
AA/AFR (2)
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