

UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT

THE
INSPECTOR
GENERAL

SWAZILANDS'S RURAL DEVELOPMENT AREAS PROGRAM
COULD BE MORE EFFECTIVE THROUGH BETTER
PLANNING, INCREASED COORDINATION AND A
REDUCED SCOPE OF OPERATIONS

AUDIT REPORT NO. 3-645-82-21
JULY 28, 1982



Regional Inspector General for Audit
NAIROBI

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TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	i
BACKGROUND	1
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	2
Project Objectives Will Not Be Achieved	2
Serious Problems Limit Progress And Viability Of RDAP	3
Projects Are Being Implemented Without Proper Planning	3
Coordination Between RDAs, LJPs And LDS Is Lacking	5
Land Development Section Is Far Overextended	6
Project Equipment Requires Management Action	7
AID Provided Equipment Is Not Effectively Utilized	7
GOS Replacement Of Project Equipment Appears Unlikely	9
Other Areas Requiring Management Attention	10
Maintenance Of Project Construction Is Inadequate	10
LDS Needs An Effective Management Information System	11
Spare Parts Support Can Be Improved	12
Opportunity Exists To Train Surveyors	13
Mechanic Training Threatened	14
Services Of Cost Accountant Should Be Delayed	15
Appendix A - List of Report Recommendations	
Appendix B - List of Report Recipients	

Executive Summary

Introduction

The Rural Development Areas Program (RDAP) is the major element of the Government of Swaziland's rural development strategy. The overall objective of the RDAP is to increase the income of persons living on Swazi Nation Land by helping them move from subsistence to semi-commercial and commercial farming. The RDAP was initiated in 1970 and is supported by a multiplicity of donors.

The United States is providing technical assistance and construction equipment to the RADP to help strengthen land use planning and development capability and to develop, install and maintain conservation works in the Rural Development Areas (RDAs). AID funding for the project consists of a \$7.1 million grant and a \$10 million loan. The project began in September 1978 and the expected completion date is August 1984.

Purpose and Scope of Audit

The purpose of our audit was to (a) evaluate how well the project was progressing toward meeting established goals and objectives, (b) ensure that AID-provided resources were being effectively and efficiently utilized, and (c) determine if project implementation was being carried out in compliance with laws and regulations. Audit work was performed during April-May 1982, and focused on project activity during the period September 1978 and May 1982.

Findings, Conclusions and Recommendations

The project experienced numerous problems during the first three years of implementation which caused progress to fall far behind schedule and curtailed the development of important areas necessary for project success. Some of the major problems hindering implementation were (a) slow fielding of technical assistance personnel and their high turnover after arriving in country, (b) slow nomination of participants for long-term training, (c) lack of Swazi counterparts, and (d) failure to concentrate efforts on developing comprehensive land use plans.

USAID/Swaziland put forth a lot of effort to correct the above weaknesses and help ensure the success of the project. At the time of our audit they appeared to have good technical assistance teams and had made progress in obtaining participants and counterparts. However, because of the earlier implementation problems, a lot of the planned project output will not be accomplished. Consequently, we recommended that USAID/Swaziland re-establish realistic goals and objectives for the duration of the project along with appropriate work plans and implementation schedules (pages 2 and 3)

The report discusses additional problem areas which were limiting the progress and viability of the RDAP. We found that construction projects were being undertaken without proper planning (pages 3 and 4); coordination among GOS activities involved with the RADP was lacking (pages 5 and 6); and the GOS agency responsible for construction work was overextended far beyond their capability (pages 6 and 7).

USAID provided loan funds to purchase \$10 million of construction equipment to be used for RDAP construction projects. We found that this equipment was not being fully utilized (pages 7 and 8) and that adequate provision had not been made for its replacement (page 9). Recommendations were made to increase oversight of these areas.

The report also identifies a few additional areas which require management attention. Recommendations were made to improve maintenance of project construction works (pages 10 and 11); develop a management information system (pages 11 and 12); improve spare parts support (pages 12 and 13); increase training of surveyors (pages 13 and 14); and delay contracting the services of a cost accounting consultant (page 15).

Audit findings were discussed with USAID/Swaziland and a final draft was provided for their written comments. Their inputs are included in this report as considered necessary.

BACKGROUND

Introduction

Swaziland, with a land area of 6,705 square miles (the size of Hawaii) is the second smallest country in Africa. About 57 per cent of the country's land area is classified as Swazi Nation Land (Land held in trust by the King for the use of Swazi people) with the remaining 43 per cent being individual tenure farm lands (owned primarily by non-Swazis). Approximately 70 per cent of the population of 530,000 reside on Swazi Nation Land.

There is a sharp disparity in income and productivity between modern, capital intensive farming on the individual tenure farm land and the traditional, small scale farms on Swazi Nation Land. Because of this imbalance, the Government of Swaziland (GOS), in 1970, initiated the Rural Development Area Program (RDAP) as the major element of its rural development strategy. The overall objective of the RDAP is to increase the income and general standard of living of persons living on Swazi Nation Land.

The overall RDAP is financed by several donors and is designed to assist the rural population on Swazi Nation Land move from subsistence to semi-commercial and commercial farming. AID is providing technical assistance and construction equipment to the project for the purpose of strengthening the RDAP's land use planning and development capability; and develop, install and maintain conservation works in the Rural Development Areas (RDAs). This purpose is to be achieved by implementing several project components such as developing comprehensive land use plans, construction and maintenance of infrastructure works, establishing a works rehabilitation program, improving equipment maintenance capability, and training personnel in a variety of fields.

Funding for the project consists of a \$7.1 million AID grant and a \$10 million loan. Expenditures as of February 28, 1982 were \$6.6 million. Technical assistance to the project was provided by Trans Century Corporation and Overseas Construction Service. The project began in September 1978, and the expected completion date is August 1984.

Purpose and Scope

The purpose of our audit was to (a) evaluate how well the project was progressing towards meeting established goals and objectives, (b) ensure that AID provided resources were being effectively and efficiently utilized, and (c) determine if project implementation was being carried out in compliance with laws and regulations.

Field work was performed at USAID/Swaziland in Mbabane, the Ministry of Agriculture and Cooperatives activities in Mbabane and Manzini, and at various construction units and Rural Development Areas located throughout Swaziland. Audit work encompassed (a) reviewing USAID/Swaziland project files and financial records, (b) discussing project progress, accomplishments and problems with cognizant officials of USAID/Swaziland, Trans Century Corporation, Overseas Construction Service and the Government of Swaziland, and (c) performing various tests and analyses as considered necessary.

This review was performed during April-May 1982, and focused on project activity during the period September 1978 to May 1982. Audit findings were discussed with USAID/Swaziland and were taken into consideration in this report.

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Project Objectives will Not Be Achieved

Numerous problems were encountered during the first three years of project implementation. Progress fell far behind schedule and several critical areas necessary for long term project success failed to develop as planned. Consequently, a great deal of the planned outputs envisioned in the project paper will not materialize. Some of the major problems which affected project success are summarized below:

- The project quickly fell behind schedule because technical assistance teams were not fielded in a timely manner. Project progress was limited after their arrival because there was a very high turnover of personnel on both technical assistance teams.
- The long term success of the project depended upon training a large number of participants and counterparts to replace technical assistance personnel prior to project completion. Because the GOS was slow in nominating candidates, only three out of nine participants have left for training. USAID/Swaziland expects three more participants to depart soon for training. Despite constant prodding by USAID/Swaziland, the GOS did not provide any counterparts during the first two years of the project. Some counterparts were just recently assigned; however, some technical assistance people still do not have counterparts. These shortcomings will seriously curtail the project purpose of strengthening the RDAP's land use planning and development capability.
- In-country training had not progressed as planned. The planned number of heavy equipment mechanics, land surveyors, and equipment operators will not be trained by the completion of the project.

- The development of comprehensive land-use plans for RDA's did not proceed as anticipated. The Land-Use Planning Section's time was devoted to planning new land acquisitions or working on ad hoc projects rather than developing comprehensive RDA plans. Comprehensive land use planning is just now getting started in two RDA's. However, very little has been accomplished thus far, and it still remains to be seen whether much more progress can be achieved in the future.

- The project agreement envisioned that a three-year works rehabilitation program would be implemented to rehabilitate conservation works done during the early phases of the RDAP. This program had not been started.

Conclusion and Recommendation

USAID/Swaziland put forth a lot of effort to correct the above weaknesses and help ensure the success of this project. In spite of this, a great deal of planned outputs will not be accomplished. The goals and objectives established in the project paper are no longer obtainable.

Recommendation No. 1

USAID/Swaziland, in conjunction with the Government of Swaziland, establish realistic goals and objectives for the duration of the project along with appropriate work plans and implementation schedules.

Serious Problems Limit Progress And Viability Of RDAP

If the RDAP is to achieve a marked degree of success, the GOS is going to have to correct certain deficiencies which are limiting the programs progress and viability. The project could be much more effective through better planning, increased coordination and reducing the scope of operation of the Land Development Section (LDS).

Projects Are Being Implemented Without Proper Planning

Construction equipment arrived in the RDA's before comprehensive land use planning was accomplished. This created pressure to use the equipment immediately without waiting for comprehensive land use plans or properly planning individual projects. Consequently, the LDS was implementing roads and conservation projects without planning documents.

The Project Paper and Project Agreement specify that detailed land-use plans will be prepared by the Land-Use Planning Section (LUPS) in close collaboration with local people, a Rural Development Officer (RDO), LDS and other Government ministries and agencies. These plans, among other things, were to include cost benefit, discussion of alternatives, design and implementation schedules.

Our visits to RDA's disclosed that projects were being implemented without plans, cost benefit analyses, evaluation of alternatives, or design. We identified individual projects, such as building a road which had no technical input to determine whether it was located to provide maximum development and economic benefit. We were told that roads, in many cases, were just lined up by a unit supervisor or an engineer if available and construction starts. There were no planned construction standards. There was no determination what the priority projects were i.e. roads vs. conservation vs. rehabilitation vs. irrigation, etc. The projects were agreed to by the local chief, RDA and the LDS. As a result, projects sometimes tended to be politically motivated rather than development motivated.

Lack of planning and engineering input can create a lot of uncertainty as to whether the right project was being located in the right place in the most economical manner. For example, we visited one road project which was replacing a road which was washed out because it was located in the wrong place. Although the washed-out road was built by PWD it is illustrative of mistakes which can occur without planning and engineering input. We also visited a small water works dam which looked very questionable economically because it was only benefiting around 20 families. While a small project such as this can provide substantial benefits to a lot of people, without proper planning and analysis of alternatives, there is no assurance that funds were spent on the project which could have provided the most development impact. Irrigation works could also be located in areas which might be classified for grazing when the land use plans are ultimately developed.

Conclusion

The project lacks plans which were and are considered to be a critical element of the project. There is no assurance that individual projects are being properly implemented, are cost effective, or will be in consonance with a comprehensive development plan. Although it is impractical to stop all work pending plans, it appears that at least, as a minimum, a technical review should be made before new projects are undertaken.

Recommendation No. 2

JSAID/Swaziland in conjunction with the GOS establish a system to assure that all major projects not covered by standard plans are reviewed by appropriate technical personnel before they are implemented.

Coordination Between RDA's, LJPS And LDS Is Lacking

The project paper clearly stressed the necessity for increased coordination between GOS organizations involved with the RDAP. We found that this need still exists, as projects are being agreed to and are often being implemented without LJPS input and sometimes without their knowledge.

This poor coordination resulted from a lack of knowledge in the RDA's concerning the LJPS functions and types of assistance they could offer to projects still in the planning stage. At the time of our audit, technical assistance personnel in the LJPS were still attempting to set up an initial meeting with RDA's managers to explain their function and how they could be of assistance in project development.

Another factor contributing to poor coordination was the organizational structure of the Ministry of Agriculture and Co-operatives (MOAC). The RDAs and the LDS report to the same individual in the MOAC. However, the LJPS was not in this same sphere of management, and came under the organizational control of another MOAC entity.

As a result, the planning function and implementation function were organizationally separated, which made coordination and the establishment of priorities difficult. Additionally, the person with overall responsibility for the RDAP did not have direct line control over the LJPS. Thus it was more difficult to ensure that any directive to increase coordination would be successful.

Coordination between the LJPS and the LDS was also recognized as a problem. Progress had been made to overcome this problem with the scheduling of monthly meetings between the two organizations. This was a good first step, but much more needs to be done.

Conclusion

Projects were being implemented in RDAs without the input and sometimes knowledge of the technical experts in LJPS, the organization responsible for determining the technical and economic feasibility of the projects. There is a need to improve lines of communication and ensure that LJPS is not bypassed. In addition, consideration should be given to relocating the LJPS so that it comes under the direct line authority of the organization with overall responsibility for the RDAP. This would facilitate coordination and cooperation between the offices which must work closely in developing and implementing projects.

Recommendation No. 3

USAID/Swaziland work with the Ministry of Agriculture and Co-operatives to (a) improve lines of communication between the RDA's, LDS, and LJPS to ensure that the LJPS participates in project planning prior to implementation, (b) bring the RDA's into the monthly meetings between the LDS and the LJPS, and (c) review the merits of placing the LJPS under the direct line authority of the RDAP.

Land Development Section Is Far Overextended

The Land Development Section (LDS), the GOS organization responsible for construction work in RDAs, appeared to be extended far beyond their capabilities. They did not have the supervisory/technical personnel for such a large program. In addition, their future workload appeared to be expanding at a time when it would be more prudent to constrict operations.

The LDS was doing work in 18 RDAs (ten maximum intensive, and eight minimum intensive), was actively engaged in resettlement projects related to new land purchases, and devoted substantial time to ad hoc projects assigned by the GOS. Their workload will increase as the GOS makes additional purchases of land for resettlement. The GOS also had plans to open up nine new RDA's.

The RDAs were located throughout Swaziland which created tremendous logistical, supervisory and control problems. The LDS was attempting to implement projects in this large area with very limited staffing. Five unit supervisors and two engineers were responsible for supervising and overseeing the work being done. Consequently, supervision was spread too thin and there was only limited engineering input to the projects.

The prospects for sustaining such a large program seem very dim because of a 43 per cent reduction in the LDS budget for the upcoming fiscal year. This will force a sharp cutback in equipment utilization and project activities. The cuts came at a time when 26 additional equipment operators must be hired, and more equipment must be operated and charged against the LDS budget. In addition we were told that the British, one of the major project supporters in four large RDAs, is phasing out of the program. USAID/Swaziland informed us that the GOS indicated that it was prepared to provide additional budget support if the LDS demonstrated that funds are required.

Even with current funding and equipment, the project was providing limited construction in each of the 18 RDAs, and hence limited development impact. We believe the project should be reviewed and a strategy developed to provide greater efforts in fewer areas. This would reduce operating costs, improve supervision and increase engineering participation. It would also give the LJPS time to catch up on comprehensive land use planning.

Conclusion

The LDS was overextended and lacked the technical, financial and management capabilities to implement a country-wide program. Continuation of the project (as presently constituted) is questionable from a logistical, economical and development standpoint. Too little is being done in too many areas to have the most beneficial impact. Financial constraints will further affect the program. Restricting the program to a much smaller scale operation would reduce operating costs and improve management control.

Recommendation No. 4

USAID/Swaziland review with the GOS current implementation rationale with the objective of reducing project activity to a more manageable level by concentrating work in fewer areas.

Project Equipment Requires Management Action

Based upon our work, we do not feel that U.S. provided equipment was being utilized as effectively as possible. We also question whether the GOS will be able to replace this equipment as planned. As discussed below, we feel USAID/Swaziland should increase its oversight of these areas.

AID Provided Equipment Was Not Effectively Utilized

AID provided loan funds for the purchase of \$10 million of construction equipment to be used in RDA construction projects. Our review of equipment usage logs indicated that this equipment was not being fully utilized, and in some instances not effectively utilized.

We found that the number of hours equipment was utilized each month was relatively low. We sampled the utilization of numerous pieces of equipment during January, February and March 1982. This indicated utilization of less than 40 per cent for the three month period.

A review of the equipment logs provided some good explanations as to why utilization was low. Some of the more prevalent reasons noted in the logs were equipment out of order, no transportation to the construction site, waiting for mechanic, no work, off for payday, no fuel, and bad weather. We also attribute the low utilization to inadequate supervision, lack of plans and deadlines. Many days the equipment was operated six hours or less, indicating a short work day, loose control over workers, and a lack of urgency in getting the work done. We feel this is a major deficiency in the project which greatly reduces the work that is being done.

Lack of effective utilization stems from the service trucks and truck operators being located in Manzini. Each day they commuted from Manzini to the project sites. This may take up to three hours or more a day commuting, and places unnecessary mileage and excessive wear on costly equipment (a mechanical service truck costs \$81,000). In addition, we were told that the trucks were driven at excessive speeds to get to construction sites and back, which resulted in several accidents and down equipment. We feel that both the trucks and mechanics could be more effectively utilized if they were located at the job site in the field.

We are also concerned that equipment utilization will be poorer in the next fiscal year. The 43 per cent reduction in the LDS budget for the upcoming fiscal year will seriously curtail construction and hence equipment utilization. Additionally, 31 pieces of new equipment were scheduled to arrive within the next year. Although this new equipment will contain a lot of service type units, it will add to an overstrained LDS budget by requiring 26 additional operators as well as increased rental costs from the Central Transport Authority. USAID/Swaziland informed us that the Ministry has budgeted for the 26 new operators and the rental charges for the new equipment. The LDS also has the authority to hire all the operators.

Conclusion

The equipment financed by AID was underutilized based on current utilization records. Our sample showed a utilization of under 40 percent. This is attributed to lax work standards and inadequate supervision.

Recommendation No. 5

USAID/Swaziland require the LDS to
(a) establish better utilization controls, so that poor utilization can be immediately identified and corrective action initiated, and (b) report quarterly to USAID on the equipment utilization, so USAID can monitor usage.

GOS Replacement Of Project Equipment Appears Unlikely

The project paper contained a covenant which required the GOS to establish an RDA sinking fund to ensure the timely replacement of project equipment. This sinking fund had not been established. Instead, users of equipment paid a petrol charge to the Central Transport Authority (CTA) which was supposed to be accumulated in a fund to cover equipment maintenance and replacement.

The project paper concluded that the CTA user charge system was not adequate to replace heavy equipment because the rates charged were not high enough to accumulate sufficient funds. The rates being charged in early 1982 also appeared to be far too small to replace the equipment. For example, the project paper indicated that a rate of Emalangeni (E) 83 1/ was not adequate to replace a D-8 dozer in five years. Current rates for a D-8 dozer are E 76. Based upon current replacement costs for a D-8 dozer, the charge should be E 136 for a five year replacement. Project personnel feel a 5 year replacement period is too short and that heavy equipment should last 10 years. Regardless, we see little chance that this CTA rental system will generate sufficient funds to replace RDA equipment.

we were unable to determine how much had been accumulated in this CTA fund to cover replacement of RDA equipment. Discussions with various project personnel shed no light, and no one had ever seen a balance sheet or any financial status report for the fund. We were told that the European Economic Community and the World Bank had gone to the Minister of Finance to determine the fund's status but so far had not been able to do so.

We were also told that there were no funds available government wide for the next fiscal year for equipment purchase. This indicates that the fund may not exist, or that the GOS is having severe financial difficulties.

Conclusion

A sinking fund as required by the project agreement was not established. The alternative funding arrangement will not generate sufficient funds to replace RDA equipment. We question whether there will be sufficient funds for equipment replacement without a separate RDA sinking fund as originally agreed.

Recommendation No. 6

JSAID/Swaziland (a) determine the status and sufficiency of the present fund to replace RDA equipment, and (b) ensure that an adequate and restricted fund is in place for the RDAP.

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Other Areas Requiring Management Attention

Our review identified a few additional areas which require management attention. The opportunity exists to improve project operations by focusing on maintenance of project construction, the need for a management information system, spare parts support, surveyor training, mechanic training and cost accountant services.

Maintenance Of Project Construction Is Inadequate

The GOS maintenance philosophy for the RDAP is that the local people living in the RDA's will maintain the infrastructure built under the project. The RDA's did not have the funds or the capability to maintain the projects constructed. Without guidance, direction, and budgetary support it is doubtful that the local people can put together a meaningful maintenance program.

The Project Agreement recognized maintenance inadequacies and consequently called for substantially more than the GOS philosophy. The agreement contained a special covenant stating: "The Government agrees to establish and staff a post for a maintenance officer and/or establish a maintenance committee, or take such other steps as may be agreed to by the parties so as to assure that (a) the status of maintenance of infrastructure works in each RDA is regularly and periodically reviewed, and (b) recommendations for the rehabilitation of these works are formulated and work plans for maintenance efforts are prepared. The Government also agrees to provide adequate budgetary support, personnel and equipment in time to carry out the recommended maintenance program."

The LDS had budgeted a limited amount of time in its current work plan for maintenance of roads. However, it is doubtful that this work will get done because the construction units were unable to accomplish the planned construction. Little, if anything, had been done. There was no maintenance officer and a committee had not been formed. Maintenance of the roads and other infrastructure works had not been adequately addressed.

The Public Works Department (PWD) should maintain the RDA roads, but they had not agreed to maintain the LDS roads because they did not have the capability to do so. They felt the LDS was building too many roads. In addition, the roads were not built to PWD standards, so they refused to take these roads over. However, maintenance of a few selected roads built by LDS had been taken over by the PWD in the past.

Conclusion and USAID/Swaziland Comments

Building roads and other development projects must take into consideration a maintenance element if they are to provide prolonged impact. This was recognized in the Project Agreement, but at the time of our audit had not been adequately addressed. If the RDAs

are going to be required to maintain the project they will need guidance and direction. A maintenance officer as proposed in the Project Agreement would provide a starting point for a maintenance focus and be of assistance to the RDAs.

In response to our draft report, USAID/Swaziland stated:

"It is not clear from the Project Agreement whether the GOS intended the PWD to be responsible for all roads built by the RDA. The statement 'the public works department should maintain the RDA roads' has no legal basis. However, with the establishment of a maintenance office or committee, the division of labor between PWD and RDA will have to be determined by the GOS"

Recommendation No. 7

USAID/Swaziland work with the GOS to develop and fill a local maintenance officer position, or to establish a maintenance committee with the responsibility for developing and implementing a maintenance strategy in each RDA and within the LDS.

LDS Needs An Effective Management Information System

The Land Development Section Headquarters is located in Manzini, while its construction units and project sites are located in a myriad of locations scattered throughout Swaziland. Effective management of such a widespread organization requires a good management information and reporting system. Such a system would provide management with necessary information such as what projects are underway, planned status of work, what equipment is being utilized and where, how people are being utilized, what problems are being encountered, whether fuel or spare parts are in short supply, how well units are performing, etc.

Our work at the LDS Headquarters revealed that they had virtually no information to help manage their countrywide program. They could not tell us what projects the LDS presently had under construction or the more detailed information needed to manage such a widespread operation.

The USAID contract with Overseas Construction Service (OCS) contains a provision requiring OCS to make a study of the present LDS operation and management systems, and prepare detailed implementation plans for a proposed system. This study was never done. The present OCS Chief of Party recognizes this void in management information, and had taken steps to improve reporting from the field. However, in our opinion a great deal more needs to be done.

Conclusion

The LDS needs a management information system which will provide good visibility over a countrywide program. The OCS team could make a valuable contribution to the LDS by designing and implementing such a system.

Recommendation No. 8

USAID/Swaziland take action to ensure that the OCS contract provision pertaining to the LDS management information system is fulfilled.

Spare Parts Support Can Be Improved

Our work at the LDS spare parts warehouse indicated that an adequate system of inventory control had been established. However, the opportunity exists to improve warehouse operations by disposing of unneeded stock and increasing the availability of moveable items.

Because of inefficient ordering and a questionable need for a 15 percent spares requirement, the warehouse had built up a large stock of items which the project did not need. A recent inventory estimated that approximately E458,000 out of a total stock of E627,000 was unneeded. This buildup had been recognized for some time, but corrective action had not been taken because project personnel were not aware of GOS procedures for disposing of excess stock. We were told that the LDS had recently received permission to return excess parts to the manufacturer.

This excess, in addition to tying up needed funds, also makes supply management more cumbersome. A substantial number of stock records were being maintained for these items. A second floor had to be added to the warehouse to alleviate overcrowding.

Spare parts support could also be more effective and less costly if the warehouse increased stockage of moveable items. Large-scale purchases of spare parts had not been made in several months because of a shortage of funds and a lack of information on the quantity levels which were desirable. Consequently, approximately 50 percent of requisitions could not be immediately filled from the shelf, and delays occurred while the items were being ordered from suppliers in the Republic of South Africa.

The local purchases of supplies can also be more expensive than necessary. Supplies obtained through the Republic of South Africa are generally 60 percent higher than Swaziland because of high import duties.

Conclusion

Warehouse operations can be more efficient and economical if unneeded stocks are disposed of and stockage levels for fast moving items are increased. We were told that the LDS was beginning to take steps to correct this situation. Since this condition existed for some time without corrective action being taken, we are making the following recommendation.

Recommendation No. 9

USAID/Swaziland work with the Land Development Section to (a) ensure the disposal of unneeded stocks and (b) accumulate demand history for moveable items so that sufficient quantities are stocked to meet day-to-day operating requirements.

Opportunity Exists To Train Surveyors

This project depends very heavily on the training of host-country personnel to sustain the technical areas of the RDAP after U.S. assistance is ended. The Project Paper envisioned that technical training would be provided for eight land surveyors to upgrade surveyor skills needed in the Land Use Planning Section. However, no surveyor training had been accomplished because the GOS did not provide people to be trained.

High paid U.S. technicians were spending their valuable time doing surveying which reduced their availability for more technical areas, and made surveying more expensive than necessary. This situation is particularly unfortunate because both the Land Use Planning Section and the Land Development Section have a need for surveyors and both sections have qualified trainers on board.

Conclusion and USAID/Swaziland Comments

Necessary training of surveyors did not occur because the Government of Swaziland has not provided people for training. We believe that GOS technical skills can be upgraded by taking advantage of available technical assistance capability.

In response to our draft report, USAID/Swaziland stated:

"The section on the training of surveyors has been superseded by events. The GOS Vocational Training School has recently graduated nine surveyors who are excess to the needs of PWD. RDA is now trying to recruit these individuals. Since there are now trained surveyors available, USAID/S believes that Recommendation 10 is no longer required."

We are retaining our recommendation until we receive confirmation that recruitment efforts for the newly trained surveyors were successful.

Recommendation No. 10

USAID/Swaziland work with the Government of Swaziland to provide trained surveyors for the project.

Mechanic Training Threatened

The Project Agreement anticipated that 60 mechanics would be trained in the LDS workshop to maintain the heavy equipment provided for the project. For various reasons, training of mechanics never really got started until just recently. The present equipment trainer established a two-year training program with textbooks and visual training aids. He estimated that he can probably successfully train 25 mechanics by the project completion date.

We were told that the GOS was planning to send 50 students from a youth group to the LDS workshop for mechanic training. The workshop already had 85 students, and if they had to absorb an additional 50 students it would overextend their training capability. There would not be sufficient textbooks or adequate space in the classroom and laboratory areas, as well as less individualized instruction.

Conclusion and USAID/Swaziland Comments

The training of mechanics is just beginning to look like it will have some success. To overextend the capability of the LDS workshop for non-project training could be detrimental to the future maintenance of U.S. provided equipment.

In response to our draft report, USAID/Swaziland stated:

"We have reviewed the problem of the GOS sending 50 additional students to the LDS workshop for mechanic training with project personnel. There are actually 32. The GOS is only sharing the laboratory area. The additional students have their own instructors, textbooks and training aids. Therefore, the training of project mechanics is not being hampered by the training of non-project personnel at the LDS workshop...."

Based upon USAID/Swaziland comments, we have deleted the recommendation. However, we are suggesting that USAID/Swaziland continue to monitor this area to ensure that project training does not get weakened by the training of non-project personnel.

Services Of Cost Accountant Should Be Delayed

The project was attempting to hire an OCS technical assistance consultant to establish a financial record keeping system for both the LDS and the LDS workshop. We agree that an effective cost accounting system is needed in the LDS. However, in our opinion it is premature to bring this individual on board.

The LDS did not have any counterpart or understudy to be trained to operate the system or assist with implementation. Consequently, there is little likelihood that the system will be successfully carried on after the consultant departs. A position in the LDS for a cost accountant is a prerequisite to establishing an effective cost accounting system.

The capability of field units to keep accurate records of equipment use, labor, materials, etc. by individual project also has to be considered. Field units were submitting inaccurate reports on fuel consumption, equipment utilization, work performed, and materials used. It would be a much more difficult task for them to accumulate detailed cost information by individual construction project.

The LDS had not queried other GOS agencies to see if they had a cost accounting system which could be adopted to meet LDS needs. It could be that the Central Transport Office or the Public Works Department already have an established cost accounting system.

Conclusion

The LDS needs an effective cost accounting system. However, it is doubtful that it can be established at the present time because of the unavailability of a person to be trained to continue its operation. Additionally, the capability of field units to keep accurate records to make the system work is suspect.

Recommendation No. 11

JSAID/Swaziland delay bringing a cost accountant consultant on board until there is (a) a counterpart for him to train to sustain the system, and (b) reasonable assurance that field units can be relied upon to keep accurate records.

List of Report Recommendations

	<u>Page</u>
<u>Recommendation No. 1</u>	3
USAID/Swaziland, in conjunction with the Government of Swaziland, establish realistic goals and objectives for the duration of the project along with appropriate work plans and implementation schedules.	
<u>Recommendation No. 2</u>	4
USAID/Swaziland in conjunction with the GOS establish a system to assure that all major projects not covered by standard plans are reviewed by appropriate technical personnel before they are implemented.	
<u>Recommendation No. 3</u>	6
JSAID/Swaziland work with the Ministry of Agriculture and Cooperatives to (a) improve lines of communication between the RDA's, LDS, and LJPS to ensure that the LJPS participates in project planning prior to implementation, (b) bring the RDA's into the monthly meetings between the LDS and the LJPS, and (c) review the merits of placing the LJPS under the direct line authority of the RDAP.	
<u>Recommendation No. 4</u>	7
JSAID/Swaziland review with the GOS current implementation rationale with the objective of reducing project activity to a more manageable level by concentrating work in fewer areas.	

Recommendation No. 5

8

JSAID/Swaziland require the LDS to (a) establish better utilization controls, so that poor utilization can be immediately identified and corrective action initiated, and (b) report quarterly to USAID on the equipment utilization, so USAID can monitor usage.

Recommendation No. 6

9

JSAID/Swaziland (a) determine the status and sufficiency of the present fund to replace RDA equipment, and (b) ensure that an adequate and restricted fund is in place for the RDAP.

Recommendation No. 7

11

JSAID/Swaziland work with the GOS to develop and fill a local maintenance officer position, or to establish a maintenance committee with the responsibility for developing and implementing a maintenance strategy in each RDA and within the LDS.

Recommendation No. 8

12

JSAID/Swaziland take action to ensure that the OCS contract provision pertaining to the LDS management information system is fulfilled.

Recommendation No. 9

13

JSAID/Swaziland work with the Land Development Section to (a) ensure the disposal of unneeded stocks and (b) accumulate demand history for moveable items so that sufficient quantities are stocked to meet day-to-day operating requirements.

Recommendation No. 10

14

JSAID/Swaziland work with the Government of Swaziland to provide trained surveyors for the project.

Recommendation No. 11

15

JSAID/Swaziland delay bringing a cost accountant consultant on board until there is (a) a counterpart for him to train to sustain the system, and (b) reasonable assurance that field units can be relied upon to keep accurate records.

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