

UNCLASSIFIED

SUPPLEMENT TO THE PROJECT PAPER
SAHEL REGIONAL
FINANCIAL MANAGEMENT PROJECT
(625-0950)

Authorized:	August 20, 1984
Amount:	\$5,000,000
Amended:	May 16, 1984
New Total:	\$5,876,000

AGENCY FOR INTERNATIONAL DEVELOPMENT

UNCLASSIFIED

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA


FROM: AFR/DR, Norman Cohen

**SUBJECT: Sahel Regional Financial Management Project (625-0950):
Project Authorization**

I. Problem: Your approval is requested for a grant of \$5,000,000 from funds available under Section 121 of the Foreign Assistance Act (FAA) of 1961, as amended, Sahel Development Appropriation, for the Sahel Regional Financial Management Project (625-0950). It is planned that \$3.816 million will be obligated in FY 1982.

II. Discussion:

A. Project Description

The project purpose is to improve financial management in Sahelian development institutions. Long-term technical assistance will be financed to accomplish the following activities:

- (1) design appropriate accounting and financial management systems;
- (2) develop and disseminate suitable training materials and methods;
- (3) train cooperating country personnel;
- (4) assist in installation of the systems; and
- (5) facilitate the utilization of the accounting data in improved financial and program decision-making wherever possible.

The situation varies from country to country, and individually tailored efforts will be developed. However, the central technical concepts and approaches to improvement can be applied systematically and flexibly through a regional effort. Long-term technical assistance staff will be located in Senegal, The Gambia, Mali, Upper Volta and Niger. Short-term staff will service Mauritania and Cape Verde.

This project conforms to the Sahel regional development strategy for human resources, and the AID development administration policy. The immediate beneficiaries of the project will be the host government personnel who receive the training, installation support and improved accounting system designs. In the medium-term, citizens of the recipient countries will enjoy improved delivery systems from the more efficient control and use of budgetary resources.

B. Financial Summary

The FY 1982 obligation is to be \$3.816 million, and Life-of-Project (LOP) funding is \$5.0 million over the next four years (FY 1982-1986). The breakdown of funds is shown below:

<u>AID Inputs</u>	<u>(\$000s)</u> <u>First Year</u>	<u>(\$000s)</u> <u>LOP</u>
Technical Assistance	2,176.0	3,315.0
Commodities	40.0	40.0
Training & Support	1,600.0	1,645.0
TOTAL	3,816.0	5,000.0

The most direct host country contributions are in the form of time and facilities of host country institutions and personnel which it would be premature to quantify. The larger and more important contributions, which are somewhat indirect, are the time, efforts and expenditures of host countries for current AID-financed projects whose management this project will improve.

C. Socio-Economic, Technical and Environmental Description

The Project Paper indicates that proper technical, financial, economic, administrative, social and implementation analyses were done to ensure the acceptability and feasibility of the project. There are no human rights implications in the project. The project was judged to be technically sound with regard to the adequacy of the accounting system model from which local adaptations can be made, and with regard to the training and consultancy support approaches which the technical assistance personnel will utilize. At the PID approval stage, a negative determination on the Initial Environmental Examination was made, and no future environmental analyses are necessary.

D. Conditions, Covenants, Implementation Plan and Implementation Agencies

Project funds will be obligated through a Participating Agency Services Agreement (PASA) to which there are no conditions precedent or covenants. The Project Paper provides guidance on certain contractual necessities in the PASA which will be incorporated in the PIO/T. After final determination and negotiation in each country of its project components, an agreement will be signed between the AID Mission and the host government. This will spell out conditions and covenants specifically applying in each case, and these cannot be determined exactly at this point in time. They will be subject to the concurrence of the AID/W Project Officer.

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The Project Committee concluded that the implementation plan contained in the PP sets a realistic time frame for carrying out the project. The major implementing agency is expected to be the U.S. Department of Agriculture's Office of International Cooperation and Development, Development Project Management Center. The project design team recommended that the project be assigned an AID/W backstop officer who would handle only this project and the associated Sahelian financial performance monitoring and improvement effort. The requirements of Section 611(a) have been satisfactorily met.

I. Responsible Offices

Each Mission will appoint a project officer for the project, and AFR/DF and AFR/SWA will also specify particular individuals to backstop the effort.

III. Use of PASA (Policies for Acquiring Commercial or Industrial Products and Services Needed by the Government)

It is proposed that this project be implemented through a Participating Service Agreement (PASA) with the U.S. Department of Agriculture/Office of International Cooperation and Development/Development Project Management Center (USDA/OICD/DPMC) because (1) They have been involved from the beginning in determining the problems and potential solutions to financial management in the Sahel, (2) Use of the PASA arrangement will ensure that on-going financial management improvement efforts will not be interrupted, (3) There will be a considerable cost savings to the U.S. Government due to the low USDA overhead, and (4) The USDA has pioneered the use of the action training methodology which is the underlining basis for both pre-project and project training activities.

The determination that the PASA is exempt from Circular A-76 is justified because (1) it is for the provision of technical assistance and; (2) the facilities and resources of the USDA/DPMC are particularly suitable for the technical assistance to be provided and are not competitive with private enterprise. The PIO/T intended for your approval is attached as Annex II.

IV. Waivers

Justification for a source/origin procurement waiver for a total of three vehicles is included in the project paper (pp. 21-22, Annex G2) and the project authorization. This is necessary because spare parts and service for American-manufactured vehicles are unavailable in Mali, Upper Volta and Niger.

V. Justification to the Congress

A Congressional Notification was sent to Congress on July 28, 1982 and the waiting period expired on August 12, 1982.

VI. Clearances Obtained

AFR/DP/EHR:H. Silverson draft
DAA/AFR:A.R. Love
AFR/SWA:F. Gilbert draft
AFR/DR/SWAP:J. R. McCabe draft
PIC/PDPR/EHR:F. Method draft
S&T/MD:J. North draft
SER/COM/ALI:P. Hagan draft
GC/AFR:W. Dragon draft

DAA/AFR:F.D. Corral ju
AFR/PNR/KCS:F. Brown/J. Davidson draft
AFR/DP:S. Sharp draft
AFR/SWA:J. Bierke draft
SER/COM/ALI:F. Donovan draft
S&T/MD:D. Brinkerhof draft
GC/AFR:T. Bork draft

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VII. Recommendation: That you sign the attached Project Authorization and PIO/T, thereby, approving life-of-project funding at \$5,000,000, a Project Assistance Completion Date of December 31, 1986, the above noted vehicle procurement waiver, and the use of a PASA for project implementation.

Drafted by: AFR/DR/SWAP: JRS^{gm} / Josborn: 02/05/82 ext 28242

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PROJECT AUTHORIZATION

Name of Country: Sahel Regional

Name of Project: Sahel Regional
Financial Management

Number of Project: 625-0930

1. Pursuant to Section 121 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Sahel Regional Financial Management Project for the Sahel Region involving planned obligations of \$5,000,000 in grant funds over a four-year period from the date of authorization, subject to the availability of funds in accordance with the AID OYB/allotment process, to finance foreign exchange and local currency costs of the project.

2. The project will assist seven Sahelian governments to improve their financial and program management of development projects. It will assure that continuing AID projects retain Section 121(d) certifiability, and institutionalization of improved systems and training practices in financial management will begin. AID will finance the cost of technical assistance, training, workshops, vehicles and related goods and services.

3. The obligating document, a Participating Agency Service Agreement with the U.S. Department of Agriculture's Office of International Cooperation and Development, which may be negotiated and executed by the officers to whom such authority has been delegated in accordance with A.I.D. regulations and Delegations of Authority, shall not be subject to any essential terms and covenants or major conditions beyond AID's normal contracting procedures. Sub-agreements with host countries concerning their project components will be negotiated during project implementation by officers to whom such authority has been delegated.

4. A. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, shall have their source and origin in the United States and/or the Cooperating Countries, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

4. B. Waiver

Based on the justification on pages G-2-21 and 22 of the PP, I hereby:

Approve a source/origin waiver from AID Geographic Code 000 (U.S. only) to Code 935 (Special Free World) to allow the procurement of three passenger vehicles and spare parts for use in Mali, Niger and Upper Volta having a total value of approximately \$50,000; certify that special circumstances exist which justify the waiver of the requirement of Section 636(1) of the FAA; and certify that exclusion of procurement from Free World countries other than the Cooperating countries and countries included in Code 947 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program.

✓

Date: Aug 22, 1962


F. S. Ruddy
Assistant Administrator
for Africa

Clearances: As shown on Action Memorandum

VI

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: AFR/PD: Norman Cohen

SUBJECT: Sahel Regional Financial Management Project (SRFMP)
(625-0950): Project Amendment

PROBLEM: Your approval is requested to increase the subject project authorization from \$5,000,000 to \$5,876,000. The increase is required to fund long- and short-term technical assistance, materials, workshops and other costs related to the extension of the SRFMP project to Chad.

BACKGROUND: The Sahel Regional Financial Management Project (SRFMP) was authorized in August 1982 to "improve financial management of Sahelian development institutions that directly handle funds provided by AID and encourage institutionalization of improved management practices." Funds were obligated in Fiscal Years 1982 and 1983 to provide financial management technical and training assistance to host country institutions in seven countries (Mali, Upper Volta, Niger, Senegal, The Gambia, Mauritania and Cape Verde) which at the time of project authorization received Sahel Development Program (SDP) assistance. The project was designed in direct response to the requirements of the Foreign Assistance Act of 1961 as amended (Section 121(d)) and the need of the Bureau to assure that AID resources in the Sahel are properly accounted for.

Project funds were obligated through a Participating Agency Service Agreement (PASA) with the U.S. Department of Agriculture, which in turn signed a Cooperative Agreement with Virginia Polytechnic Institute and State University to implement the project. The five financial management teams contemplated in the project design are now in place in the Sahel. Their financial technical assistance and training activities are under way, supported by a USDA/VPI central project unit in Washington. Periodic reports and site visits indicate that the implementation plan is being followed, receptivity of host governments is high, and major project outputs will be accomplished.

DISCUSSION: At the time the SRFMP was designed, the AID program in Chad was in suspension. It has now been reinstated. Funding levels in Chad are expected to increase from an estimated \$5.2 million in FY 84, exclusive of PL 480, to approximately \$15 million in FY 85, exclusive of PL 480. Currently, most AID funded assistance is channeled through and administered by private voluntary organizations. As a result, the financial accountability

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and management of AID funds is reasonably safeguarded. Efforts are now underway, however, to shift the Chad program focus from relief, recovery and rehabilitation to more traditional development activities.

As that shift occurs, the Government of Chad (GOC) will have to become more directly involved in the implementation and management of the program. Given the requirements of Section 121(d) and the GOC's current lack of skilled personnel, particularly in management and financial accountability, substantial assistance must be provided to the GOC as soon as possible to upgrade its financial capacity. While limited short-term assistance has been drawn from other SRFMP activities to Chad on an emergency basis, the magnitude of the job in Chad as well as the need for continuing assistance in the other countries of the Sahel, necessitate a full-time resident team in N'Djamena.

A mid-term evaluation of this project is now scheduled for June 1984. It will assess project progress and impact to date and recommend modifications which may improve project implementation. One of the specific items which will be explored will be the question of whether or not specialized and/or expanded project resources will be needed in the future to provide financial management assistance for growing PL 480 and Economic Support Fund (ESF) activities in the region. Both the AID/W project committee and the field missions recommend that any project modifications or increases, other than this amendment for Chad, be delayed until the results of the mid-term evaluation are available.

The PP supplement supporting this increase is attached.

WAIVERS: The attached authorization amendment includes a source/origin procurement waiver for one additional vehicle and spare parts to be used in Chad. The justification for this waiver is the same as that originally provided in the PP. (Annex G-2 pp. 21-22x).

Section 121 (d): On April 30, 1984 you determined that Section 121 (d) requirements were satisfied since no Sahel Development Funds will be disbursed to or through any host governments or agencies thereof.

Justification to the Congress: A Congressional Notification was sent to Congress on May 3, 1984 and the waiting period expired on May 18, 1984.

RECOMMENDATION: That you sign the attached amended Project Authorization increasing the life of project costs by \$876,000 to \$5,876,000.

VIII

Clearances:

DAA/AFR: J. Johnson 9M 5/16/84
AFR/PD: N. Cohen ✓
AFR/PD/SWAP: J. McCabe ✓
AFR/SWA: D. Chandler ✓
AFR/SWA: J. Procopis ✓
AFR/DP: H. Johnson ✓
AFR/PMR/RCS: F. Brown ✓
GC/AFR: B. Bryant ✓
M/SER/CM: S. Dean (Suba) (phone)
PPC/PB:RKramer: ✓

Drafter: ARF/PD/SWAP: P. H. ✓ Mes:4/12/84:fn:ext 28242

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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

FIRST AMENDMENT
TO
PROJECT AUTHORIZATION

Name of Country: Sahel Regional Name of Project: Sahel Regional
Financial Mangement

Number of Project: 625-0950

1. Pursuant to Section 121 of the Foreign Assistance Act of 1961 as amended, the Sahel Regional Financial Management Project for the Sahel Region was authorized on August 29, 1982. That authorization is hereby amended as follows:

(a) The first paragraph is amended by deleting "\$5,000,000" and substituting "\$5,876,000".

(b) The second paragraph is amended by deleting "seven" and substituting "eight".

2. Waiver

Based on the justification set forth in the project paper, I hereby approve the procurement from A.I.D. Geographic Code 935 of a passenger vehicle and spare parts for use in Chad having a total value of approximately \$18,000; certify that special circumstances exist which justify the waiver of the requirement of Section 636(i) of the Foreign Assistance Act of 1961, as amended; and certify that exclusion of procurement from Free World countries other than the Cooperating Country and countries included in Code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program.

3. The authorization cited above remains in force except as hereby amended.


Mark L. Edelman
Acting Assistant Administrator
for Africa

5/16/87

Clearances: As Shown on Action Memorandum

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AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET		1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete <input checked="" type="checkbox"/> A	Amendment Number <u>1</u>	DOCUMENT CODE <u>3</u>
2. COUNTRY/ENTITY Sahel Regional		3. PROJECT NUMBER <input type="checkbox"/> 625-0950		
4. BUREAU/OFFICE AID/APR/SWA		5. PROJECT TITLE (maximum 60 characters) <input type="checkbox"/> Sahel Regional Financial Management		
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 1 <input type="checkbox"/> 8 <input type="checkbox"/> 6		7. ESTIMATED DATE OF OBLIGATION (Under "B." below, enter 1, 2, 3, or 4) A. Initial FY <input type="checkbox"/> 8 <input type="checkbox"/> 2 B. Quarter <input type="checkbox"/> C. Final FY <input type="checkbox"/> 8 <input type="checkbox"/> 4		

8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	2,561	1,255	3,816	3,945	1,931	5,876
(Grant)	(2,561)	(1,255)	(3,816)	(3,945)	(1,931)	(5,876)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2. DRAFT						
Host Country						
Other Donor(s)						
TOTALS	2,561	1,255	3,816	3,945	1,931	5,876

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)	1805 S	720		5,000		876		5,876	
(2)									
(3)									
(4)									
TOTALS				5,000		876		5,876	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)						11. SECONDARY PURPOSE CODE			
053	054	246	640	721		660			
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)									
A. Code		TNG							
B. Amount		5,876							

13. PROJECT PURPOSE (maximum 480 characters).

To improve the financial management performance of Sahelian development institutions.

14. SCHEDULED EVALUATIONS						15. SOURCE/ORIGIN OF GOODS AND SERVICES					
Interim	MM	YY	MM	YY	Final	MM	YY	MM	YY	MM	YY
	0	6	8	4		1	2	000	941	Local	Other (Specify) 935

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

The increased funding and PP supplement are needed to extend the scope of this project to include Chad. The funding increase will finance long- and short-term technical assistance, materials, workshops and other costs related to providing assistance in financial management to Chadian insitutions using AID funds.

17. APPROVED BY	Signature	Dennis M. Chandler				18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION	
	Title	Director - Office of Sahel and West African Affairs					
	Date Signed	MM	DD	YY	MM	DD	YY
		0	4	11	8	4	

INSTRUCTIONS

The approved Project Data Sheet summarizes basic data on the project and must provide reliable data for entry into the Country Program Data Bank (CPDB). As a general rule blocks 1 thru 16 are to be completed by the originating office or bureau. It is the responsibility of the reviewing bureau to assume that whenever the original Project Data Sheet is revised, the Project Data Sheet conforms to the revision.

Block 1 - Enter the appropriate letter code in the box, if a change, indicate the Amendment Number.

Block 2 - Enter the name of the Country, Regional or other Entity.

Block 3 - Enter the Project Number assigned by the field mission or an AID/W bureau.

Block 4 - Enter the sponsoring Bureau/Office Symbol and Code. *(See Handbook 3, Appendix 5A, Table 1, Page 1 for guidance.)*

Block 5 - Enter the Project Title *(stay within brackets; limit to 40 characters).*

Block 6 - Enter the Estimated Project Assistance Completion Date. *(See AIDTO Circular A-24 dated 1/26/78, paragraph C, Page 2.)*

Block 7A. - Enter the FY for the first obligation of AID funds for the project.

Block 7B. - Enter the quarter of FY for the first AID funds obligation.

Block 7C. - Enter the FY for the last AID funds obligations.

Block 8 - Enter the amounts from the 'Summary Cost Estimates' and 'Financial Table' of the Project Data Sheet.

NOTE: The L/C column must show the estimated U.S. dollars to be used for the financing of local costs by AID on the lines corresponding to AID.

Block 9 - Enter the amounts and details from the Project Data Sheet section reflecting the estimated rate of use of AID funds.

Block 9A. - Use the Alpha Code. *(See Handbook 3, Appendix 5A, Table 2, Page 2 for guidance.)*

Blocks 9B., C1. & C2. - See Handbook 3, Appendix 5B for guidance. The total of columns 1 and 2 of F must equal the AID appropriated funds total of 8G.

Blocks 10 and 11 - See Handbook 3, Appendix 5B for guidance.

Block 12 - Enter the codes and amounts attributable to each concern for Life of Project. *(See Handbook 3, Appendix 5B, Attachment C for coding.)*

Block 13 - Enter the Project Purpose as it appears in the approved PID Facesheet, or as modified during the project development and reflected in the Project Data Sheet.

Block 14 - Enter the evaluation(s) scheduled in this section.

Block 15 - Enter the information related to the procurement taken from the appropriate section of the Project Data Sheet.

Block 16 - This block is to be used with requests for the amendment of a project.

Block 17 - This block is to be signed and dated by the Authorizing Official of the originating office. The Project Data Sheet will not be reviewed if this Data Sheet is not signed and dated. Do not initial.

Block 18 - This date is to be provided by the office or bureau responsible for the processing of the document covered by this Data Sheet.

Sahel Region Financial Management Project (625-0950)

Supplement to the Project Paper

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1/30/84

Sahel Regional Financial Management Project (625-0950)

Supplement to the Project Paper

I. Supplement Rationale and Description

A. Rationale

The Sahel Regional Financial Management Project (SRFMP) was authorized in August 1982 with its purpose to "improve financial management of Sahelian development institutions that directly handle funds provided by AID and encourage institutionalization of improved management practices." Funds were obligated in Fiscal Years 1982 and 1983 to provide financial management technical and training assistance to host country institutions in seven countries (Mali, Upper Volta, Niger, Senegal, The Gambia, Mauritania and Cape Verde) which at the time of project authorization received Sahel Development Program (SDP) assistance. The project was designed in direct response to the requirements of Section 121(d) of the Foreign Assistance Act of 1961, as amended ("Section 121(d)") and the need of the Bureau to assure that AID resources in the Sahel are properly accounted for. Although Chad is a Sahelian country, it was not included in the original project because the AID program there was suspended.

This project supplement makes no changes in the project goal or purpose or to the types of outputs provided. It simply provides the

financial and human resources needed to extend assistance already being provided to seven Sahelian countries to an eighth, Chad.

An AID program of relief, recovery and rehabilitation was established in Chad in FY 1982 after a three year suspension of AID's development program. The temporary interruption of AID involvement in Chad was caused by the Libyan backed civil war and consequently the inability to continue our assistance in Chad.

Recent Government of Chad (GOC) actions illustrate their dedication and commitment to recovery and development of the economy. These actions include returning civil servants attempting to re-establish government services and the encouragement of small-scale industry and retail activities. However, the lack of skilled personnel, particularly in management and financial accounting, hamper recovery and development efforts. Additionally, the extensive destruction of property, disruption of governmental and private programs to provide needed production and marketing inputs, lack of credit, displacement of rural people and the continued threat of fighting make the task of recovery even more difficult. Presently, because of weakened government institutions, most of our assistance in Chad is programmed through private voluntary organizations. This mode of operations, however, will change as the AID and other donor programs shift from a relief and recovery focus to the more traditional development program. AID funding will increase significantly from an estimated \$8.5 million in FY 84 (Economic Support Fund (ESF), SDP and PL 480) to approximately \$20 million in FY 85 (ESF, SDP and PL 480).

AID staffing constraints for the present and future mean that more, not less, responsibility for project management must be assigned to the host government. Moreover, it cannot be expected that PVOs and direct AID contracts can carry the totality of this assistance, and, therefore, government agencies and ministries will have to handle directly AID resources in large and increasing amounts. Given its current financial management weaknesses and the reporting requirements placed by Congress on the AID program, in the form of Section 121(d) certifications, the GOC must be given financial management capacity, as soon as feasible.

The purpose of the Chad component, therefore, is the same as the project as a whole: to improve the financial management of local development institutions that directly handle or will handle funds provided by AID.

B. Description

Like the program of the seven other Sahelian countries, the Chad component will have four basic elements: 1) long-term technical assistance; 2) specialized short-term technical assistance; 3) short training courses and workshops; and 4) the development and dissemination of operational and training materials from project headquarters in Washington.

Prior to the end of the project in September 1986, the Chadian component will have designed appropriate accounting and financial management systems, developed and disseminated suitable training materials and methods, trained Chadian government personnel, assisted in installation of the systems, and helped incorporate accounting data into improved financial and program decision-making. As in the other SRFMP countries, the precise content of specialized training and advisory services will be developed by the resident team once it is established in N'Djamena. It is anticipated, however, that the assistance to Chad will be similar in magnitude to that already being applied in Niger, Upper Volta and Mali.

Specifically, the Chad component will provide 48 person-months of long-term resident technical assistance consisting of 24 months of an expatriate expert and 24 months of a Sahelian financial management expert. In addition, this PP supplement will provide twelve person-months of short-term expertise for initial design and installation of accounting systems and for follow-up activities concerning particular problems. (This work, already begun in response to the quickly evolving AID program in Chad, has so far been funded under the existing project). Funds are also provided for costs of workshops and specialized in-country training courses.

The project logframe (PP Annex B) remains the same except for the addition of the inputs noted above and of a Purpose Assumption No. 6: that stability, initiative and resources of the Government of Chad are maintained at current levels, and that the AID assistance program in Chad grows as currently projected.

II. Cost Estimate and Financial Plan

The estimated cost of the Chad component is \$876,000, bringing the total for the project to \$5,876,000. All funds included in this supplement are AID authorized funds. GOC contributions are not quantified but will include office space and facilities, and personnel involved not only in this project but also in the management of other AID funded projects in Chad.

The following table indicates the budgetary changes required by the addition of the Chad component. The "current budget" column incorporates line-item adjustments made to the budget in the original PP (Table 1, page 12). These adjustments include: a) the addition of a Sahelian Financial Management Expert to the SRFMP Team in Senegal, higher support costs for long-term expatriate TA and lower costs for Sahelian Team Members.

SAHEL REGIONAL FINANCIAL MANAGEMENT PROJECT

TABLE 1

	Current	Proposed	Revised
<u>Field Costs</u>	<u>Budget</u>	<u>Addition</u>	<u>Total</u>
Long-term Technical and Training			
Assistance	\$1,450,000	\$240,000*	\$1,690,000
Sahelian Team Members	230,000	60,000*	290,000
Sahelian Private Consultants	100,000		100,000
Short-term Experts	480,000	140,000	620,000
Workshops/Meetings	210,000	24,000	234,000
Office Support costs	<u>385,000</u>	<u>120,000</u>	<u>505,000</u>
Total Field Costs	\$2,855,000	\$584,000	\$3,439,000
Costs in the United States	1,145,000	15,000	1,160,000
<u>Contingency/Inflation 17%</u>	<u>-</u>	<u>102,000</u>	<u>102,000</u>
<u>Total Project Direct costs</u>	4,000,000	701,000	4,701,000
<u>Overhead - 25 per cent</u>	<u>1,000,000</u>	<u>175,000</u>	<u>1,175,000</u>
TOTAL PROJECT COSTS	<u>\$5,000,000</u>	<u>\$876,000</u>	<u>\$5,876,000</u>

*1 Person for 2 years

III. Implementation Plan

A. Plan and Schedule

Project funds have been obligated through a Participating Agency Service Agreement (PASA) with the U.S. Department of Agriculture, which in turn signed a Cooperative Agreement with Virginia Polytechnic Institute and State University to implement the project. The five financial management teams contemplated in the project design are now in place in the Sahel. Their financial, technical assistance and training activities are underway, supported by a USDA/VPISU central project unit in Washington. Since there have been no serious implementation problems to date with the USDA/VPI team, it is anticipated that the additional activities included in this supplement will be carried out under an amendment to the existing PASA/Cooperative Agreement.

Implementation actions for Chad will be incorporated into the next and subsequent USDA/VPI work plans. Key actions anticipated in the near future are:

- | | |
|-------------|---|
| March 1984 | Short-term consultant completes initial assessment of GOC strengths and training needs. |
| April, 1984 | Project Amendment effected to add Chad component. |
| May, 1984 | PASA is amended, obligating supplemental funds; agreement between USDA and Virginia Tech is amended; recruitment is initiated for long-term expert. |

June, 1984	Orders are placed, arrangements made for shipping support materials/commodities to Chad.
July, 1984	Long-term expert is nominated for approval by AID.
August, 1984	Protocol with GOC and Memorandum of Understanding with OAR/N'Djamena are negotiated and signed; long-term expatriate expert is hired and oriented.
September 1984	Long-term expert arrives in Chad, arranges logistics and conducts needs assessment.
October 1984	Project support commodities arrive in Chad; Sahelian member of SRFMP team in Chad is identified, approved and employed; detailed work plan for first six months is prepared and approved.

B. Procurement

Except for training material and minimum household and office equipment needed to support the N'Djamena staff, no significant procurement is intended. One vehicle will be needed for the team in Chad. A source/origin waiver to allow procurement of that vehicle from Code 935 (Special Free World) countries is included in the draft authorization amendment. Justification for that waiver is contained in pages G-2-22 and 23 of the original PP.

IV. Chad Technical Assessment

The central purpose of the Chad component of the amended SRFMP will be to provide sustained technical assistance and training (primarily on-the-job and through in-country programs) that prepares GOC agencies to manage financially the increasing flow of AID resources (See Table 2) consistent with Section 121(d) requirements and with the concern that its precepts be applied also to ESF and PL 480 generated counterpart funds.

ON-GOING PROGRAM (FY 83/84 FUNDED ACTIVITIES)

TABLE 2

	(\$000)
1. Provision of heavy trucks to CARE/Chad for food delivery	1,289
2. Provision of medicines and medical supply (I and II)	1,385
3. Road building heavy equipment repair and Food-for Work road rehabilitation	585
4. Food-for-Work road repair	387
5. AFRICARE vegetable gardening	380
6. CARE inland transport for food delivery	627
7. CARE agricultural infrastructure restoration I	950
8. UNDRO warehouse repair	225
9. ESF cash transfer	3,000
10. UNDRO inland transport grant	500
11. Sahel Manpower Development II	184
12. Africa Resettlement Services and Facilities:	
A. Private enterprise and technology activity (N'Djamena)	1,000
B. Abeche rural development activity	3,000

13. PL 480 FY-1983 (23,382 MTS)	8,700
14. PL 480 FY-1984 (13,500 MTS)	5,936
15. PL 480 Managerial and Financial Support	225
16. Health Planning Unit Restoration	<u>2,000</u>
	TOTAL 30,373

PLANNED PROGRAM (FY 1985 FUNDED ACTIVITIES)

	(\$000)
1. ESF Ag Sector Support	5,000
2. Development management training	725
3. Seed multiplication	3,000
4. Agricultural research (soil and seed laboratories)	5,000
5. CARE agricultural infrastructure restoration II	1,000
6. PL 480 managerial and financial support	1,000
7. Sahel Manpower Development II	184
8. PL 480 Program	<u>2,000</u>
	TOTAL 17,909

Note: date 1/6/84

The AID program currently and for some time to come directs its assistance through the Ministry of Planning and Reconstruction (which has the fixed accounting responsibility) to the Ministries of Public Works, Health, Agriculture and Rural Development, and Natural Calamities.

Subsidiary ministries which may be involved in AID activities include those of Animal Husbandry, Transport and, to the extent ESF funds are handled, Finance.

Annex G-1 of the original project paper provided a detailed analysis of the institutions in each country with which AID worked or which might provide financial management and technical assistance services. That analysis also identified the organization within which this project would set up its operation. Such an assessment is still underway in Chad and is not available for this PP supplement.

Nevertheless, experience to date indicates that the skeletal financial accounting system of the GOC has certain fiduciary and internal control strengths that can be built upon to overcome natural weaknesses in budgetary controls and reporting. This view has been reinforced by observations of one SRFMP expert who has already begun adapting "Financial Management Guidelines" as used elsewhere in the Sahel by SRFMP to the needs of the Ministry of Plan which will manage the AID's first local currency activity in Chad; Phase II of the "Heavy Equipment Repair and Road Rehabilitation" sub-activity of the Relief and Rehabilitation Project (677-0041.3).

An initial survey of concerned ministries indicates that they recognize the types of responsibilities they will have to assume with respect to future AID assistance. That survey also revealed the need for basic materials and training that will enable the ministries to manage AID's funds responsibly. They have expressed a desire for resident assistance which would not only provide ongoing training to the inexperienced accounting and management staffs of the ministries, beginning with the Ministry of Plan, but also materially assist them in instituting and

maintaining accounting and financial management systems for donor, especially American, assistance flows.

V. Evaluation and Possible Future Modifications

A mid-term evaluation of this project is now scheduled for June 1984. It will assess project progress and impact to date and recommend modifications which may improve project implementation. One of the specific items which will be explored will be the question of whether or not specialized and/or expanded project resources will be needed in the future to: a) continue the existing program beyond the current PACD and/or b) provide financial management assistance for growing PL 480 and Economic Support Fund (ESF) activities in the region.

There is insufficient information at this time to justify additional project funding increases or significant modification to the scope of services. PL 480- and ESF-related financial requirements currently seem to be satisfactorily managed by existing project resources.

VI. Status of Project Activities by Country (as of 1/30/84)

Mauritania has been assisted in several ways during the first year of project operations: short-term experts have assessed the status of accountability under current projects and have designed basic accounting systems for a new health services project as well as several sub-projects which are scheduled to receive PL 480 counterpart funds. A one-week workshop was conducted on basic project accountability and was

enthusiastically attended by both USAID and GIRM officials. Follow-on short-term assistance has also been provided to train the health services project accountant, and plans are being firmed up for helping the GIRM Food Security Commission establish an in-house management training unit. Opportunities for SRFMP activity have been greater than anticipated during the initial project design, resulting in increased demands for help from the SRFMP Team Leader in Dakar and from project headquarters staff.

Cape Verde has very little SRFMP attention to date, except for an assessment of the current state of accountability, made in conjunction with a quarterly review of USAID-financed projects. Accounting practices were generally considered adequate, but interest has been expressed in follow-on workshops on financial management. A further analysis of training opportunities is to be made in March 1984 by the SRFMP Team Leader in Dakar and the headquarters Training and Materials Development Officer.

Senegal has also been the recipient of project activities substantially greater than initially contemplated. Early after the SRFMP Team Leader's arrival, a needs assessment of accountability under all USAID-financed projects in Senegal was conducted by a Senegalese chartered accountant, financed jointly by the USAID and SRFMP. Follow-up activities have begun, with on-site project technical and training assistance. A two-day workshop was also conducted in early February 1984 for all USAID Project

Officers, and attended by representatives of the GOS. Discussions have also begun with GOS officials concerning the locus for on-going training activities. The Office of Organization and Methods (B.O.M.) in the Office of the President has expressed considerable interest in SRFMP training activities - they are the principal coordinator of all GOS training, and conduct some management training programs themselves. Discussions are continuing with the B.O.M.

Because the Team Leader in Dakar has also had responsibilities for SRFMP activities in Mauritania and Cape Verde, there has been insufficient time to adequately respond to all opportunities for systems design and employing a Senegalese team member (not provided for in the original Project budget, but covered from project contingency funds), it has become evident that the need for and interest in increased activities demand that the present team stationed in Dakar devote more if not all its time to financial management improvement activities in Senegal.

The Mali situation is similar to Senegal in that a Malian institution has not yet been identified as the locus for on-going financial management consulting and training activities. Because of critical project financial management problems at the time the SRFMP team began operations, the USAID requested that the Team initially be located within the USAID. It was agreed, however, that a Malian institution would be identified during the first year of SRFMP activities, and the team is now beginning its search for such an institution.

Team activities to date have concentrated on assessing specific technical and training requirements and project site follow-up. The Mali Team has also selected "Planning and Budgeting" as a priority training subject and will be concentrating during early 1984 on developing a basic training manual and workshop on this subject for use throughout the Sahel.

In Upper Volta, the SRFMP Team is organizationally located in the Direction de Controle de la Gestion in the Ministry of Rural Development, and, despite the change in government, has been highly successful in pursuing its technical and training assistance activities. Coordination of SRFMP activities with other USAID financial management improvement activities has also been excellent; joint efforts have been conducted in developing a new system of project financial reporting requirements, and conducting workshops on those requirements.

In Niger, changes in the Director of ENA and the Minister of Plan resulted in a temporary hiatus in project activities immediately after the arrival of the SRFMP team in Niamey. Although agreement had been reached that ENA would be the locus for SRFMP operations, the new Director was uncertain about the involvement of ENA and has declined to give his approval. Subsequent discussions have been held to review other possibilities, with the Ministry of Plan a distinct possibility. In the meantime, the SRFMP team has conducted workshops and follow-up activities with priority projects as identified with USAID.

In The Gambia, a delay in implementation was encountered when the GOTG turned down the SRFMP's first candidate for the resident Training Specialist. The second nominee was accepted and arrived in Banjul at the end of September 1983. Short-term consultancies have also been provided, to develop a preliminary training plan and to assist in the preparation of training materials. The first extensive training course is scheduled to start at the end of February 1984, under the auspices of the GOTG Establishment Office. It is still expected that the SRFMP training program will be placed into the program of the new Management Development Institute when it becomes functional. Support of SRFMP activities in The Gambia remains very good, with interest and involvement by the Office of the President and the Ministry of Finance.