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CHEMONICS
INTERNATIONAL CONSULTING DIVISION

END OF TOUR REPORT
KIMBERLY J. DEBLAUW
ADMINISTRATIVE DIRECTOR

SUBMITTED TO

THE MINISTRY OF RURAL AFFAIRS AND AGRICULTURE

AND TO

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BY

CHEMONICS INTERNATIONAL CONSULTING DIVISION

CONTRACT GOB/AID-511-059-008-HCC

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I. BACKGROUND

Due to the increasingly excessive administrative and technical demands placed on the Chief of Party of this Project, in 1984 it was decided that the position of Deputy Chief of Party, or Administrative Director, would need to be created in order to permit the COP to dedicate most of his time to the technical planning and progress of the project. Until this time, the COP depended upon local administrative staff as well as on frequent consultation with the Project Supervisor and Project Administrator of Chemonics/Washington, D.C.

The support from Washington was required primarily for the purposes of drafting and negotiating amendments to the contract, of maintaining and reworking the contract budget, and of recruiting new advisers for technical assistance, in addition to regular project back-stopping. All other administrative matters, such as the hiring of support staff, supervision of local accounting operations and day-to-day administrative needs were handled by the COP, in conjunction with local support staff.

Nevertheless, by 1984, the technical assistance contract had been amplified to include nine different advisers, and three regional support offices and teams in Santa Cruz, Sucre and Yacuiba, (in addition to the central office in La Paz). The staff was strained to meet the extensive accounting and administrative needs of the greatly augmented technical team. The COP found himself burdened with the demands of overseeing administrative matters and delegated more responsibilities to local staff as restraints were placed upon him, particularly by the need to travel and coordinate between the advisers in different cities.

Consequently, Dr. Bernard Delaine, a former Chemonics employee who had worked on a project in Senegal, was contracted on a short-term basis in July of 1984 to take upon the administrative functions of DCOP. The results of Dr. Delaine's work with the Project convinced both the COP and the Supervisor in Washington that a permanent position would need to be established. Dr. Delaine was able to deal with several important issues during his stay, including:

1. The hiring of additional support staff to sustain the increased work loads both in the interior and in La Paz.

2. The establishment of salary adjustments and authorization of U.S. dollar salary payments.

3. The creation of a dataBase computer programming system by which monthly accounts could be classified, thus replacing the system of hand-written ledgers.

4. The extension of insurance premiums for contract-purchased vehicles and equipment.

5. The creation of a Training Plan as part of the technical assistance component of the project and coordination of planned events, including courses given locally by advisers or foreign instructors, as well as assistance for Bolivian participants in courses held abroad.

As a result of Dr. Delaine's work, in April of 1985, Amendment 15 to the Contract was drafted and approved in July 1985. This amendment established the Administrative Director (DCOP) as a long-term permanent position. Among the responsibilities for this position set forth by the amendment were:

1. Administer the resources of the Contractor, including carrying out disbursement of funds, supervision of accounting, budgetary control, inventory control and local procurements.

2. Supervise local support personnel, including administrative personnel and drivers.

3. Take charge of the administrative support for the technical personnel of Chemonics.

4. Provide support in report production and other publications.

5. Coordinate with local institutions involved in the T-059 Project in identifying training needs and in identifying and selecting candidates.

6. Inform the institutions and potential candidates about the opportunities of training outside the country. Facilitate presentation of candidates to MACA and USAID.

7. Support in the organization of courses in Bolivia and in recruiting instructors.

II. STATUS OF PROGRAM AT BEGINNING OF ASSIGNMENT

I was recruited from the Chemonics/Washington, D.C. office--a situation which provided the advantage of familiarity with the personnel and procedures employed by Chemonics' Home Office. In addition, I had worked with the Ag Sector II Project in Washington and was familiar with the Project's history, its technical work and with standard AID regulations and procedures.

Upon arrival in May 1985, I encountered a situation of relatively smooth administrative operation with some minor problems. Unfortunately, the local accounting/administrative staff had become accustomed to directing most of their responsibilities with little or no prior consultation with the Administrative Director. This condition made it difficult to determine initially where problem areas existed. What was most evident was the lack of adequate communication channels by which different levels of personnel could receive information--a problem complicated by the information flow from each of the three interior offices. There was also a need to reorganize and redefine job responsibilities among personnel, as well as to instill some systematization to establish procedures which would result in better communications, within and among offices in Bolivia, and also with the Home Office in Washington.

The problematic communication system impeded initial definition of specific problem areas, but through personal visits to each of the field offices and periodic meetings with La Paz staff, a clearer picture was obtained. Nevertheless, it was not until the departure of the two local Administrators in La Paz that a truly accurate review of the administrative/accounting system could be made.

The training component of the Project had been duly defined and scheduled, but the frequent occurrence of labor and transport strikes had prevented the completion of the original training plan.

III. PROGRESS

A. ADMINISTRATIVE AFFAIRS

After a month-long "orientation" period with the Project in La Paz, during which time I worked as a short-term employee, I returned to Chemonics/Washington to prepare for a permanent move to La Paz and also to attend a week-long in-house seminar on Project Management and Administration. The seminar proved to be extremely useful for the discussion and establishment of policy as well as for the presentation of general USAID procedures and rules. I discussed particulars of the Project with accounting and supervisory chiefs. They expressed concerns about the lack of appropriate financial documentation from the La Paz office. Recommendations were received for improved systems that would provide greater answerability to Chemonics/Washington.

Unfortunately, the proposals presented to the local administrative office in La Paz were not well-received. In fact, there was an alarming resistance to any sort of change in procedures utilized for both accounting and administrative matters. Given this resistance, I turned instead to closer analysis of procedures in use and issued a series of administrative memorandums for all staff on matters that had proven to be confusing or problematic. Among the areas addressed were: establishment of new per diem levels (including a new level for local-hire professional advisers) and instruction in the calculation to be used in Expense Reports; new forms and procedures for procurement requests; definition of company policy on the personal use of project vehicles; definition of benefits conceded to

local-hire advisers; management of petty cash funds; and others. In addition, a meeting between each of the regional bookkeepers and the La Paz administrative office was held in La Paz. During the meeting, several questions and policy clarifications were made on various issues and uniformity was established for different procedures.

The principal administrative accomplishments of this tour are summarized below:

1. Budget Analysis: While in Washington, the Project Administrator and I reviewed the contract budget and updated cost projections. Consultation with the COP led to further changes in projections staying within the budget established by Amendment 15. Throughout my tour, I continued to modify these budget projections when significant changes were made in technical work or financial planning that would influence the budget balance. By trimming the budget to nearly exact costs during the final months of the Project, we avoided having to draw up an Amendment 16 for the purposes of reassigning funds between line items. A significant advantage was achieved for the Project by having this type of analysis carried out directly in La Paz, instead of in Chemonics/Washington.

As the contract drew to an end, I prepared monthly control summaries which indicated total amount invoiced, amount projected and remainder. These summaries enabled the COP to make appropriate technical plans, based on up-to-date financial information.

2. Personnel Matters:

a. New Employment: With the signing of Amendment 15 by MACA and USAID in August, 1985, employment letters for new long-term seed adviser Ing. Diógenes Chávez and for short-term seed adviser Ing. Julio Ioredo were signed. An administrative briefing was also given to Dr. Claudio Bragantini, long-term seed adviser recruited from Brazil in August.

Other new employees added to the local staff included a new administrator (expat) and a secretary for the La Paz office.

b. Medical Insurance: In fulfillment of a long-standing promise to augment the deficient insurance provided by national social security, in September a contract was signed with a local insurance company to provide complete medical coverage for all local staff. Although somewhat reticent in payment, the company has provided some advantage in obtaining superior medical attention at reduced cost. A survey was conducted of personnel opinions regarding the quality of coverage and service.

c. Employment Termination: During the period, seven local support employees and one local adviser terminated their employment with Chemonics. In each case, termination followed the legal procedures established by law.

d. Legal Consultation: In April 1986, a legal adviser was contracted in La Paz to assist with interpretation of constantly-changing government decrees that directly affected treatment of personnel and payroll calculations and also to assist with close-out procedures.

3. Report Production: During the tour, numerous reports were published locally, using a system of mimeograph and hand-collation. Editing was done by the COP and DCOP. Translations were also produced locally by the bilingual secretaries of the La Paz staff. The following reports were successfully completed:

a. Semi-Annual Progress Report for the first semester of 1985 (English and Spanish).

b. Semi-Annual Progress Report for the second semester of 1985 (English and Spanish).

c. End of Tour Report by Dr. Adriel E. Garay on the seed program in Santa Cruz (English and Spanish).

d. End of Tour Report by Dr. Edgar R. Cabrera on the seed program in Chuquisaca (English and Spanish).

e. Administrative report on the soil conservation course of November, 1984 by Ing. Juan Arandia S. (Spanish).

f. Preliminary Report on Soil Conservation in Bolivia by Mr. Frederick C. Tracy and Ing. Juan Arandia (Spanish).

g. Report on the Seed Program Development in Various Countries, by Mr. Nicholas Minot (Spanish).

h. Paper on Seed Marketing by Dr. Preston S. Pattie and Lic. Gover Barja (Spanish).

i. Summary Report of the III National Round Table on Seeds (Spanish).

j. Proposed plan of activities for CICTAR for future years, by Mr. Miguel Ibáñez and Dr. Preston S. Pattie (Spanish).

k. Project for ADEPACH to obtain funding for activities of the cotton production program in the Gran Chaco, by Ing. Víctor González and Dr. Preston S. Pattie (Spanish).

l. Summary Report of the Seminar on Marketing and the Role of Certification, by Dr. Preston S. Pattie and Dr. Juan A. Landívar (Spanish).

As of my departure date, the reports left to publish to complete the Project requirements were:

a. Summary Report of the IV Round Table on Seeds (Spanish).

b. End of Tour Reports (English and Spanish) for:

Dr. Preston S. Pattie
Dr. Juan A. Landívar
Dr. Claudio Bragantini

Ing. Víctor Gonzáles
Ing. Diógenes Chávez
Ing. Julio Loredo

c. Final Report of Chemonics (English and Spanish) (to fulfill requirements of Semi-Annual Progress Report for second semester 1986).

d. Summary Report of Soil Conservation in Bolivia, by Mr. Frederick C. Tracy and Ing. Juan Arandia (Spanish).

The distribution of each of these reports varied according to Project directives and the demand within the sector. Some were published for presentation at one of the Round Tables on Seeds, others were the result of courses or seminars. Many were "advertised" in the CICTAR bulletin to reach a wider audience.

4. CICTAR Support: With the approval of Amendment 15, operating funds for CICTAR were to be drawn directly from Chemonics' budget. As a result, CICTAR transferred its supplies and equipment to a Chemonics' office and began operating under its own budget, with disbursements made directly from the La Paz petty cash fund. The system worked quite well and at the end of each month, I prepared a budget control summary to enable the adviser of the group to plan travel, purchases, etc. This support terminated in accordance with contract stipulations, in April 1986.

5. Procurement: I initiated a control of procurement requests made on behalf of Chemonics or other institutions to Washington. Few large items were purchased as most major equipment purchases had already been made. Assistance was provided with the specifications and reception of seed plant equipment purchased by the Project. Computers were installed in each of the Chemonics' regional offices and maintenance contracts were signed for them.

6. Audits: After discussing with Washington supervisory personnel the state of accounting, inventories, etc. of Chemonics/Bolivia, it was decided that an internal audit by the Financial Management Specialist and/or Project Administrator would be required before termination of the contract. In preparation for this audit, initial updating was designated as the responsibility of the local co-administrator, who had been with the project for 5 years and was personally responsible for the accounting. However, due to the lack of progress, I also became involved in the updating of records which included the review and in some cases, reconstruction of accounting documents for a portion of the contract period. Financial reports for Chemonics/Washington were reinstated as were check registries and other reports. Subsidiary and Special Accounts were also reconstructed for the duration of the contract. Inventories were reconstructed with the assistance of Mr. Nelson Saavedra, employee of the MACA Coordination Unit. Personnel records were also updated, including vacation status and file review. Insurance records were updated to include the final policy extension for vehicles and edifice contents from January through September 1986.

As a result of the internal audit, some new policies arose, including the use of a singular exchange rate in monthly accounts (the average if many were used); and the institution of a rotating fund system for petty

cash expenses (whereby checks are drawn and drafts are made to each office, based on "reimbursement" of actual expenses made). Other policies were clarified, particularly those related to the project close-out. The contract budget was reanalyzed with input of Home Office expenses (such as Overhead and Fringe Benefit rates).

The internal audit also prepared the accounting office for audits by MACA (carried out in March 1986) and USAID (currently in progress).

B. TRAINING COORDINATION

This component of the technical assistance program was designated to the Administrative Director due to time restraints on the part of technical advisers. However, the technical advisers contributed significantly to the elaboration of a Training Plan and in the design and completion of several courses conducted within Bolivia. They also were responsible for the selection of Bolivian candidates for participation in advanced training sessions held abroad in CIAT-Colombia and in CENTREISEM in Pelotas, Brazil. Since the latter training was financed directly by Project funds and not through Chemonics, the DCOP's responsibility was limited to coordination between the advisers, candidates, MACA and USAID for the processing of applications, confirmation of participants, etc.

The role played in the coordination of local courses was more significant, but local support personnel were successful in coordinating travel arrangements, per diem payments and purchases for the courses. Two Soil Conservation courses, which were held in Coroico and Patacamaya (La Paz Department), required extensive coordination since the courses were held outside of Chemonics' offices and were conducted by international as well as local experts.

Local staff also provided significant assistance in the organization of the Round Tables on Seeds. Without their support, these events would have probably never occurred. In spite of the intention of motivating local institutions to finance and coordinate these Round Tables, progress has been slow and indicates that the lack of Chemonics' support may be detrimental to the continuance of these events.

In November 1985, a Letter of Understanding was signed between the MACA Coordination Office and representatives of PL-480 whereby certain expenses incurred by Chemonics in the execution of courses or meetings dealing with the seed program would be reimbursed with PL-480 funds. The events approved for reimbursement included:

- a. Meetings of the National Seed Commission
- b. Course on Foundation Seed (Santa Cruz)
- c. Course on the Use of Agricultural Machinery in Seed Production (Yacuiba)
- d. Course on Seed Certification (Sucre)
- e. IV Round Table on Seeds (Yacuiba)

The La Paz accounting office and Administrative Director were responsible for collecting necessary receipts and for preparing the documentation required by PL-480, which included a brief report from the instructor on the objectives, program and results of the course and a summary of expenses

made. All reimbursements were made in pesos in accordance with PL-480 regulations.

The following chart lists all of the courses successfully completed during my tour:

IN-COUNTRY TRAINING PROGRAM

DATE	EVENT	PLACE	BY	PARTICIPANTS
<u>1985</u>				
June	Usage of Improved Seeds	Sucre	CARRERA	20
June	Soil Conservation Course	Sorata	BALDERRAMA	20
August	III National Round Table on Seeds	Sucre	CHEM/MACA	120
September	Soil Conservation Course	Coroico	TRACY	27
October	Soil Conservation Course	Patacamaya	GANDARILLAS	30
October	Seminar on Foundation Seed	Santa Cruz	LANDIVAR	19
November	Seed Production and Agricultural Machinery	Yacuiba	CHAVEZ LANDIVAR	30
<u>1986</u>				
January-April	Seminar on Seed Marketing and the Role of Certification	Sucre Yacuiba Cochabamba Santa Cruz Potosí Tarija	PAETLE LANDIVAR	197
February	Basic Course on Seed Certification	Sucre	BRAGANTINI LOREDO	14
April	Potato Seed Certification	Chuquisaca	BRAGANTINI MACA	45
June	Seed Certification and Internal Quality Control	Santa Cruz	LANDIVAR BRAGANTINI LOREDO CHAVEZ PESKE	32
July	Soil Conservation Course	Yacuiba	BALDERRAMA	40
July	IV National Round Table on Seeds	Yacuiba	CHEM/MACA	110

TRAINING OUTSIDE THE COUNTRY

DATE	EVENT	PLACE	BY	PARTICIPANTS
<u>1986</u>				
March	Foundation Seed Production	Pelotas BRAZIL	Univ. de Pelotas	2
July- August	Management of Seed Pro- cessing Plants	Cali COLOMBIA	CIAT	2
<u>Projected:</u>				
Sept- Nov	Seed Production: Tropical Crops Andean Crops	Pelotas BRAZIL	CENTREISEM	7

In addition to formal course participation, the training component offered funding for a series of "exchange" visits between the leaders of regional seed certification services as well as travel to La Paz for legal/administrative work by the National Seed Director and the head of ADEPACH (Cotton Producers' Association--Yacuiba). Four meetings of the National Seed Commission were also sponsored by the Project in various cities of Bolivia.

Other "training" received outside the normal technical sphere was that provided by advisers for their support staff in the use of various computer programs, including: WordStar, SuperCalc, DataBase and Basic Programming. Nearly all staff members learned to use at least one of these programs, thereby facilitating their work.

IV. CONCLUSIONS AND RECOMMENDATIONS

A. ADMINISTRATIVE MATTERS

Although the Chemonics/Bolivia offices had developed a well-established administrative and accounting system over the six-year life of the Project, there were some areas ripe for change due principally to the auto-managerial attitude of the local support staff. The initial systems set up for the accounting office, for instance, were well-organized and simple. However, insufficient attention was given to this area on the part of the supervisory staff. This situation can be explained by the unexpected rapid growth and extension of the contract, which made close supervision difficult, if not impossible.

Thus, the most important recommendation is that for projects that lack a designated Administrative Director position, the COP or Project Adminis-

trator should maintain close contact with local operation, including spot checks of books, registries, inventories, etc. For a project of this size, however, the administrative management has proven to be a task too demanding for a single COP; still many issues cannot be handled "from afar" by the Home Office. Under such circumstances, a DCOP is definitely a necessity.

To alleviate the communication problems that also arise from such a situation, a series of measures should be implemented, including:

- monthly information letters to all staff that elaborate on policies, (could include a Schedule of Events for the following month);
- constant interaction with and between the COP, advisers and local staff through verbal or written messages (I estimate that 70 percent of my time was spent on this);
- distribution of "Meeting Notes" from inter-institutional or technical meetings to administrators;
- open discussion or surveys of staff members concerning certain policy issues through which different opinions may be solicited;
- close contact with Home Office personnel by which they are kept abreast of important issues so their advice may be solicited when necessary.

The person who assumes the role of administrative supervisor should be well aware of the functions and needs of the Home Office, particularly the accounting office. Without this insight, it is difficult to prepare or improve upon local systems which must answer the Home Office's needs.

As for recommendations in particular task areas, I would emphasize the salience of legal consultation. All projects, especially ones of this size and duration, should contract a local lawyer to interpret local labor law for application in: employee hiring and termination, payroll calculations and contributions to state institutions, taxes, and close-out procedures, etc. Such advice is invaluable in a situation in which the team does not have the legal infrastructure of an institution such as is AID and where the local law is under constant modification.

In general, systems should be adopted whereby personnel can rely on and be expected to follow certain procedures for areas such as procurement requisition and accounting tasks. Specific practices in the latter area that were of particular assistance were the use of a single exchange rate for monthly reporting and the implementation of rotating funds for individual office expenses. These measures were made necessary by the uncontrolled local inflation rate and the daily fluctuation of exchange rates. The processing of local accounts was also greatly simplified by the DataBase program which also provided accuracy in classification and calculation. Naturally, the systems adopted for a project depend to some extent on local conditions, but in any case, flexibility is the key.

Finally, there is no substitution for direct participation as a method of learning about and modifying local procedures. By actually doing the work, I was able to supervise it better and understand when confusion or suggestion for better procedures arose.

B. TRAINING COORDINATION

In this area I have few recommendations since this component was fairly trouble-free. It was definitely an asset to have a Training Plan with which to work, even if subsequent changes brought on by time restraints or strikes partially transformed it. Flexibility also permitted the addition of previously un contemplated courses as other institutions came up with new proposals and plans.

As for training abroad, we were able to send participants fairly easily once the requirements of USAID were understood by applicants. It is important that these requirements be explained clearly to avoid serious timing problems in the processing and approval of applicants by USAID.