

EVALUATION OF THE PROJECT NORTH
SHABA PROJECT MANAGEMENT.

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SUMMARY

Management within PMU exists at a very basic level. Shortages of staff and the ever-present cash-flow problem the management mode is crisis management.

The most serious problems are:

- lack of management planning, resulting in poor decision making,
- an ineffectual accounting system which cannot provide accurate data on past expenditures,
- lack of an effective budgeting system including cash flow management,
- lack of documentation for decisions and communications between PMU and the various subsystem; and
- the inability for the information collection division of the PMU (SCAD) to collect baseline and farmer income data which impedes appropriate measurement of project impact.

The evaluation team has recommend termination of the project within 6 months.

However, if the project were to continue, improvement of the PMU would be priority activity.

PNS PURPOSE AND END OF PROJECT INDICATORS

The North Shaba Rural Development Project (Project number 660-059) was designed to contribute to the national agricultural subgoal of self-sufficiency in maize production. The project purpose, as stated in the amended Project Paper was:

"To increase the net income of small farmers in the project area by 75% by the end of the project as a result of raising corn production from 27,000 MT (1978) to 49,000 MT (1983); and to develop a rural development process in the form of a model that is replicable in other parts of Zaire."

The project was originally designed with six subsystems being managed by an overall Project Management Unit (PMU). The subsystems are Research and Extension, Infrastructure, Intermediate Technology, Marketing and Credit, Farmer Group Development, and Information. In the Project Paper Amendment of August 1980, the arrangement was slightly changed, with the Information subsystem being brought directly within the PMU.

The PMU was composed as a tripartite decision-making unit, consisting of the host country Project Director, the expatriate Chief of Party, and the expatriate Assistant Director for Administration and Finance (ADAF). In its pure form, the PMU was to provide a balance between expatriate and host country counterparts in the decision-making process, provide consistency in management, and serve as a learning tool for project management. An effective PMU would provide leadership, and administrative and support services for the project.

By the end of project, the following outputs directly related to the PMU were expected:*

a) Information system developed and functioning:

Information system provides information in a timely manner adequate to meet decision-making needs for decision makers at following levels: farmer; pre-cooperative; extension worker; research; intermediate technology village enterprise merchant; project management; local and national project management; local and national GOZ organizations; Department of Agriculture; Office of the President; external market and suppliers and USAID.

* Source: Project Paper Logframe

b) Integrated Department of Agriculture (DOA) program developed for post-project operations in Nyunzu and Kongolo zones:

- sufficient numbers of Zairians trained to undertake DOA operations in project zones;
- DOA program developed for post-project operations integrates agricultural support activities (research extension, road maintenance, marketing, and information collection and dissemination).

c) Model organizational structure developed for DOA to carry out rural development processes within other zones.

PREVIOUS EVALUATIONS

This evaluation represents the fourth comprehensive evaluation for Project North Shaba (PNS). The first evaluation was conducted by Dimpex Associates Inc., in mid-1979. It was this evaluation which forced many changes, evidenced by the Project Paper Amendment of August 1980. There have been two internal evaluations conducted by the implementing contractor, Development Alternatives, Inc. These internal evaluations were conducted during mid 1980 and early 1982. Comments regarding end of project requirements, earlier recommendations, and current problems will be addressed in Chapter 3; "Analysis of Accomplishments and Failures."

PROJECT MANAGEMENT UNIT ACCOMPLISHMENTS AND PROBLEMS

The PMU has in part accomplished objectives set forth by the PMU design. It has provided some leadership to the project, serves as an information contact for public and private agencies, and provides centralized procurement, warehousing, personnel, and accounting services. These in total have partially served to increase project efficiencies by alleviating each subsystems need to carry out these services.

However, in many areas, including those which have had some successes, problems exist which critically impede project implementation and severely reduce management effectiveness of the PMU. The most serious problems are:

- lack of management planning, resulting in poor decision-making;

- an ineffectual accounting system which cannot provide accurate data on past expenditures
- lack of an effective budgeting system, including cash flow management;
- lack of documentation for decisions and communications between the PMU and the various subsystems; and
- the inability for the information collection division of the PMU (SCAD) to collect baseline and farmer income data which impedes appropriate measurement of project impact.

These and other problems will be discussed further in Chapter 3, "Analysis of Accomplishments and Failures."

PMU COSTS

Throughout the life of the project, the PMU and SCAD are projected to cost \$2,037,900 and \$744,000, respectively, financed through project grant and loan funds. Local currency was also provided, originating from Counterpart funds, and the Zaire Government Budget Ordinaire (B.O.) and Budget Investissement (B.I.). PMU utilized approximately 19% of the total dollar budget and approximately 20% of the Zaire budgeted funds. SCAD utilized better than 7% of the budgeted dollar funds, and less than one percent of counterpart and budgeted Zaire funds. Dollar and local currency expenditures in PMU and SCAD were:

Year	<u>PMU COSTS</u>		
	<u>Grant Funds (\$) (1)</u>	<u>Counterpart Funds (Z) (2)</u>	<u>Zaire Government (z) (2)</u>
1977	478,000	57,000	-0-
1978	199,000		-0-
1979	201,000	305,000	107,300
1980	179,000	237,397	213,590
1981	677,700	19,968	1,409,135
1982 (budgeted)	<u>573,200</u>	<u>-0-</u>	<u>2,460,000</u>
TOTALS	2,307,900	609,365	4,190,025

1. Budgeted, PMU did not have a record of expenditures
2. Actual Zaire expenditures, according to PMU records, 1982 budgeted.

Source: Information obtained in interview with ADAF Officer, 4/82.

Year	<u>SCAD COSTS</u>		
	<u>Grant Funds (\$) (1)</u>	<u>Counterpart Funds (Z) (2)</u>	<u>Zaire Government (Z) (2)</u>
1977	155,000	-0-	-0-
1978	95,000		-0-
1979	55,000	-0-	32,300
1980	88,000	37,500	37,670
1981	193,200	13,824	82,080
1982 (budgeted)	<u>158,000</u>	<u>-0-</u>	<u>200,000</u>
TOTALS	<u>744,200</u>	<u>51,324</u>	<u>352,050</u>

1. Budgeted PMU did not have a record of \$ expenditures
2. Actual Zaire expenditures according to PMU records, 1982 budgeted.

Source: Information obtained in interview with ADAF Officer, 4/82.

EVALUATION METHODOLOGY

Evaluation findings are based upon numerous meetings with PMU staff members, a large majority of the subsystem chiefs and their expatriate counterparts, farmers, and other resource people in the project area. There was also an exhaustive review of project files, project documents, correspondence and accounting information.

ANALYSIS OF ACCOMPLISHMENTS AND FAILURES

In analyzing accomplishments and failures, it is necessary to first compare accomplishments to expected outputs as defined in the Project Paper log-frame. From this, one can gain a sense as to whether basic objectives were being met. In perhaps a more critical respect, it is then necessary to evaluate the performance of the PMU in light of the above accomplishments, and as a management unit directing this project.

OUTPUT # 1

"Information system developed and functioning. Information system provides information in a timely manner adequate to meet decision-making needs for decision makers at following levels: farmer, pre-cooperative, extension worker,

researcher, intermediate technology village enterprise merchant, project management, local and national GOZ organizations, Department of Agriculture, Office of the President, external market and supplies and USAID".

The Service de Collecte et Analyse des Donnés (SCAD) is in operation, albeit with reduced staff, and is providing pertinent data to various subsystems, the PMU, and USAID. SCAD operations have been hampered by supply shortages, as well as by an inexperienced yet eager Zairian staff.

OUTPUT # 2

"Integrated Department of Agriculture program developed for postproject operations in Nyunzu and Kongolo zones".

- Sufficient number of Zairians trained to undertake DOA operation in project zones.
- DOA program developed for post-project operations integrated agricultural support activities (research, extension, road maintenance, marketing, information system)".

No evidence could be found of plans, or preparations for a plan for post-project operations in Nyunzu and Kongolo zones. Talks have been held in regard to the possible placement of various subsystems by/between USAID, DOA, DAI, and some preliminary discussions with ESTAGRICO, but concrete action has yet to be taken. Given the problems associated with obtaining adequate GOZ financing for this project, development of such a plan with the requisite GOZ funding would be extremely difficult at this time. A general feeling among several Zairians questioned is that this project will be unable to maintain its present size or scope without additional outside funding or severe reduction of the project scope and size.

There has been insufficient activity in the area of providing training to the Zairians to undertake DOA activities in the project zones. The staff is generally young and inexperienced; however, it is willing to learn and could be more effective, given training. Increased levels of training, both formal and on-the-job, could serve to more fully utilize available manpower.

Ten staff members have received a total of 25 months of short-term training in research and extension, crop storage, farmer group action and credit, intensive hand labor road maintenance, appropriate technology statistics, and

communication. The Director departs in May for a two-month training course in management. One staff member is now in a Masters Program in Sociology. On-the-job management training for sub-system chiefs is at a very low level.

OUTPUT # 3

"Model organizational structure developed for DOA to carry out rural development process within other zones".

Given problems of project implementation and project sustainability experienced in this project thus far, a model organizational structure has not yet been developed. This is not to say nothing has been learned with respect to a model organizational structure, but it is obvious a modification of design is required in order to create a sustainable structure to carry out successful rural development projects.

In order to evaluate the performance of the PMU, it is beneficial to trace briefly a history of the PMU, using evaluations, subsequent recommendations, and remedial measures taken. One must remember throughout this analysis the fact that the PMU is a concept contrary to traditional Zairian organization, and that difficulties encountered are formidable barriers to overcome.

The first comprehensive evaluation of Project North Shaba (PNS) was conducted in mid 1979 by Dimpex Associates, Inc. The PMU was closely examined, criticized, and recommendations were made. These recommendations were formalized in the Project Paper Amendment in August 1980.

Development Alternatives, Inc, completed two internal evaluations, one mid in 1980 and the last one during March 1982. Since the Dimpex evaluation contained many of the most appropriate management recommendations, the focus of this section will be to review performance primarily against the Dimpex report.

Six primary recommendations regarding the PMU in the Dimpex evaluation are reviewed below. The recommendations were valid, and if they had been implemented, management of the project would have improved significantly. They are:

RECOMMENDATION # 1

"Project management, together with GOZ officials, should start

planning for the smooth transition of project activities and their integration into GOZ agencies (or evolution to PVCs or private sector companies), at the end of the project. A document on this subject should be presented by 1981 for thorough discussion and modifications and be ready for implementation in 1982".

This recommendation was the likely force behind the project output change which was formalized in the amended PP. At the time the recommendation was made, it was envisioned that several of the subsystems could be absorbed into related GOZ agencies. For example, it was thought that the Farmer Groups Development subsystem could be placed within Rural Development; Research and Extension could move into the Department of Agriculture; Infrastructure could move into the Office des Routes; and, Intermediate Technology would be sold to a private entrepreneur. Subsequent problems have arisen, placing in jeopardy realization of these plans. The predominant cause is the incongruous policies and goals of the subsystems and the GOZ. Personnel policies and requirements of established GOZ organizations may not allow absorption of project personnel and subsystem into GOZ organizations.

RECOMMENDATION # 2

"The PMU should consider expansion of its membership to allow revolving participation of the subsystem chiefs. The decision-making process and flow of authority/responsibility should be streamlined and clarified to allow a higher level of participation by Zairians. Relations with local authorities and large merchants should be clearly delineated. The financial system should be revised to provide more detailed plus reliable accounting information. Installation of a cost accounting system would provide needed information by cost centers and be useful for project management during project life, facilitating analysis of cost effectiveness of each subsystem. This system would also be useful for purposes of providing financial guidelines for replications".

The decision-making process within the PMU was vaguely defined and resulted in confusion among the subsystem chiefs as to how to proceed with their work. Relations among the subsystems and between them and PMU were characterized more by competition for scarce resources than by collaboration and integration. Also, PMU relations with local authorities and commercants were necessary to the project's survival. Yet it was thought that these would run counter to the project

objectives of servicing the interests of small farmer organizations. The Dimpex team also had great difficulty in determining the financial status of the project.

In order to alleviate these problems and bring more Zairians into the decision-making process, the PMU has instituted a series of bi-monthly meetings with subsystem chiefs, and expatriate staff. This can only be described as a limited success, as scheduling difficulties, time conflicts, etc., have changed the meetings frequency to roughly once a month. In addition, meetings are frequently devoted to personnel and salary issues which might more efficiently be handled by the subsystems on an individual basis. These bi-monthly meetings will be discussed in greater detail later in this chapter.

The accounting system has not been modified to provide the desired detailed and reliable accounting information. Not only is it difficult to obtain accounting information on individual subsystem activities (e.g. cost per kilometer of road rehabilitated, cost of resources currently expended and planned for the Ngaba training facility), but on a grander scale, it is difficult to obtain data on amounts being expended per subsystem. This aspect alone has severely limited the amount of information this evaluation could obtain and review for its analyses.

RECOMMENDATION # 3

"The project finance officer should keep separate files on implementation costs by specific subsystems. Financial reports should include the analysis of increases in costs due to inflation in Zaire as well as in the U.S. plus costs of delays in deliveries and their effects or cost overruns. Efforts should be made to align present accounting practices (which closely follow the American System) with those of other GOZ agencies".

Accounting practices are aligned with the GOZ system. However, the financial department does not now have the capability to provide implementation costs by specific subsystems, nor is it able to provide an analysis of increases in costs due to inflation in Zaire as well as in the U.S.

RECOMMENDATION # 4

"The PMU should establish personnel policy guidelines matching manpower requirements, both for expatriates and Zairians".

Personnel policy guidelines for local staff have been prepared and are contained in a project personnel manual. PMU and the subsystems have examined some of the manpower requirements. Difficulties in staff recruitment and financial constraints have limited the project's ability to meet overall manpower requirements.

RECOMMENDATION # 5

"Training programs for Zairian project personnel should be established as soon as possible, either in the project area, Bukavu, Upper Volta, etc."

Some short-term training has been provided to ten staff members. One staff member is in long-term training, however, additional staff training is required.

RECOMMENDATION # 6

"The Communications and Information subsystem requires the services of additional Zairian personnel including a statistician. All the present staff of the sub-system requires intensive training in data collection and analysis to be provided by short-term technical assistance".

Recruitment through the DOA has not been successful in obtaining a chief for the section. Other alternatives such as promotion of someone now working within SCAD should be considered. One statistician is now in a three-month training course. Data collection and analysis have significantly improved since the Dimpex evaluation; however, intensive training is still required.

OVERVIEW OF PMU DEVELOPMENT

The PMU is a three-person entity designed to exercise joint leadership over the project and share decision-making responsibility. It is composed of the Zairian director, the expatriate advisor/chief of party, and the expatriate deputy for administration and finance.

PNS' organizational structure is designed with the intent to decentralize decision-making. This is not like the centralized Zairian organizational model, and the tendency at all levels of Zairian staffing is to look toward a centralized

decision-maker.

The PMU has experienced difficulties in its development and its past problems appear to be difficult to overcome. Contributing factors were inconsistencies in PMU staff and staff shortages which led to poor decisions. Exacerbating the situation is the sheer difficulty of operating in a physically remote location.

In the five years the PMU has been operational, it has had two full-time host country directors and one part-time host country director, two expatriate Assistant Deputies for Administration and Finance Officers, and two expatriate Chief of Party Officers. The project has not had a Chief of Party for the past seven months, although a temporary Chief of Party arrived in Kongolo during the period the evaluation team was on site. With such a turnover rate, it is easy to see why the PMU cannot generate consistency in management.

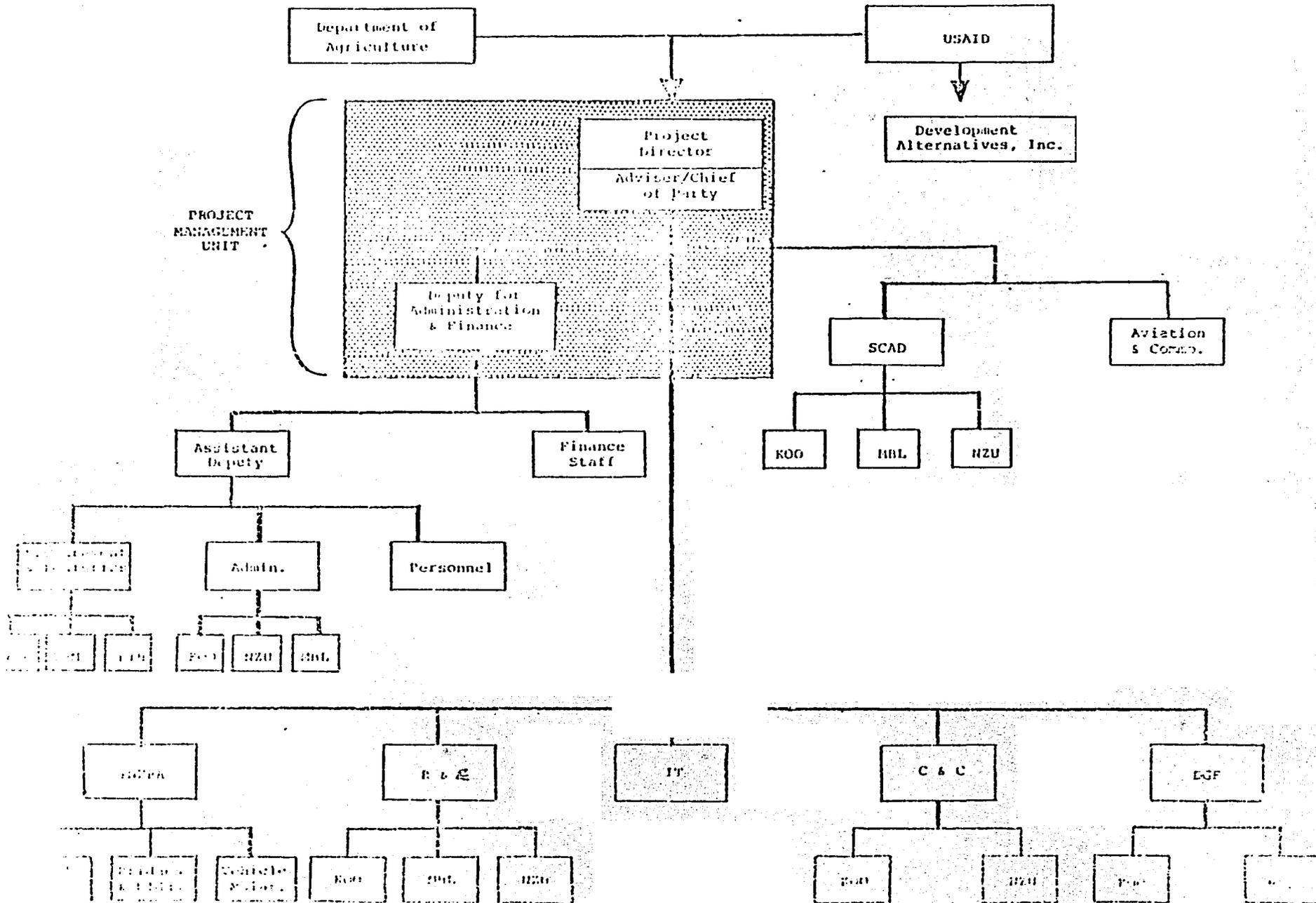
Staff recruitment has been an extremely difficult problem for both Zairian and expatriate personnel. The project site is remote and isolated, with Zairois viewing the project area as a career and cultural backwater. The contractor, DAI, apparently, experienced difficulty in recruiting qualified expatriate staff and recruited some staff who were not qualified in terms of training and experience. This has resulted in lack of adequate progress in some project subsystem and resentment of the situation by Zairian subsystem chiefs who have worked with the expatriate personnel.

Kongolo, during the dry season is three days by road or rail from Lubumbashi, the Provincial capital. Air Zaire flights are scheduled; however now, they are supposed to be provided on a demand basis. It is reported that only two Air Zaire flights have arrived in Kongolo during 1982.

PMU ACCOMPLISHMENTS

The PMU is the official representative of PNS as regards local, regional and national authorities, outside organizations, and other national or international institutions. PMU has represented PNS in these contacts with varying degrees of success in promoting project activities. PMU has assisted in getting the project implementation underway and recruiting an excellent, but inexperienced Zairian staff. The evaluation team was generally impressed by the quality, interest, and capabilities of the Zairian staff. This has been accomplished despite the problems associated with being at the end of all supply lines - commodities, financial,

Present PNS Organizational Structure



communication and personnel. The current PMU is structured and organized in the following manner:

The organization when properly staffed and functioning would provide needed services and direction to the total project. However, factors such as lack of adequate financial management, staffing, abuses of resources, lack of management skills, cash-flow problems, and ineffective decision making impinge upon the Unit's ability to provide the direction required for the most effective management of the total project. As a result, the project director is in reality managing the project in the more traditional Zairian manner. All decisions on hiring and firing of personnel, approval of all vacations, and budgetary control rest with the Director. All preparation of payroll sheets, accounting services, and responsibility for resource control remain with the Project Management Unit.

Reportedly these actions have been given to the sub-system in past years and the resulting abuses have forced the Project Management Unit to step in and reassert control, thus resulting in centralized decision-making. However, this situation reflects a lack of PMU management capability and failure to have installed proper checks and balances in the financial system.

PMU PROBLEMS

Management can best be described as "crisis management", in that so many problems have developed in implementation of the project that little time has been left for rational planning to avoid crises. This situation has been compounded by serious local-funding cash-flow problems which have frequently resulted in the stopping of all or many of the project activities, delayed ordering of needed supplies, resulted in termination of employment of labor crews, and delayed salary payments. In the past, the project has been forced to borrow money from local businessmen, borrow counterpart funds against planned funding by the Department of Agriculture - then use the DOA funds to repay the Counterpart Fund. Given the financial situation,

the PMU, rather than expend funds for services & goods in order of their priority, will immediately pay existing bills and process as many of the pending purchase requests as possible, attempt to hold some money in reserve to pay salaries, then start the requests for adequate funding again. Also when a check from the GOZ or the Counterpart Fund has been deposited, problems resulting from transfer of funds from one bank to another require an inordinate amount of time on the part of the PMU staff to assure transfer of funds to the proper account. Normally, thirty days elapse from time of initial deposit until funds are available to the project.

Priority construction of Ngaba and the associate funding requirements have placed an additional stress upon the total cash flow situation. Currently pending are purchase requests worth 2.2 million Zaires for Ngaba. Labor requirements for the May 81 - April 1982 period are costing approximately 585,000 Zaires as estimated by the Infrastructure Subsystem Evaluation for both Ngaba and Mbulula development. The impact of Ngaba and its effect on project resources is compounded by the fact that budgets for the construction activity have never been prepared. It has been impossible to obtain an estimate of the total construction cost of Ngaba.

The most critical area of PMU is the finance staff and financial management. Again, many of the problems are brought on by the difficulty in obtaining competent Zairian staff who will serve in a remote area. The acting head of the finance staff is on TDY to Kongolo from DOA, Kinshasa. He will be on the project only three months. One of his primary duties is to recruit and train new staff locally. Four high school graduates have been hired and presently are receiving on-the-job training. Only two members of the original staff have been retained, the rest having been discharged.

Aggravating the over-all financial situation is the lack of an accounting system which can provide costs for discrete activities or budgets for specific

activities within the subsystem on which to base decisions and determine priorities. The evaluation team attempted to determine the cost of Ngaba construction, costs per kilometer of road renovated, cost of the commercialization program and many other project components. This information was not available through the financial office. The DOA conducted an evaluation of the project in December 1981; they requested information on Ngaba costs, the information was not available. Four months later the information was still not available to this evaluation team.

Budgets for discrete project activities are not prepared at any level in the project. Budgets are prepared for the global activities of each subsystem generally based on an annual work plan. Discrete activities are not clearly identified in the global budgets. This situation is reflected by the Director's statement in a general meeting on April 18, "a budget (for Ngaba) would be an illusion, since the cost of construction items are constantly increasing."

Ngaba, among many other examples, demonstrates the lack of financial and budgetary management in the project. Reportedly, senior GOZ officials of Shaba Province think Ngaba Training Center is an excellent idea and have encouraged the project to rapidly complete construction. The project has acceded to this request which they view as political pressure and also a demonstration of high-level interest in the project. Several problems become apparent when this activity is reviewed:

1. Firm plans as to the future use of the Ngaba Center, student load, types and frequency of training to be provided, size of faculty, etc. are nonexistent.

2. Estimates of cost, budgeting analysis or total cost projections of the center have not been made, nor have steps been initiated to obtain this information.

3. Impact on the total project has not been estimated when roughly one-third of the current project resources are being devoted to a major construction activity.

4. PNS has not prepared an analysis as to annual cost of operation and maintenance of the center following construction, including transport and support of students and faculty in location, which is remote from the Kongolo railway and airport.

5. There is no record that project management had explored an alternate possibility of using the Ecole Technique Agricole, de Kesitya, Kongolo which appears to have adequate buildings and an area for research. Reportedly, this training school is located outside the project boundaries, although near enough that project boundaries could have been reshaped to include the center. It has the same agro-climatic zone-as-the Ngaba area plus better soil.

Cash-flow problems as discussed earlier in this section further complicate financial management. The DAF Officer states that "we have not yet had any two consecutive quarters without a cash-flow problem." During this evaluation the project experienced another cash-flow crisis. Funding existed to pay April salaries and no other expenses. Planning was underway to terminate Ngaba construction; at this point 3,000,000 Zaires was made available to the project from the Counterpart Fund. In 1981, an unexpected expense of 706,000 Zaires which amounted to ten percent of the 1981 local currency budget was incurred in clearing 230 Nissan trucks through customs and delivery to Kinshasa. PNS staff member contend that the USAID Mission requested PNS to provide assistance and was to reimburse the project for costs incurred in this activity. Reimbursement has not been made by USAID, creating financial difficulties for the project. This is an example of poor management. The PMU should have prepared a memorandum of agreement for the USAID/Kinshasa mission to sign which authorized PNS to clear the trucks through customs and delivery to Kinshasa and committed USAID/Kinshasa

to payment of expenses associated with this activity. This documentation, if completed would have protected the project finances.

Management effectiveness is also reduced by slow decision-making and poor communications. In part this has evolved from the fact that at any one time one or two of the PMU members are absent from the office. During the past year, the Director, Chief of Party - DAI, and the Deputy for Administration and Finance have each averaged four months away from the Office. During the past seven months the project has lacked a Chief of Party for the contract team, limiting the PMU ability to provide adequate project management. One result has been slow and often inadequate decision-making with many decisions being verbal. Most subsystem chiefs feel that this situation has adversely affected their operations, especially when this means a change or modification in project orientation or policy. Letters regarding personnel matters are seldom answered and frequently require several additional letters to elicit a response. Hiring of chauffeurs is one issue that has led to the generation of many letters. For example, action was initiated in August 1981 to hire fifteen chauffeurs. The DAF Officer stated that he had passed the request to the Personnel Office with the notation that drivers would not be hired until the Infrastructure subsystem had established an adequate Driver Testing Program, he did not notify Infrastructure, in writing of the decision. Both subsystems wrote several letters to the Personnel Office without obtaining a response. During April 1982, Infrastructure subsystem was verbally told to hire drivers.

Another example of slow decision-making is reflected in the Seed Distribution Program. In 1981 the Research and Extension subsystem ordered 25 tons of maize seed. PMU doubled the order, on the assumption that demand would be greater than 25 tons, then failed to work with the subsystem in development of a Seed Distribution Program. The seeds arrived in Kongolo and remained at the railway station for two weeks before they were moved to Ngaba and Nyunzu. Only four tons of seeds were sold from the amount purchased, because of failure to determine the effective

demand for seeds, appropriate pricing of the seeds, and the method of distribution. This year, discussions regarding a Seed Distribution Program commenced in April 1982. Distribution of seeds should commence in August 1982. A decision regarding seed distribution should have been made several months ago, and the proposed system thoroughly reviewed and understood by all personnel. This is especially important because the Chief of the Research and Extension subsystem will be departing on vacation during May 1982.

Bi-monthly meetings were established to provide a greater opportunity for subsystem chiefs and the expatriate advisors to have an increased role in the decision-making process. Reportedly, the meetings are seldom held twice a month and are all too frequently devoted to routine personnel matters, complaints about salary, etc. Another general complaint is that follow-up of decisions and assignment of responsibility with dates for completion of assignments are frequently not pursued by project management.

PROCUREMENT AND LOGISTICS

The procurement and logistics section handles subsystem procurement requests and manages the warehouse and fuel depot. There is a single logistics representative in Lubumbashi and a major logistics, communication and freight forwarding operation in Kinshasa.

Originally PMU managed the centralized warehouse for the project in Kongolo. As the project gained momentum, responsibility for the warehouse was turned over to the Infrastructure subsystem, because the subsystem was responsible for the majority of the items procured and the Infrastructure Office was next door to the warehouse.

Lack of adequate control in the Kongolo warehouse, and the need for

improved inventory control, including establishment of reorder points, and an improvement in notifying subsystems of the arrival of their purchase requests resulted in PMU reasserting control of the warehouse. Several of the former Procurement and Logistics staff were fired and new personnel employed. Consequently, the staff is new and untrained. The expatriate mechanic has assumed the responsibility of training the staff, organizing an inventory, and providing the English names of stored parts. Currently, the staff is having difficulty in determining which part or item has been requested, because of inexperience and language difficulties.

Centralizing control of the warehouse and attempting to control losses have resulted in delays in the issuance of material from the warehouse. Also, shortages of office supplies have occurred. One impact of the shortage of office supplies and the difficulty in obtaining bicycle parts from the warehouse has been the decision to reduce SCAD's 1982 program of information gathering and analysis by one-half. More than one-half of SCAD's bicycle are in need of repair.

PERSONNEL

The personnel staff, in Kongolo, maintains the payroll, personnel records, and nominally deals with the labor union. However, because of abuses of the personnel system and difficulty in dealing with the labor union, all decisions are centralized with the Director regarding annual leave, hiring and firing of personnel, and promotions. This system, while correcting some abuse, is a grossly inefficient use of the Project Director's time. The personnel office is often condemned for not being responsive to subsystem correspondence; however, many of the responses are dependent upon the Director's action or decision.

ADMINISTRATION

The administrative staff is based in Kongolo, with administrativ

sector chiefs and small staffs located in Mbulula and Nyunzu. The administrative sector chief in Nyunzu is the senior officer with the Research and Extension subsystem. Approximately ten percent of his time is reportedly spent on administrative issues. The senior administrative officer for Mbulula is the expatriate adviser to Farmer Group Development. He estimated that 50 percent of his time is devoted to administrative issues and attempting to control theft of commodities and fuel. The rationale for assignment of an expatriate administrator is that he is the only person who can control misuse on theft of project resources.

Recruitment for the Counterpart to the Deputy for Administration and Finance is urgently required. Several candidates have been considered over time, but PMU has not been successful in recruiting a candidate. This position is critical to the effective operation of the PMU.

Recruitment of a Chief Accountant, a properly trained accounting staff, the chief of SCAD, and one assistant to the chief, are critical positions to be filled.

Formal training of PMU and SCAD staff has not been satisfactory. The Director departs for a two-month management training program early in May 1982. Two people are currently in short training programs in statistics and communication. Organized and structured on-the-job training has had limited success, because of the demands for time which have been imposed on PMU and SCAD in project administration and demands for information. The Director has indicated desires to have more information than he has been able to obtain on short-term training opportunities, particularly in French-speaking African countries.

EFFECT ON PNS ACTIVITIES

Implementation of subsystem programs have been delayed as a result of slow decision-making, inadequate financial management, and a general lack of management skills at all levels of project management, including the subsystems. Costs of project activities are not available, thereby seriously limiting judgement, based on costs, as to replicability of specific project activities. The unit to date has utilized approximately 20 percent of project funding which seems out of proportion to the benefits derived from its activities.

MANAGEMENT STRUCTURE

Organizationally PMU, if properly functioning, would provide an excellent management tool for the total project. An alternative method of management could be transfer of responsibility for accounting financial management and personnel to the subsystems with PMU retaining several responsibility for obtaining GOZ financial support and representing the total project to USAID, GOZ, and other entities.

This would require each subsystem to recruit and manage their own administrative and service staffs. Given the size and scope of Infrastructures operation this is a needed step. However, the other subsystems are much smaller in size of staff and level of funding requirements and therefore should depend on PMU to provide the administrative and financial services. The Infrastructure administrative section would work closely with PMU to provide their accounting information and assure project cohesiveness. However, given the generally low level of management competence within the project, this writer believes the existing PMU structure should be maintained, with emphasis placed on improved management.

SUSTAINABILITY OF ACCOMPLISHMENTS

The Project Management Unit, if operating as envisioned, appears to be an excellent mechanism to provide leadership to the project; assure timely implementation activities to overall project development; and provide central administrative services to the project components.

However, the PMU as presently staffed and functioning does not provide the desired level of management capability to the Project North Shaba.

SCAD has provided some input for decision-making, but personnel in the unit require additional training in data collection and analysis, and also additional staff is required to process data in a timely manner. As the project winds down, SCAD's services will be necessary to evaluate project accomplishments. SCAD's placement in the PMU appears appropriate and establishes it at a management working level which provides a sound basis for working with subsystems as appropriate. SCAD should be managed by the PMU staff responsible for collecting and analyzing data to be used for management purposes. It can and should service the requests of subordinate units, but it reports to project management and gathers data with project management's authority.

RECOMMENDATIONS

Based upon the failure of the Project to implement recommendations of prior evaluations and to undertake significant improvements in project management and operation since the last PP revision and the lack of project sustainability, this writer recommends termination of the project within six months from submission of the evaluation. During the six month period the AID may wish to design another project to build upon some of the existing activities within the project area.

If this recommendation is accepted then action must be initiated as indicated below:

1. Negotiation with the DOA regarding USAID termination of assistance to Project North Shaba
2. USAID negotiation of a contract with a zairian accounting firm to undertake the following actions:
 - a) Update accounts and continue accounting services to the end of the project
 - b) Verify past accounting and assign costs and income to the appropriate subsystems
 - c) As possible refine accounting system to determine costs and income of discrete activities such as the commercialization program, renovation of the roads, operation of the Intermediate Technology Subsystem, etc,
 - d) Prepare budget and reserve funding to pay full employee benefits of employers directly financed by the project.
3. USAID undertake a physical inventory of commodities on site and reconcile the inventory with shipping lists and other procurement documentation.
4. USAID should arrange for a final project audit.
5. Continued USAID support of PMU until the end of the project^t
6. DAI to plan scheduled departure of contract staff and provide TDY assistance as may be required to phase out DAI participation and contract termination.
7. SCAD should complete current field work, then devote the remainder of the time available to report preparation.

However if the AID decides the project should continue or be extended the following recommendations are proposed:

FINANCIAL MANAGEMENT

A) The most urgent action is reestablishment of financial controls. Immediate action is required to obtain competent staff. The project has been requesting the DOA, to provide staff, without success, since October 1981. AID and DAI should review with the DOA the availability of experienced personnel who can be assigned to the PMU. If DOA personnel are not available, contract negotiations should commence with local firms to provide the accounting services, to review staffing requirements, to provide adequate checks and balances within the system for maintenance of financial and accounting integrity, to account for income from sale of services and commodities, and to work with a financial management person to design accounting systems which will provide unit or discrete activity costs as an aid in determining sustainability/replicability costs.

B) AID should negotiate with DAI a contract modification for the remaining life of project to provide an experienced financial management person to develop a critical path financing plan for all project activities. The critical path financing plan would be based upon the minimum amount of financing required to meet critical project objectives, then would be expanded, by a priority system, to meet less urgent requirements as additional financing becomes available. Critical path financing would result in better use of project resources; assist in over coming the present cash flow situation and assist the project in withstanding pressures for project changes or assumption of activities.

The third major activity would be to work with the financial staff in developing an accounting system to extract, from existing financial documentation, discrete activity costs, i.e., cost per kilometer of road renovation, cost of Ngaba, cost of houses rebuilt or renovated, costs and benefits of the commercialization program, etc.

BUDGETING

PMU and DAI must place greater emphasis on budgeting. Budgets were prepared by subsystem personnel for the first time in 1981. This step needs to be expanded to include training of subsystem personnel in development of their annual work plans identifying activities by priority, then preparation budgets covering major activities to be undertaken on a prioritized basis. Budgeting will establish a partial basis for improved internal monitoring and evaluation.

The concept of budgeting, while foreign to the Zairian system, would provide a form of management training to project cadre and provide them with a basis for more completely analyzing and understanding the objectives of their activities. A two-month TDY consultant would be invaluable in training project staff and PMU to develop and utilize budgets as a management tool.

PLANNING

The bi-monthly meetings are important and should be continued. Meetings should be planned in advance, follow a written agenda, and be more fully utilized as an issues forum. Individuals not directly concerned with specific issues could be excused following the general meeting. Issues addressed could include, for example: commercialization plans and needs for an upcoming season; seed distribution; effectiveness of the extension system, etc.

Minutes should be kept of the meetings, efforts made to follow-up on decisions and establish dates for completion of assigned actions. The status of each assignment should be reviewed at each subsequent coordination meeting until the task is complete.

Reshaping the bi-monthly meetings to address issues would also provide an opportunity to anticipate needed changes in the program and allow adequate time for rationale planning to undertake changes or modifications as needed. Development of a calendar of activities for each subsystem would assist in focusing on issues or problems and provide a time-frame for initiating studies of issues or problems.

DECISION-MAKING

Decision-making is weak and requires sharper focus. Additional staff may provide assistance. The last DAI evaluation provided the following recommendation, "A capable Zairian with experience and an appropriate technical background in rural development project management should be recruited as deputy for operations as soon as feasible. This person would assume much of the role now played by the expatriate chief of party and become the third official PMU member at the termination of expatriate assistance." The deputy would be responsible for resolution of problems and be the focus of necessary decisions during the Director's absence from the project site.

The other position to be staffed is the Zairian counterpart to the deputy for administration and finance. PMU and USAID should press the DOA for immediate action in staffing the position with a qualified person.

Good management requires the PMU and subsystems to formalize decision-making in a written form. This would assure more complete understanding and agreement as to the intent of a decision. The PMU must also develop a policy of promptly responding to correspondence from subsystem personnel.

Clearly defined areas of responsibility are necessary in the PMU. Definition of the roles can be reinforced through continuation of the several brief meetings weekly among the PMU staff. As personnel are absent, other members of the PMU will have to assume responsibilities of the absent members.

The Director should delegate personnel decisions back to the personnel office and the subsystems and make those personnel accountable for management according to established regulations. However, given the strength of the labor union and problems generated in working with the union, it may not be possible to delegate responsibility for personnel management away from the Director's Office.

PROCUREMENT AND LOGISTICS

PMU should continue control of the warehouse but management of the warehouse should be returned to Infrastructure subsystem. However, PMU should insist on the following: cyclical inventories of warehouse stocks with at least a complete semi-annual inventory; reconciliation of all fuel stocks on a daily basis; establish a system to monitor both distance travelled and fuel consumption by each vehicle; and notification provided to a subsystem when commodities ordered by that subsystem arrive in the warehouse.

PMU/Infrastructure should provide an in-country short-term training program for the new head of procurement and logistics unit in warehouse management

MONITORING AND EVALUATION

A formal process of monitoring and evaluation is required as well as continuing the informal system of discussions with project personnel and visits to project activities. Formal review and discussions of work

accomplished as compared to planned work, project expenditures in relation to project budgets, definition of problems which may impede progress, and issues are areas to be included in semi-annual evaluation sessions. Subsystem activities can be assessed and changes agreed upon as necessary.

SCAD

PMU working with the DOA and other GOZ agencies should determine the availability of a qualified person to be assigned as chief of the subsystem. If a candidate is not available, promotion from within SCAD should be considered. There must be someone trained to take over who understands the rudiments of data compilation and analysis and do data extrapolations and validity tests.

Assignment of a TDY information specialist by DAI is necessary to provide training to the staff in data collection and analysis; assist in determining the type of data to collect in design of future studies; and organization of work and studies to collect information in an efficient manner.

TRAINING

The Project Director does not have information on short-term training programs in French-speaking Africa. USAID should promptly obtain information on training programs from French-speaking areas as well as other appropriate training information which may be utilized in development of the programs. Based on this information, USAID should assist the project in scheduling training to utilize remaining training funds as rapidly as possible.

The Project Director, with assistance from AID could utilize the Director's management training program to conduct management seminars for the subsystem chiefs. This will have the effect of reinforcing the

Director's training, but also means the initiation of management skills in the project. Management training should also be provided to subsystem chiefs as training opportunities become available.

ADMINISTRATIVE SUB-UNITS

Accounting checks and balances need to be instituted to manage accounting practices of the bookkeeper at Mbulula and Nyunzu. Both bookkeepers are responsible for receiving funds from sale of intermediate technology equipment, the commercialization program, etc., as well as disbursement of small amounts of cash.

The expatriate administrative sector chief at Mbulula should be replaced by an administrative representative of PMU, who holds enough rank and seniority, to effectively deal with subsystem chiefs located in the Mbulula area.

AVIATION AND COMMUNICATIONS

The last DAI evaluation for this section is appropriate, "the aviation and communications capability must be maintained throughout the expatriate support phase of PNS. It is essential for both efficiency and safety. To keep it going requires a pilot who is also a certified airframe and power plant mechanic. There are no local maintenance facilities. The same is true for communications: the project must have a technician capable of maintaining the radios. USAID/Kinshasa must immediately consider the question of extending the pilot-mechanic position irrespective of what is decided on extending the rest of the project. It would be highly desirable for PNS to have its own air support in the post-expatriate phase. Certainly it should try to keep the radio communications capability intact."