

INTERIM EVALUATION
OF THE
SUPPORT MODULE-YEMEN (SMY) COMPONENT
OF THE
AGRICULTURAL DEVELOPMENT SUPPORT PROJECT
(ADSP)

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LIST OF ACRONYMS AND ABBREVIATIONS

ADSP	Agricultural Development Support Program
AED	Agricultural Education and Development Project (Previously Ibb Secondary Agricultural Institute Subproject)
A/F	The Administrative/Financial Officer of SMY
AID	Agency for International Development
USAID	AID Mission, Sana'a Yemen
CID	Consortium for International Development
CSU	Colorado State University
DMS	Development Management Systems, Inc. Report
FOA	Faculty of Agriculture
HITS	Horticulture Improvement and Training System
ISAI	Ibb Secondary Institute Subproject - Later changed to AED.
MAF	Ministry of Agriculture and Fisheries
MOE	Ministry of Education
NMSU	New Mexico State University
OSU	Oregon State University
PETS	Poultry Extension and Training Project
SMY	Support Module - Yemen

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EXECUTIVE SUMMARY

The purpose of this evaluation has been to assess the effectiveness of the Support Module-Yemen (SMY) in providing essential logistic, financial and administrative support services to all other components of the Agricultural Development and Support Program (ADSP). In particular, USAID/Sana'a wished to know if development of a separate and discreet module made sense (in theory) and works well in (in practice) and whether or not this module should continue as currently constituted.

It is the evaluators finding that the theory of centralized logistic support and fiscal management for the ADSP program was sound and was an appropriate response to the unsatisfactory management of the program under the "lead university concept" in the early years of the program. Also (in theory) the Consortium for International Development (CID), the prime contractor for the overall ADSP program, was an appropriate entity to undertake the centralized support and management effort.

In practice, the SMY has accomplished a great deal but has not yet gained the full support and cooperation of all of the parties.. USAID, at whose insistence the SMY was set up, is satisfied that procedures, controls and reporting systems that SMY has put in place provide reasonable assurance of fiscal responsibility and avoidance of waste and abuse.

While the current team leaders acknowledge the need to abide by AID regulations and reporting requirements, they would still strongly prefer to phase out SMY and undertake the responsibilities themselves. CID supports the preference of the team leaders rather than a continuence of its centralized responsibility through SMY. The responsible YARG officials with whom the evaluator spoke, were appreciative of the problems which led USAID to establish SMY and are not in favor of its early phase out.

It is the finding of this evaluation that SMY should be retained largely in its present form. Some adjustments that can and should be made are outlined below. SMY surely can be made to work to the general satisfaction of all the parties - CID, the YARG, the universities and USAID - if all of those associated with it wish it to do so. It is evident that SMY has received inadequate support, except from USAID, until now.

Briefly, the evaluators' recommendations are:

1. SMY should continue with full responsibility for fiscal management, accounting and reporting. It should also retain responsibility for translation services, centralized procurement, property leasing, inventory and warehousing and motorpool management. If the present Administrative/Financial Officer is not extended, a well-qualified replacement should be identified, nominated and sent out by CID in time for a 30 to 60 day overlap.
2. Transfer to the CORE and FOA team leaders full responsibility for their own expediting and English typing and copying. (SMY staffing would be reduced by three.)
3. If the team leaders wish, transfer from SMY to the CORE and FOA subprojects responsibility for recruiting, hiring and administering their own personnel. To insure equity and compliance with post personnel standards, USAID should retain responsibility to approve position classifications and salary levels. (SMY staff would be reduced by one.)

4. CID to assign a short-term senior accountant to SMY to install a new automated accounting system that will provide useful management data to the team leaders and technicians as well as the fiscal reports required by USAID.

5. SMY and the team leaders should work together to more fully implement the property management provisions of AID's contract with CID.

6. USAID and SMY work with the revitalized Council of Team Leaders to achieve the higher degree of cooperation and harmony needed for CORE and FOA to be fully effective for the remaining life of the ADSP.

By adopting these recommendations, USAID will:

-- Retain the level of fiscal management, reporting and procurement control that USAID wished and SMY has achieved.

-- Satisfy the most consistently voiced concerns of the team leaders respecting poor expediting and the felt need of CORE for additional English typing services.

--Afford the team leaders the opportunity to control their own personnel systems.

-- Further improve ADSP property management and control.

--Retain a single accounting and reporting system for the ADSP program but improved so as to provide useful management data to the project implementors as well as accountability reporting to USAID.

-- Be able to look at the SMY operation again in the future to see if it is still effective but, perceived anyway, to be a more service oriented operation and if further changes might be appropriate. Changes appropriate at that time might include:

- o Shifting more SMY responsibilities (maybe all) to the two remaining subprojects,
- o Shifting SMY responsibilities to the university currently implementing the SMY subproject,
- o Shifting SMY responsibilities to a lead university not involved in project implementation or
- o Shifting SMY responsibilities to a professional management firm which could also support the new FPP project.

INTRODUCTION

Program Background

The \$135 million Agricultural Development Support Program (ADSP) has been the centerpiece of USAID/Yemen support for agricultural development in Yemen during the 1980s and is scheduled to continue until 1996 with expenditures averaging \$10 to \$12 million annually. A Title XII activity, the program was originally designed for implementation using the collaborative assistance mode with minimal management requirements on the part of USAID/Yemen. Implementation is through the Consortium for International Development (CID), which in turn signed subagreements with several cooperating universities.

The ADSP became operational in Yemen in 1981 following the signing of a contract between the U.S. Agency for International Development (AID) and CID in July 1980. The ADSP program incorporated the Ibb School Project which had begun in Yemen a year or two earlier.

CID is a consortium of eleven western U.S. universities with the purpose of cooperatively participating in the U.S. Foreign Assistance Program. CID's headquarters are in Tucson, Arizona.

The ADSP includes five subprojects, each undertaken by a separate CID-member university. They are:

1. CORE, which provides broad-based support to the Ministry of Agriculture and Fisheries (MAF). Initially implemented by Oregon State University (OSU) but currently by Colorado State University (CSU).

2. Agricultural Education and Development (AED), implemented by New Mexico State University (NMSU) and scheduled to end in September 1990.

3. Poultry Extension and Training (PETS), implemented by Oregon State University and, except for long-term training, concluded in 1986.

4. Horticulture Improvement and Training (HITS), implemented by California State Polytechnic at Pomona and currently being phased out.

5. Faculty of Agriculture (FOA), implemented by Oregon State University (OSU), working with Sana'a University to establish a modern agricultural college at that institution.

Initially, CID assigned a Chief of Party to coordinate the activities of the five subproject team leaders in Yemen. Responsibility for program-wide administrative, financial and logistic support services was included in the contract with Oregon State as lead university for the CORE subproject. This arrangement did not work well. The Chief of Party position was withdrawn and, in 1987 responsibility for the CORE subproject was shifted to Colorado State University.

Team leaders and technicians were not satisfied with the logistic support they were receiving under the CORE arrangement and a number of problems and irregularities were identified that made USAID dissatisfied with procurement procedures, financial reporting and accountability. Accordingly, following recommendations in a report submitted in July 1986 by Development Management Systems Inc. (DMS), a number of logistic support activities (vehicle maintenance, residential maintenance and supply of common office supplies) were consolidated in USAID facilities. This was accomplished in mid-1987 and is working reasonably well.

Also early in 1988, at the insistence of USAID, the remainder of logistic support together with responsibility for overall financial control and reporting was pulled out of the CORE subproject and contracted directly with CID to be carried out by an independent program Support Module in Yemen (SMY). CID contracted for an Administrative/Financial Officer (AFO) to set up and operate the SMY and he arrived in Sana'a in March 1988 to undertake his duties.

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Evaluation Purpose and Methodology

The purpose of this present evaluation is to "assess the effectiveness of SMY in providing essential logistic, financial and administrative support services ... and, in particular ... whether or not this module should continue as currently constituted." (See detailed Statement of Work at Annex A.)

This evaluation has been carried out in three phases as follows:

1. Fact-Finding during which detailed interviews were conducted with 29 interested individuals in CID, AID/Washington, USAID/Sana'a, SMY, each of the subprojects, the Ministry of Agriculture and Fisheries (MAF) and the Ministry of Education (MOE). A listing of persons contacted is at Annex B and the meeting program, prepared by USAID before my arrival, is at Annex C. That schedule was quite closely followed and this evaluator appreciates the timely availability of busy officials.

2. Synthesis, Drafting and Review.

3. Final Report Preparation and Submission.

EVALUATION FINDINGS

1. Financial Controls and Reporting

Following his arrival, the AFO established priorities for the tasks that the new support module needed to undertake. Institution of financial controls on subproject activities and improvement of financial reporting to USAID were at the top of that priority list.

It shouldn't be surprising to anyone that the placing of central financial controls (recommended by previous audits) on the activities of the subprojects proved difficult to achieve and highly unpopular with the leaders of those projects and their technicians. The team leaders chafed at the newly required paper work such as monthly financial reports, action memos to USAID justifying expenditures outside of Annual Work Plans, requisitions to SMY's central warehouse, transfer records for project equipment turned over to the host government, and a host of others including management of cash disbursements and petty cash funds. Within weeks sharp disagreements arose between the Administrative/Financial Officer (AFO) and two of the then-team leaders who were opposed to the controls.

Nevertheless, while the current Council of Team Leaders continues to maintain that SMY's financial controls, as applied, are inflexible and so overly burdensome as to interfere with project implementation, they do acknowledge that there was need for improvement as compared to the past. Indeed, on September 12, 1989, the Council adopted a statement of Yemen ADSP Fiscal Management Responsibilities which states, in part, that

"...it is the ultimate responsibility of SMY to insure that all expenditures are in accordance with the contract terms (e.g. AID regulations and other regulations as may apply) and that any required written approvals are in place before funds are actually disbursed as a project expense." (See Annex D for the full text of the policy statement which is still under review by USAID.)

In a meeting with this evaluator, the present team leaders characterized themselves as "the second generation of team leaders who recognize the need to adhere to USAID's reporting requirements and procedures".

So, while still unpopular, SMY has successfully fulfilled its function with respect to establishing effective financial controls over the operations of the ADSP. SMY personnel maintain that that there are no examples of their efforts interfering with implementation - that, indeed, establishing financial order for the program has contributed to orderly and efficient subproject implementation.

As regards financial reporting, the Administrative/Financial Officer has introduced a series of monthly and quarterly reports which supply obligation and expenditure data corresponding to a project financial planning and budgeting matrix in use at the USAID and the sub projects pursuant to their annual work plans. The USAID Deputy Director, Controller and Agricultural Development Officer are satisfied that these financial reports meet the requirements of the contract and, at this time, are timely, accurate and reliable.

2. Compliance with USAID Regulations and Policies

In the course of the evaluation interviews, numerous cases of past failures to follow USAID personnel, procurement, property management and other regulations and policies were cited - some as recently as April, 1989. Views were expressed that the Administrative/Financial Officer was more concerned with imposing the regulations and procedures of USAID than with meeting the needs of the team leaders in carrying out their subprojects. Conversely, the AFO feels

that he received little positive direction or support from CID in his efforts to carry out the responsibilities outlined in his contract. (A copy of the Statement of Work from the Administrative/Fiancial Officers contract with CID is at Appendix E.) The former contracting officer and others at USAID share the view that CID failed to support its AFO when conflicts arose with team leaders. They believe that, had CID been more helpful to the AFO in carrying out his responsibilities, the USAID might have been able to maintain more of an "arms length" relationship when conflicts arose.

In sum, while it has been difficult, SMY has achieved a large measure of compliance with USAID regulations and procedures. Some ADSP personnel salaries and job classifications may still be at variance with USAID norms. However, employment at ADSP is relatively short term as compared to USAID and many of the staff members were initially employed under the variety of past systems. It would be surprising if all were fully parallel with USAID. Nearly all with whom the evaluator spoke were quite favorably impressed with the senior local staff which has been assembled at SMY.



With respect to procurement, SMY conducts most local and third country procurement (totalling about \$2 million annually) while procurement of project commodities in the United States is now being carried out by the individual implementing universities. SMY does follow USAID procurement procedures quite rigorously and it is this which caused much of the conflict with past team leaders and is still seen as slow and overly inflexible by team leaders and their host country counterparts.

Compliance with USAID financial control regulations is now satisfactory as noted above. No current problems regarding compliance with USAID regulations and policies were brought to the evaluators' attention.

3. Adequacy of SMY Logistic and Financial Support to:

CORE.

A. The Team Leader's comments included:

- o Services regarding local personnel have been okay but expediting (of arriving shipments, etc.) needs improvement. "SMY expeditors suffer from a one signature per day syndrome and nothing seems to be done about it."
- o Translation and typing in Arabic provided by SMY are good but services are very slow when CORE needs help with overflow English typing.

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- o Photo copying services have also been a problem and have led to missing pouch deadlines when the material to be copied was given to SMY four days in advance.
- o Procurement and other GSO-type services generally have been good.
- o The SMY accounting system fails to provide disaggregated detail that the TLs need for management purposes. (A CORE technician later made the same point - the accounting system provides no data useful to the technician.)
- o SMY staff members lack accountability to the people they serve and so are often not very responsive. This has been particularly true for expediting. Quite often no member of the SMY senior staff is available at the ADSP office to solve urgent service problems.

B. Officials at the Ministry of Agriculture and Fisheries commented:

- o SMY should confine itself more to a "support" role and not try to take the "lead".
 - o A year-end budget surplus is not important if it results from things that didn't get done.
 - o More project commodities should be purchased locally. It is faster and more efficient even if it costs a little more than off-shore procurement.
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- o SMY support activities should not cost over 10 percent of the overall project budget. One American is enough - it is better and less costly to train Yemenis.
- o Team Leaders should initiate procurement actions immediately after approval of each annual work plan so that commodities can arrive by the end of the first quarter. "There is no use in having the technical expert without his tools."
- o SMY has to spend too much time getting approvals from USAID.
- o The present SMY support system is better than the system before it when there were four separate systems and there has been significant improvement in the last four or five months.
- o We understand the financial and other concerns that made AID feel that the new arrangements were necessary.
- o The management training that Jeff Sole is providing to the Yemenis on the SMY staff is good and we wish that he could provide it in the ministry as well.
- o Earlier and faster procurement of project commodities is needed and there should be more use of "expedited" procurement procedures for urgently needed spare parts, etc.

- o It would not be cost effective to disband SMY in favor of two separate units for the two (CORE and FOA) subprojects that will remain after September 1990.
- o It would probably not be possible for SMY to provide logistic support to the planned new USAID agricultural project unless that project were contracted to CID also. Nor would it be desirable for SMY to be taken over directly by USAID and thus become another long term bureaucracy.

HITS. The comments of MAF officials outlined above apply to SMY support for HITS as well as CORE.

A. The acting HITS team leader commented:

- o SMY would be good if it provided timely services. However, it takes too long to translate big projects and too long to purchase spare parts.
- o I have just signed a one-page report of obligations and expenditures for the HITS subproject for October. There were no supporting breakdowns, however, so I have no ready way of knowing if these amounts were actually expended by SMY for HITS or not.

- o CID/SMY leadership should be responsible to someone in Yemen who can mediate disagreements with the team leaders. Technicians don't have adequate authority.
- o The way we are now behaving does not reflect well on the reputation of the United States.

AED.

A. The AED team leader commented:

- o SMY expediting and overload secretarial services are not good.
- o SMY does not play a service role and there has been far too much interpersonal conflict.
- o A split up of SMY staff and responsibilities between the two remaining projects would be much more efficient.

B. The counterpart at the Ministry of Education, long associated with the AED project, commented that there has been far too much personal conflict and politics between the AFO and the TLs. The AED subproject (then located at Ibb) worked better before SMY.

Faculty of Agriculture (FOA) at the University of Sana'a.

A. The FOA subproject team leader commented:

- o There were needs to tighten up from the old system. However, the total audit disallowances under the old system were really not that great.
- o AID made a mistake in how it tried to correct the situation. AID should have taken financial control and auditing back itself rather than shifting it to SMY through CID.
- o SMY should not have been given a monitoring as well as a service function. This has created the basic conflict. As a result, SMY/USAID have become more concerned with monitoring than with providing prompt and efficient service.
- o Slow expediting and the time it takes for local procurement are problems that FOA has with SMY.
FOA could handle all of these faster for itself if it had its own business manager and one expediter/procurement clerk.

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- o SMY's monthly financial reports may satisfy the needs for reporting to USAID, but they are too aggregated to provide needed management information to the team leaders. Unless TLs maintain duplicate records, they can not know month-to-month just what has been spent and what remains under each budget item.
- o Centralized operations are inherently inefficient - by nature they don't work well. Decentralization is strongly to be preferred.
- o SMY should be phased out before the end of the year and the two remaining subproject team leaders should be given the resources and responsibility for logistic support and financial management. USAID should itself take back the auditing functions.

B. Officials at the Faculty of Agriculture were not very familiar with SMY and said little regarding its services.

Favoritism. The FOA team leader, located at the university, feels that he does not receive the same degree of support from SMY as do those located at the ADSP building. However, this distinction is based more on location than on intent. There has been improvement since a procurement agent has been identified by SMY and dedicated to meeting the needs of FOA. There is also a feeling that the Central Support Services (CSS) at USAID do not accord the needs of ADSP the same priority as those of USAID itself especially regarding common items supply and performance of major vehicle maintenance.

Summary. Most of the team leaders and ministry officials acknowledge the problems that existed before and understand that USAID needed to establish procedures to insure greater fiscal responsibility. Nevertheless, they perceive SMY operations, while recently improved, as still impeding the timely implementation of their subprojects and thus hindering overall achievement of ADSP goals. The primary concerns expressed by ministry officials are with what they perceive to be inflexible imposition of AID procedures and regulations. The team leaders are concerned with excessive requirements for USAID approvals and by weaknesses in expediting and a need for overload English typing services. Financial reports have not been providing detailed management information to the team leaders and technicians as they would like.

SMY staff believe, to the contrary, that the fiscal management controls and reports, and the procurement services and the other measures they have instituted, if utilized and followed by the team leaders, would contribute to efficient subproject implementation. They recognize that disaggregated monthly financial data would be useful to the technicians but maintain that it has never been requested of them. Neither, they maintain, were they aware of requirements for SMY to provide overflow secretarial support as the projects have their own secretaries. They also appear to have made improvements in expediting and procurement during recent months.

4. Lines of Authority and Administration.

The Administrative/Financial Officer is fully responsible under his contract (Annex E.) to CID "for management of the various logistic and administrative support activities provided to ADSP subprojects". As described in the Statement of ADSP Fiscal Management Responsibilities (Annex D), SMY is to provide logistic support, and administrative control to insure that all expenditures are in accordance with the contract terms, AID regulations and other regulations as may apply. SMY and subproject team leadership share joint responsibility for expenditures review to insure that overall fiscal responsibilities are met. The Council of Team Leaders is tasked by contract #8010 to "establish policy for the daily operation of the SMY, to set operational guidelines and to establish priorities for SMY operations". (See the Statement of Roles at Annex H).

The AFO serves as a non-voting member of the Council of Team Leaders and regularly attends its meetings which are now held almost weekly. When he first arrived, he took it upon himself to prepare agendas for the meetings of the Council. Soon the then-team leaders rejected this preferring to prepare their own meeting agendas and, for several months, few meetings were held.

The AFO is an employee of CID and should look to them for direction and support in establishing the administrative and fiscal controls of ADSP called for in the contract. Contractually, the AFO's role vis-a-vis USAID is to insure compliance with the provisions of the AID/CID contracts including following AID regulations and other regulations that may apply as well as submission of timely fiscal and other management reports on behalf of CID (See Annex E).

In practice, SMY was set up at the behest of USAID to establish fiscal responsibility which AID felt was seriously lacking and to insure that established AID procedures would be followed in carrying out procurement and logistic support in an equitable manner among the subprojects. It was natural, indeed essential, for the AFO to work very closely with USAID and to seek their guidance as he set up the administrative and fiscal control systems within ADSP. In turn, USAID was watching closely and pressing hard to insure that past practices were replaced and problems rectified. Meanwhile, it appears that CID itself provided little day-to-day direction and support so that USAID - perhaps too willingly - filled the void whenever disputes arose between SMY and one or more of the team leaders.

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Each of the team leaders as well as the project technicians and the AFO had his own counterpart in the ministries so that Yemeni government officials became well aware of the conflicts among the Americans as SMY was being implemented. Delays and problems were often laid at the door of SMY and its insistence on following procedures and seeking required USAID approvals. Meetings of the Council of Team Leaders became a forum for opposition to SMY and for some quite bitter disputes between the AFO and some of the team leaders - especially the then-HITS team leader. In recent months, under the leadership of a new chairman, the Council has met quite regularly and has started to play the coordinating and information sharing role that it should. In addition to its own weekly meetings, it participates in monthly meetings - first with the USAID Director and then with the USAID Agricultural Development Officer. Personalities, on all sides, have evidently been a major factor in the past failure of the Council to play a constructive role vis-a-vis SMY and the USAID. With, as its chairman has stated, "A second generation of team leaders who recognize requirements for AID procedures and accountability" there is good prospect that the Council will play a much more constructive role in the future.

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Host country officials, with a sizeable bureaucracy of their own (One official said, only partially in jest, "It requires 251 signatures to get anything done in Yemen".), had come in the early stages of the project to greatly admire the ability of their American counterparts to make decisions and then to implement them immediately without a host of other approvals. With the institution of administrative and fiscal controls by SMY as well as more Action Memorandums and other approvals required by USAID, they have become disillusioned and yearn for the good old days when things were more "flexible". In some respects, administration of the ADSP program has gone from the "minimal USAID monitoring" under the collaborative mode of AID contracting in the early 1980s to something closer to "micro management" as SMY was required to establish a host of AID procedures and regulations and fiscal reporting systems keyed to satisfying USAID's project planning and budgeting matrix.

The terms of USAID contract #8010 with CID (see Annex F) call for SMY to provide:

- 3.1 Financial Management and Control of ADSP Local Currency
- 3.2 Warehousing, Supply and Maintenance
- 3.3 Housing and Officing
- 3.4 Travel and Transportation
- 3.5 Procurement, Receiving and Customs
- 3.6 Sub-Contracting
- 3.7 Communications and Records Control, Translation and Secretarial Support Services

SMY has been in operation for about twenty months and, as noted earlier, the Administrative/Financial Officer and his staff established priorities for accomplishing the requirements of the contract. With only minor exceptions, the requirements have been fulfilled. A property inventory has been prepared but is not yet complete and does not include all ADSP nonexpendable property. The subprojects maintains inventories of their own which should, perhaps, be consolidated. There is lots of project property - some of it unidentifiable - that needs to be disposed of. The team leaders are not satisfied with expediting and believe they need additional English language secretarial services to meet their typing overflow requirements. USAID thinks that some local personnel classifications and salaries may need to be adjusted and the GSO supervisor at SMY is "just getting into ADSP motor pool operations". The AFO, wisely I think, leaves assignments of individual housing units for technicians to the council of team leaders.

In sum, in spite of varying degrees of chafing on the part of team leaders and host country counterparts, SMY has done a very good job of fulfilling the terms of CID's contract with AID. They have met the requirements of USAID but not always the wishes of CID or its constituent universities that are involved in the project. There are adjustments - more in style and personalities than in substance - that have been and can be made to insure operations more harmonious and satisfactory to all

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concerned. USAID deplores the conflicts that have taken place as much as any other party - they have not reflected well on the reputation of the United States.

OVERALL ASSESSMENT AND RECOMMENDATIONS

Assessment

"If it ain't broke, why fix it?"

SMY was set up at the behest of USAID to deal with serious short coming in the overall administration and fiscal control and reporting under the the ADSP program. In its 20 months of existence, most agree that it has accomplished that purpose.

The fact that only two ADSP subprojects (CORE and FOA) will continue after September 1990 will undoubtedly reduce the volume and complexity of support requirements. There will be less expatriate personnel to house and transport and less vehicles to support. This reduction has been put forward by the Council of Team Leaders and CID as an argument to phase out SMY and make the two universities (CSU and OSU) each responsible for the full range of logistic support plus fiscal management and reporting for the subproject which it manages.

SMY is currently operated by a single U.S. hired expatriate, a locally-hired Yemeni/American plus with a local staff of 28. To carry on the functions once SMY is phased out, CSU and OSU would each require a business manager from its home campus. During this evaluation, host country officials have repeatedly objected to the introduction of

additional expatriates for administrative roles. While OSU might need to augment its present local staff by only one or two positions, it appears that CSU would have to retain a significant proportion of the present SMY local staff to provide full logistic support, accounting and reporting services for itself.

Additionally, it must be kept in mind that SMY is also providing support to a team of three expatriate engineers with Stanley Consulting and performing certain "bridging" activities to keep several aspects of the former HITS subproject alive until AID's new Agricultural Production Project comes on line in about a year.

While it would be possible to split the present SMY functions between the two remaining projects, it would be difficult and costly. There are economies to be achieved - even for two projects - in consolidated procurement, transportation, warehousing and inventory management and in shipping. ADSP funds are from a single source so that, while possible with the planned new computers, it would be difficult and costly to separate them and then to operate them as two separate accounting and reporting systems. SMY has really only gotten going and the argument for its early phase out is not persuasive. Several have stated that its performance as an effective service organization has substantially improved during the past four or five months. During that same period, the Council of Team Leaders has also become more effective.

There is room for improvements, however, and several have been identified during the evaluation and are set forth in the recommendations that follow. It should be possible to achieve a "kinder, gentler SMY" that is seen by team leaders, technicians and host country officials as a more positive contributor to effective and responsible project implementation.

In the course of this evaluation, options were considered ranging all the way from the phase out discussed above to shifting SMY operations to a professional management firm (recommended by the 1986 DMS Report) which could also provide support for the new Farming Practices and Productivity Project (FPP) and, perhaps, other USAID projects. There were several options in between.

Recommendations. Our conclusions and recommendations to USAID are:

1. SMY is doing the job which was intended and should be continued with full responsibility for fiscal management, accounting and reporting. It should also retain responsibility for translation services, centralized procurement, property leasing, inventory and warehousing and motorpool management. If the present Administrative/Financial Officer is not to be extended, a well qualified full-time new AFO should be quickly identified by CID, nominated and sent out in time for a 30 to 60 day overlap with the present AFO.

2. Encourage SMY to transfer to the CORE and FOA team leaders, as soon as they wish, full responsibility for their own expediting and English typing and copying. SMY's own expediting would be combined with procurement and, with the secretarial pool eliminated, the Arabic typing service can be combined with the translation unit. (SMY staffing would be reduced by three - the two expeditors transferred to CORE and FOA and one currently vacant secretarial position. Budget adjustments may be necessary.)

3. If the team leaders concur, encourage SMY to transfer to the CORE and FOA subprojects responsibility for recruiting, hiring and administering their own personnel. To insure equity and compliance with post personnel standards, the USAID should itself take responsibility to approve position classifications and salary levels. These transfers of personnel and responsibility can take place whenever the CORE and FOA team leaders have become fully conversant with the AID personnel policies, procedures and record keeping they will need to install. No additional expatriate staff should be required for this. (Budget adjustments may be necessary and one current SMY position could be eliminated.)

4. Assign a short-term senior accountant to SMY to install an automated accounting system on the new computers including responsibility to train the local accountants and to insure that the new system provides useful management data to the team leaders and technicians as well as the reports required by USAID. USAID should be satisfied that this individual is fully familiar with AID fiscal control and reporting requirements. (When the new system is in place, it should be possible to reduce SMY's fiscal/accounting staff by one.)

5. Urge CID/SMY and the subproject team leaders to work together to more fully implement the property management provisions of AID's contract with CID. Warehousing and inventory control should be reviewed to see if AID marking requirements are being observed and if a complete and consolidated ADSP property inventory can be developed. There appears to be excess property to be disposed of.

6. Take note of the statement of Roles and Responsibilities of the ADSP Team Leaders Council (Appendix H) and work closely with the new generation of team leaders, ministry officials, CID and the leadership of SMY to promote the level of harmony and professional collaboration needed to achieve highly effective implementation of CORE and FOA for the remaining life of those subprojects. Seek clarification of the provision in the statement of Yemen ADSP Fiscal Management Responsibilities (Exhibit D) concerning responsibility for disallowances that might result when a team leader acts outside established SMY processes.

SUMMARY

In summary, by adopting the above recommendations, USAID will:

-- Retain the level of fiscal management, reporting, and procurement control that USAID wished and SMY has achieved.

-- Satisfy the most consistently voiced concerns of the team leaders concerning poor expediting and the felt need of CORE for additional English typing services.

-- Afford the team leaders the opportunity to control their own personnel systems.

-- Further improve ADSP property management and control.

-- Retain a single accounting and reporting system for the ADSP program but improved so as to provide useful management data to the project implementers as well as accountability reporting to USAID.

-- Be able to look at the SMY operation again in September, 1990 to see if it is still effective but, perceived anyway, to be a "kinder, gentler" more service oriented operation and if further changes might be appropriate. Changes appropriate at that time might include:

- o Shifting more SMY responsibilities (maybe all) to the two remaining subprojects,
- o Shifting SMY responsibilities to the university currently implementing the CORE subproject,
- o Shifting SMY responsibilities to a lead university not involved in project implementation or
- o Shifting SMY responsibilities to a professional management firm which could also support the new

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ANNEXES

- A. Scope of Work - SMY Evaluation, November, 1989
- B. Persons Interviewed by the Evaluator
- C. Proposed Program for Hugh Dwelley: Oct 30 - Nov 20, 1989
- D. Yemen ADSF Fiscal Management Responsibilities
- E. Position Description - Administrative/Financial Officer
- F. Provisions of AID Contract #8010 with CID Covering the Council of Team Leaders and the Responsibilities of SMY
- G. CID/Team Leaders Proposal to Phase Out SMY, 10 Nov 89
- H. Roles and Responsibilities of the ADSF Team Leaders Council, June 25, 1989
- I. Scope of Work for Installing SMY Computers and Accounting Systems, May 1989.

IV. Scope of Work - SMY Evaluation, November, 1989

The main body of the evaluation report shall be divided into the five sections described below:

1. Financial Controls and Reporting: To what extent is SMY fulfilling its function with respect to financial controls and reporting? Are reporting requirements as described in the relevant contract being met? Are the financial statements provided timely, accurate, and reliable?

2. Compliance with USAID Regulations: To what extent is SMY ensuring compliance with A.I.D. and Mission regulations and policies with respect to personnel, procurement and financial controls? Where if any are the problem areas in need of closer attention?

3. Logistic Support: To what extent is SMY providing prompt and effective financial and logistic support services to each ADSP subproject? In which areas is SMY support strongest? In which areas is SMY support weakest? Prior to establishment of SMY, there were concerns over "favoritism" in the provision of support; to what extent if any is this concern still present? In what ways is SMY supporting or hindering overall achievement of ADSP goals?

4. Lines of Authority and Administration: What is the role and position of SMY vis-a-vis the various sub-projects; the Council of ADSP team leaders; and USAID? How do lines of authority between SMY and its various constituencies work out in practice? How is information shared among and between this constituency? How should it be shared to enhance project effectiveness and accountability? To what extent are the contractual arrangements which established SMY actually being carried out? To what extent do these arrangements meet the requirements of both CID and USAID/Sanaa? If not, what adjustments can be recommended to ensure a more satisfactory arrangement?

5. Overall Assessment: Assess the adequacy and effectiveness of SMY in supporting the overall implementation of the ADSP project. To what extent are the expectations regarding a separate support module being met? To what extent are they not being met and why? In view of the SMY experience thus far (and in light of the experience gained when the support function was not detached from other project activities), which approach to logistic support is most effective in respect to services, cost and efficiency? Should the lead university once again be given responsibility for SMY functions, as under the original setup? What adjustments can be recommended to improve the effectiveness and efficiency of SMY support? Given that the number of ADSP subprojects will

shortly decrease from five to two, what is the best way to handle essential logistic and financial support during the remainder of the ADSP project (e.g. will a separate SMY still make sense; if not, what alternative would be most effective)?

PERSONS INTERVIEWED BY THE EVALUATOR

A. In Washington

Jeris Oweis, BIFAD Staff
Charles Uphaus, ANE Bureau
James Colom, CID

B. At USAID/Sana'a

Michael Lukomski, Deputy Director
John Swanson, Chief, Ag. Development Office
John Scamper, Agricultural Development Officer
Abdulla Ben Yahya, Agricultural Specialist
Leonard Kata, Contracting Officer
Stephen Weisecarver, Contracting Officer (by phone)
Johnathan Addleton, Deputy Program Officer
William Livengood, Financial Analyst
Ariful Rahman, Financial Analyst
Charles Knight, Deputy Executive Officer
Charles Eastland, Assistant GSO

C. ADSP Project

Stanley Miller, FOA Team Leader
Dana Thomas, CORE Team Leader
Sunny Langham, AED Team Leader
Hamad A. Majid, Acting HITS Team Leader
Ali Rammal, CORE Computer Advisor
Tom Clevenger, CORE Ag Marketing Advisor

D. Government of Yemen

Hon. Nasser au Laqui, Minister for Agriculture and Fisheries
Hon. Ahmed Mokbil, Deputy Minister, MAF
Engr. Abdul Karhash, Director, Agricultural Affairs, MAF
Dr. Abdul Malik al-Thowr, SMY/CORE Counterpart at MAF
Dr. Abdulla Majahad, Dean, Faculty of Agriculture, U of Sana'a
Dr. Harazi, AED Counterpart at the Ministry of Education

E. SMY Staff

Jeffrey Sole, Administrative/Financial Officer
Mohammed Saif, Administrative/Personnel
Hashem Awnallah, General Services Officer

PROPOSED PROGRAM
FOR
HUGH DWELLEY
Oct 30 to Nov 20

Mon. 10/30	09:00-09:30	Review Schedule, Logistics, etc.
	09:30-10:30	M. Lukomski, Deputy Director, USAID
	10:30-11:00	L. Kata, ACO
	11:00-16:00	Agr. Office staff
Tues. 10/31	08:00-16:00	CID/SMY
Wed. 11/1	08:30-10:00	Min. of Agr & Fisheries (MAF) (A. Karhash)
CID/SMY	10:00-12:00	MAF. (Mr. AbdulMalik)
	12:00-16:00	CID/SMY
Thurs/Fri		Optional field trip
Nov 2&3		
Sat. 11/4	08:00-10:30	FOA, Dr. Stanley Miller, Team Leader
	10:30-12:00	Dr. Mujahid, Dean FOA
	12:00-16:00	CID/SMY
Sun. 11/5	07:30-09:30	CID/SMY
	10:00-12:00	MAF, (Deputy Minister)
	12:30-14:00	CID/SMY
	14:00-16:00	CID, Dana Thomas, Core TL
Mon. 11/6	08:00-09:30	MOE, Dr. Harazi
	10:00-11:00	MAF, (Minister)
	11:00-13:00	MAF (Abdul Malik al-Thowr)
	13:30-14:00	USAID/ADO
	14:00-16:00	CID, Sunny Langham, AED TL
Tues. 11/7	07:30-14:00	CID/SMY
	14:00-16:00	CID, Dr. Majid, HITS Team Leader
Wed-Thurs		Other interviews as necessary and
Nov 8-16		writing the draft report
Sat. 11/18		Submit the draft report to USAID, MAF and
		ADSP Team Leaders
Sun. 11/19	08:00-10:00	Joint discussion of the draft report with
		USAID and ADSP Team Leaders at USAID
		Conference Room
	11:00-13:00	Final discussion of the report with MAF,
		Core Team Leader and Core Project Officer

YEMEN ADSP FISCAL MANAGEMENT RESPONSIBILITIES

The CID Executive Office has overall fiscal responsibility for the SMY Module. This fiscal responsibility is broken into two key areas.

1. SMY is responsible for all logistical support for all subprojects as detailed in sections 3.1 through 3.7 of the contract.
2. The protocol is that while the subproject team leader is responsible for technical decisions concerning all local cost expenditures, it is the ultimate responsibility of the SMY to insure that all expenditures are in accordance with the contract terms (e.g. AID regulations and other regulations as may apply) and that any required written approvals are in place before funds are actually disbursed as a project expense.

The SMY is expected to serve as the administrative control. Any disallowances which result from the failure of the SMY to correctly interpret any regulatory/contractual requirements and insure that these are met, will therefore be the responsibility of the CID/EO.

Any disallowances which result from the failure of the team leader to ensure that the approved work plan is followed will be the responsibility of the lead university.

SMY and subproject team leaders shall share responsibility for (review of expenditures) to ensure that overall fiscal responsibilities are met. Subproject team leaders shall ensure that expenditures are covered by existing work plans and the scopes of work appropriate to the subproject, and shall be responsible for development of and obtaining approvals for action memoranda when such are necessary.

SMY will ensure that expenditures are allowable under the general and special provisions of the contract, that both general AID and local USAID Mission regulations are complied with and that documentation quality is adequate for audit purposes.

If the team leader acts outside the processes described above or overrules the decision of SMY, then SMY shall immediately notify the lead university in writing that the agreed upon protocol is not being followed. The lead university is then responsible for resulting disallowances.

The lead university for the subproject will also be responsible for disallowances resulting from errors in decision making and judgement of the team leader, for actions which otherwise meet normal SMY standards for disbursement.

ATTACHMENT 1
to Agreement SOLE/YE-8010-01
: Position Description

Administrative/Financial Officer
for the Administrative and Logistic Support Unit
of
CID-Yemen ADSP

The Administrative/Financial Officer (AFO) is directly responsible to the CID Deputy Executive Director for ADSP for management of the various logistic and administrative support activities provided to ADSP subprojects in Yemen. These include personnel management, housing and officing; transportation; procurement; warehousing, supply and maintenance; shipping receiving, and customs clearance; contracting; communications records control, and translation services. The AFO will receive guidance on priority setting, local project policy and other matters from the Council of Team Leaders of the ADSP subproject.

Duties listed below for each of the eight functional areas are illustrative of the major tasks required but responsibility and authority may extend beyond those specific tasks. The AFO has considerable latitude to organize subordinate staff to carry out the various functions effectively. The incumbent also is responsible for establishing procedures and internal operating policies relating to these functional areas. The AFO may be required to mediate and/or arbitrate disputes or conflicts involving actions taken by subordinate staff with respect to support provided to ADSP personnel. The AFO will be assisted by other staff as may be approved and available under the ADSP staffing pattern. Specific responsibilities include the management/administration of the following:

1. Personnel

- a. Employment actions for all local-hire employees.
- b. Documentation for all ADSP personnel proposed to USAID for nomination to the YAR.
- c. Travel authorizations for all international and local travel.
- d. Obtaining visas and other required documents for long and short term staff in accordance with YAR policies and regulations.
- e. Administration of allowances provided locally to expatriate staff.
- f. Personnel files for all local hire and expatriate staff.

2. Housing and Officing

- a. Contracting for housing for all expatriate staff and negotiating for office space, warehouse facilities, etc.
- b. Arranging for utilities, telephone, telex and other services as required.
- c. Assigning expatriate staff to specific housing units.
- d. Inventory of furnishings and equipment for housing and offices.
- e. Maintenance of all housing and offices.

3. Transportation

- a. Coordinate maintenance of fleet of 25-30 program vehicles by USAID.
- b. Arranging vehicle liability insurance as required by YAR law and CID policy.
- c. Motorpool allocation and use.

4. Procurement

- a. Development of specifications for all procurement items and services originating in Yemen, in cooperation with subproject Team Leaders and technical staff.
- b. Compliance with procurement provisions of the AID/CID contract.
- c. Issue purchase orders for local procurement.
- d. Verifying incoming shipments of off-shore procurement to ensure compliance with specifications.
- e. Arranging service contracts for office equipment, and other non-expendable equipment.

5. Warehousing, Supply, and Maintenance

- a. Inventory control, issuance, and accountability procedures for expendable and non-expendable property.
- b. Maintenance of non-expendable property.
- c. Preparation of annual inventory control reports required by contract, and/or CID policy.
- d. Secure and orderly storage of all inventory and project items under the control of the ADSP.

6. Shipping, Receiving and Customs Clearance

- a. Receipt, customs clearance and transfer of all incoming air and surface shipments of program commodities and authorized personal and household effects for all expatriate staff.
- b. Packing, transfer and forwarding of personnel effects, vehicles and other out-bound shipments.
- c. Preparation and control of shipping and clearance documents, insuring proper routing and distribution to agencies of interest.
- d. Development and oversight of procedures for incoming and outgoing mail pouches.

7. Contracting

- a. Prepare, negotiate and execute contracts as may be necessary to provide required ADSP support services, consistent with delegations of authority from Team Leaders.
- b. Monitoring contractor performance, as appropriate.
- c. Payment to contractors for services rendered.

8. Communications, and Records Control, Translation and Secretarial Support Services
 - a. Guidance to ALU secretarial support staff and assignment to service other subproject activities and functions.
 - b. Establishment of procedures governing utilization and control of word processing equipment, telex, etc.
 - c. Development of procedures for orderly communications flow within the ADSP to ensure that staff work is complete, that internal clearances and inputs of relevant functional offices are obtained and that all parties to decision making are informed and;/or consulted as necessary.
 - d. Establishment of filing and record keeping systems to ensure maintenance, access, and security of project documents, correspondence, reports and other ADSP information records.
 - e. Provision of translation services to meet program requirements.

9. Financial Management and Disbursements for Local Costs
 - a. Supervise the Accounting Specialist and other accounting staff.
 - b. Approval and signature for disbursements for local costs.
 - c. Oversight responsibility for local bank accounts including approval of monthly reconciliation.
 - d. Ensure integrity of procedures to ensure auditability of local cost financing records

While reporting directly to the CID Deputy Executive Director, the AFO is required to work closely with subproject Team Leaders and other program staff to ensure adequate support for various implementation activities which are being carried out under the program. The AFO will participate as an ex-officio member, in the Council of Team Leaders meeting on ALU activities.

The AFO is responsible for organizing the program support staff of the ALU to meet program support requirements in the functional areas indicated above, and for providing leadership, supervision, and guidance to subordinate staff.

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SM_y- SUPPORT MODULE -- YEMEN1.0 Module Objective

The Core II Subproject is one component of the Mission's Agricultural Development Support Program (ADSP). The objective of the SM_y module is to provide overall in-country centralized support services to the subprojects of the ADSP.

2.0 Background

2.1 Under the previous CID/OSU contract, the Core Subproject provided the majority of support services to the entire Agriculture Development Support Program, consisting of five subprojects. These services comprise commodity specification, procurement, shipping, in-country clearance, warehousing and inventory control; participant training placement and management; accounting and financial management; technical assistance recruitment, employment travel, orientation, etc.; vehicle operation and maintenance; office and housing rental and maintenance; secretarial and translation services; photocopying, report preparation and communications; customs and travel expediting; and other local-staff support (guards, receptionist, janitors, etc.)

2.2 The major exceptions to the arrangement were the Ibb Secondary Agricultural Institute Subproject and the Faculty of Agriculture Subproject. Both subprojects have relied on the Core Subproject for local currency accounting, major vehicle repairs, housing maintenance (in the case of the Faculty of Agriculture Subproject), expediting, commodity procurement and management and mail pouch service.

2.3 As noted above, some subprojects are already providing some of their own support services. USAID has already assumed responsibility for ADSP contractor vehicle and housing maintenance and the supply of many expendable commodity items through the Contractor Support Service - } (CSS) unit. With a few exceptions USAID will also assume responsibility for commodity procurement and shipping (all but the shipping of technical assistance items, such as household effects, consumable allowances and personal vehicles). Each ADSP subproject will bear responsibility for management for a portion of its support services, with other support services as described below being provided equally to all subprojects by the Yemen Support Module.

3.0 Scope of Work

The contractor will provide for administration and management of the Yemen Support Module for ADSP subprojects, so as to ensure equal quality of support services for each subproject.

The contractor will provide qualified personnel, local staff and expatriate, to supply Yemen support services required by the ADSP subprojects.

The contractor will organize the Council of Team Leaders, consisting of the Team Leader from each subproject, with the Financial/Administrative Officer as an ex-officio non-voting member. The council will meet periodically, as required, to establish policy for daily operation of the SM_y, to set operational guidelines and to establish priorities for SM_y operations.

3.1 Financial Management and Control of ADSP Local Currency

3.1.1. Disperse and account for SM_y budgets and local currency for all ADSP subprojects based on approved Annual Workplans and subject to the authorization of the concerned Subproject Team Leader.

3.1.2. Assist Subproject Team Leaders in preparing annual workplan budgets.

3.1.3. Prepare annual SM_y operational plans and budgets for CID and Council of Team Leaders review and approval

3.2 Warehousing, Supply, and Maintenance

3.2.1. Establish inventory control, issuance, and accountability procedures for non-expendable property and maintain inventory accountability.

3.2.2. Arrange for and ensure maintenance of non-expendable property.

3.2.3. Prepare annual inventory control reports required by contract and USAID policy.

3.2.4. Arrange for secure and orderly storage of all inventory and project non-expendable commodity items under the control of the ADSP.

3.2.5. Arrange for final disposition of non-expendable commodities according to AID regulations and clearance procedures.

3.3 Housing and Officing

3.3.1. Contract for housing and office space for expatriate staff and warehouse facilities for non-expendable project commodities.

3.3.2. Arrange for utilities, telephone, telex, and other services as required.

- 3.3.3. Consistent with USAID policy and directions from the concerned Team Leader, assign expatriate staff to specific housing units.
- 3.3.4. Consistent with USAID policy and directions from the concerned Team Leader, assign furnishings and equipment to all housing and offices, and maintain a suitable inventory control system.
- 3.3.5. Maintain proper security procedures to protect project-leased housing, offices, grounds, etc.
- 3.3.6. Provide for receptionist and office cleaning services at the ADSP contractor office building.

3.4 Travel and Transportation

- 3.4.1. Provide work related transportation for project staff to meet authorized requirements.
- 3.4.2. Organize and control central support drivers to meet transportation needs.
- 3.4.3. Arrange for vehicle liability insurance as required by Yemeni law and USAID policy.
- 3.4.4. Ensure that AID rules and regulations for international and domestic travel are followed.
- 3.4.5. Provide travel expediting and arrange for visas/clearances.
- 3.4.6. Project vehicle maintenance will be the responsibility of USAID's CSS, unless otherwise agreed upon.
- 3.4.7. Provide in-country transportation of commodities and personal effects.

3.5 Procurement, Receiving and Customs

Arrange for services contracts for office equipment, and other non-expendable equipment.

- 3.5.1. Arrange for packing, transfer and forwarding of personal effects, POVs and other out-bound shipments.
- 3.5.2. Develop and oversee control procedures for incoming and outgoing mail pouches.
- 3.5.3. Customs expediting for incoming and outgoing commodities and personal effects. Continue the airmail pouch service between contractors in Yemen and the home campus for project-related and personal mail in accordance with the State Department size and weight limitations.

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3.6 Sub-Contracting

- 3.6.1. Prepare, negotiate and execute sub-contracts as may be necessary to provide required Subproject support services consistent with delegations of authority from the appropriate sub-project Team Leader and USAID.
- 3.6.2. Monitor sub-contractor performance as appropriate.
- 3.6.3. Ensure timely payment to sub-contractors for service rendered.

3.7 Communications and Records Control, Translation and Secretarial Support Services

- 3.7.1. Provide pool and overload secretarial support service to all subprojects as required, as well as providing its own secretarial needs directly.
- 3.7.2. Establish procedures governing utilization and control of word processing equipment, telex, and other equipment used commonly by/for all subprojects.
- 3.7.3. Establish and oversee procedures for orderly communications flow among subprojects to ensure that staff work is complete, that internal clearances and inputs of relevant functional offices are obtained and that all parties to decision-making are informed or consulted as necessary.
- 3.7.4. Oversee establishment of filing and record keeping systems to ensure maintenance, access, and security of project documents, correspondence, reports and other subproject information records.
- 3.7.5. Ensure availability of translation services to meet program requirements.

4.0 Estimated Level of Effort for Primary Inputs

The estimated level of effort and anticipated fields of support service expertise to be provided by the contractor are as follows. The following local-hire speciality areas are illustrative only and will be finalized by the Council of Team Leaders and USAID within six months of the arrival of the Administrative/Financial Officer.

<u>Speciality</u>	<u>Person Months</u>
<u>U.S. Hire</u>	
Financial Officer	4.0
Administrative/Financial Officer	60.0
Accounting Specialist	30.0
General Services Officer (.25x2yrs)	<u>6.0</u>
SUBTOTAL U.S. Hire	100.0
<u>Local Hire</u>	
Senior Accountant	60.0
Accountants	180.00
Cashier	60.0
Administrative Assistant	60.0
Administrative Secretary	60.0
Dispatcher	60.0
Drivers	180.0
Secretaries	120.0
Expeditors	240.0
Translators	120.0
Receptionist/Typist	60.0
Purchaser/Equipment Operator	60.0
Guards	120.0
Janitor	120.0
Warehouse Manager	60.0
Warehouse Laborer	<u>60.0</u>
SUBTOTAL Local Hire	1,620.0
TOTAL SM _y	1,720.0

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CONSORTIUM FOR INTERNATIONAL DEVELOPMENT

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November 10, 1989

MEMORANDUM

TO: The Yemen ADSP Council of Team Leaders
through Dr. S. Miller, Chairman

FROM: Jim Collon, DED *Jim Collon*
CID/EO

RE: CID Position on Modification of the Logistic and Financial
Support Services for ADSP Yemen

The CID ADSP Advisory Committee, including all CID universities involved in ADSP, and the staff of the Executive Office, have considered very carefully your proposal regarding the phaseout of SMY and your request for our analysis of this issue.

As a result of these deliberations, CID has developed a position statement which provides the CID position at this time on the desirability of modifying the current SMY approach.

We are providing this to you with the expectation that you will share it with USAID officials as appropriate and desirable. We believe that this position statement may also be useful to you as you discuss the current SMY evaluation with Mr. Dwelley. Please share this statement with him as appropriate.

The statement addresses the basic issues and indicates the direction in which we would like to move. It does not specify the details regarding steps which must be taken to achieve the desired changes. We believe that those details must be developed very carefully in a collaborative manner with USAID.

We look forward to receiving the results of the current evaluation by Mr. Dwelley and USAID's reaction to it, as well as those of the Council of Team Leaders. When that information is available to us, we plan to reflect on the attached position statement and may modify and/or expand it to incorporate that information.

We appreciate very much the continuing efforts of the Council of Team Leaders to ensure that the overall approach to management of our inputs to ADSP is sound and functional.

Regards.

JLC/jf
cc: E. Kellogg
J. Meinan

CID POSITION ON MODIFICATION OF
LOGISTIC AND FINANCIAL SUPPORT
SERVICES FOR ADSP YEMEN

Background:

CID has managed 40 projects over the past 20 years. All but a few of these projects have used the Lead University concept, whereby one University assumes responsibility and authority for managing the project including in-country costs. The CID experience with this management model has been very positive. In those cases where CID has deviated from this model, the experience has not been as good. A unique situation in Yemen led to an experimental approach whereby four separate CID projects were served by one central support module (SMY) managed through the CID Executive Office. There have been a number of problems with this experimental approach, and we believe it is not as good as the traditional concept wherein in-country costs are managed in a single project/lead institution approach. The CID Universities involved much prefer to use the traditional Lead University approach.

Position:

It is the position of CID, with input from both the in-country Team Leaders and University campuses involved, that SMY should terminate September 30, 1990. A phaseout plan should be developed as soon as possible to assure uninterrupted services to the continuing subprojects. The traditional project structure with each project responsible for its own services should be adopted.

Justification:

At the end of the 1989-90 Workplan year, only two ADSP subprojects will exist, CORE and FOA. SMY was created to provide support services to the numerous subprojects of ADSP. At one time ADSP had five subprojects, now there are four, two of which will terminate by the end of this Workplan year.

CORE and FOA subprojects provide technical support for two very different YARG institutions - the Ministry of Agriculture and Fisheries and Sana'a University Faculty of Agriculture. These two subprojects are located in separate facilities. The level and type of services required by CORE and FOA differ substantially. For example, much of FOA's local procurement is for farm-related materials including feed, fertilizer, parts, and services, while CORE's procurement deals largely with office and computer equipment. Similar differences exist in the need and type of other support services.

While the need for the services will continue in the future, CID believes that a simpler, more flexible, and possibly less costly structure is preferable for the two remaining subprojects.

Ideas and Issues Related to Restructuring:

- a. Both subprojects must be provided with fiscal - accounting services as well as other needed support services, e.g., translation, expediting, procurement, etc.
- b. Adequate funding must be provided to each subproject to continue needed services. The 1698 contract under which FOA is funded, does not currently provide for such funds.
- c. The transitional phase should include an overlap of accounting services, those provided by BNF and those under a new structure.
- d. Contract amendments for both subprojects will be necessary to accommodate any new structure.
- e. Certain support services, e.g., expediting and procurement, could be considered for early separation to the individual subprojects.
- f. Each project leader will need to develop with USAID the appropriate level of support for their project.
- g. The administrative and finance officer for each project would be a regular employee of the Lead University for that project and would be responsible for in-country expenditures.
- h. Local costs of project operations should be provided for by including funding for them formally in each contract, ensuring that all University and CID procedures for accountability and admissibility of contract expenditures are applied.

November 10, 1989

Roles and Responsibilities of the
ADSP Team Leaders Council

Background

The Council of Team Leaders for ADSP was created in response to a clear need for a coordinating and decision making mechanism which would allow four separate subprojects to equitably and rationally share a centralized support services mechanism. The concept was originally developed in consultation with the subproject Team Leaders. It became a requirement for operation with the signing of Contract AID279-0052-C-8010 which includes the following paragraph:

"The contractor will organize the Council of Team Leaders, consisting of the Team Leader from each subproject, with the Financial/Administrative Officer as an ex-officio non-voting member. The council will meet periodically, as required, to establish policy for daily operation of the SMy, to set operational guidelines and to establish priorities for SMy operations."

This statement provides the basic purpose of the Council of Team Leaders. The CID Advisory Committee has encouraged the Council of Team Leaders to operate in a broader context, serving as an in-country coordinating mechanism which can facilitate development of joint activity, review of broader issues which cross the subprojects, for development of common positions on areas of concern, and to seek ways of strengthening the overall impact of all subprojects.

Roles and Responsibilities

In response to the directions cited above the Council of Team Leaders is to have responsibilities for the following areas:

1. To Establish Policy - The support services provided by SMy to all subprojects include a broad range of things which in daily operations can impact upon virtually all aspects of the programs implemented by the subprojects. These support services define the working environment and to a certain extent, the living environment of the technical assistance

staff. In this environment it is critical that the Council of Team Leaders carry out a very active role of setting the overall policies which will guide the operations of SMY, and in an overall sense those of all subprojects. The Council must in its operations determine where and for what purpose policy must be established, determine the constraints on an area covered by policy, develop clear statements of policy and ensure that established policy is followed. Examples of policy established by the Council include the policy on use of project vehicles and the policy on assigning staff housing.

2. To set operational Guidelines - Operational guidelines implies the rules or the procedures which determines how we interact. ADSP is a complex environment containing a number of people doing difficult jobs, who are constrained or impacted upon by various outside forces including a complicated and demanding set of USAID regulations and procedures. In this environment conflicts are likely. Differing view points and agendas and various interpretation of what is appropriate are inevitable. To ensure good relations among all segments of the ADSP, to ensure that communication occurs and that work gets done effectively across the various boundaries, it is essential to have "rules of the game" and procedures which everyone agrees on and follows. The Council of Team Leaders is the body whose responsibility it is to set those rules and procedures. The Council must identify those area of potential conflict or disorder which require establishment of guidelines, evaluate the issues and needs, agree upon rules or procedure which will benefit the common good, communicate effectively the rules and procedures established and monitor compliance. Operational guidelines have been set by the Council in such areas as local staff hiring, development of subcontracts, etc.
3. To Determine Priorities - In our efforts to serve all subprojects and all staff with a comprehensive set of support services from a common base, conflicts may arise over what has priority. Some of this will be easily resolved by application of guidelines such as first in - first out, specific policies may determine others, and still others will be problems to be solved. It is the responsibility of the Council to meet and establish collectively what priorities will be observed and/or how priorities will be determined in areas where these decisions are required for harmonious operation of support service for ADSP.

4. To coordinate Activity Across ADSP - The Council constitutes a very important potential mechanism for coordinating activity across ADSP. The Council has responsibility to represent CID's - overall interests in ADSP. In response to this it is anticipated that the Council will review and discuss issues of common concern across ADSP and insure coordinated action among the subprojects to benefit the entire program. Topics which are likely to be represented in this role include joint planning for JAFR's, sharing activities across subprojects, overall relationship of ADSP to USAID and its programs, and addressing common problems in areas such as training, procurement, work plan development etc. which cut across subprojects.

Lines of Communication and Authority

CID, including each of the Universities assigned a lead institution role in ADSP as well as the Executive Office, has agreed on the assignment of the above indicated responsibilities to the Council of Team Leaders. It is up to the Council to execute its responsibilities and to make the system work effectively. The Council may, and should, communicate a request for assistance or resolution back to CID whenever it encounters issue or problems which do not seem to be amenable to resolution within the council. Such communication can be communicated by the Council as a whole to either the assigned D.E.D. in the CIDEO or to the Chairman of the ADSP Advisory Committee. Lack of response can be redressed by direct communication to the CID Executive Director. Individual member of the Council can address issues related to Council responsibilities or disagreements with Council action to the institutional contact at the lead institution for their subproject or to the CID DED for the Administrative/Financial Officer of SMY.

Individual team members or staff of ADSP have access to the Council of Team Leaders through the individual Team Leader to whom they respond on in SMY cases through the A/F Officer. The Council should maintain effective channels and processes through which individual staff can bring concerns to the Council and get a response.

As the above provides clear channels for communication and a hierarchy of authority adequate to resolve any problem related to ADSP which falls in the general area or common concern to the subprojects, it is CID policy, strongly supported by each participating University, that problems internal to our common operation are to be addressed and resolved internally. It is our policy that effort by our staff to involve USAID and/or the host government in dealing with such problems in lieu of using the mechanism described above is highly inappropriate and counter to the expressed interests of the Universities.

As a principal function of the Council is to develop policy and guidelines for common elements of our operation including SMY support services, it is clear that the Administrative/Financial Officer receives significant direction through the actions of the Council. SMY will be guided by the policies and guidelines set by the Council. All subprojects and their staff will likewise be subject to these actions of the Council.

It must be noted however that SMY contain its own staff and management responsibilities. The Administrative/Financial Officer must be provided the same degree of autonomy to manage SMY staff and internal operations as is accorded to the several subprojects, all of which will be within the overall established policies.

Further, the SMY has responsibilities for fiscal reporting and ensuring compliance with AID regulations as described in the attached statement of Fiscal Responsibility. The Council of Team Leaders is not empowered to act in a manner which would modify the principles contained in that statement nor in manner which prevents either SMY or subprojects from complying with that statement.

Operations of the Council

The Council will be composed of the Team Leaders of the ADSP subprojects and the Administrative/Financial Officer of SMY, who shall be a non-voting member. The Council will select a Chairman from among the Team Leaders of the subprojects. The Chairmanship will change at least annually. Regular meetings will be scheduled by the Chairman or at the request of any of the members. Meetings will occur at least every two weeks unless all members agree that a particular meeting is not necessary. The actions of the Council will be recorded and in-country staff as well as lead institutions and CIDEO will be informed of those actions.

While the Administrative/Financial Officer of SMY is a non-voting member of the Council, that person is entitled to a full voice and participation in deliberations and discussions of the Council.

In its analysis of the status of the Team Leaders Council, the ADSP Advisory Committee noted that the model which has been developed is sound and that with a Council composed of reasonable people acting with good will, the system should function effectively.

Scope of Work for Installing SMY Computers and Accounting System

In US:

Purchase of hardware and software
 Setup and testing of hardware
 Installation of network hardware and software
 Installation of application software
 Procurement of export license
 Arrangement for transportation of equipment to Yemen
 Preparation of worksheets to facilitate initial setup in Yemen
 Preparation of training materials and documentation for use of system

In Yemen:

Setup and testing of equipment
 Plan with SMY personnel how to set up accounting package to meet reporting requirements. Complete worksheets for system setup.
 Work with staff on initial setup of accounting software

Create company for each sub-project
 Number General Ledger Accounts
 Establish Balance Sheet Accounts
 Establish Income and Expense Accounts

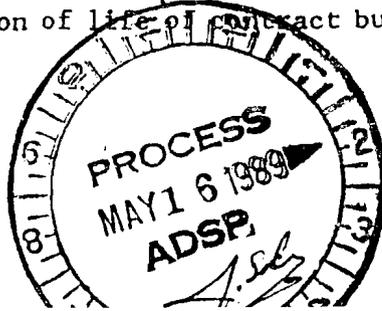
Establish Company configuration
 Printed company name
 Password
 Capital Income Account
 Cash Disbursements and Receipts Consolidation Account
 Number of Payroll Accounts
 Multiple open periods
 Budget Information
 Current Fiscal Year End

Setup Company files
 Create the Accounts Payable Ledger
 Add vendor records
 Create Payroll Ledger
 Add employee information
 Create Payee prompts
 Create Budgets - Annual work plan budget
 Create Standard Entries
 Enter beginning balances and accruals
 Create procedure for reporting activity of SMY's cash drawer

Supervise one complete accounting cycle test including data entry, posting, report printing, month-end closing and backup.

Setup customized reports as required

Setup Lotus Spreadsheet to combine expenses of sub-projects within a contract and to allow for comparison of life of contract budget (total and obligated) with expenses to date.



Scope of Work (cont.)

Create an aged report for team leaders that will show advances by project.

Create facility to extract information regarding new capital equipment from the accounting system and add it to existing inventory in Lotus.

Provide training on use of the network, DOS, printer functions, accounting software and other software as required or requested.

Team Leader
Administrative/Financial Officer

Jeffrey Sole

General Service
Officer
Hashem Awnallah
Aisha Bashaib
Secretary - GSO

Deputy Team Leader
Administrative Assistant
Personnel Officer
Mohammed Saif

Financial
Jeffrey Sole

Expediting
Supervisor-
Mohamed Sakran
Yahya Hizam

Translation
Supervisor-
Abu Baker Saad-Adin
Habib Hamada

Fiscal/Accounting
Supervisor-
Moh'd Mansour
Abdul Nasser
Issam M. Saeed
Moh'd Al-Thari

Procurement/Travel
Procurement Travel
Agent
Ahmed H. Badani
M. I. Akil
Proc. - FOA

Secretarial
Pool
Tizita Kidane
Hana Radman
Wafa Salahuddin

Warehouse
Supervisor-
M. Abu Baker
Ahmed Mohsen
Mohsen Ahmed

Motor Pool
Dispatcher-
Moh'd Abdullatif
Moh'd Hilal
Ahmed A. Abdulla
Hussein Damage

Janitors/Guard
Ghalib Al-Garadi
Fawzia Omer
Ali Farra

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