PD# ABH-451

A.I.D. EVALUATION SUMMARY - PART I

IDENTIFICATION DATA

A. Reporting A.I.D. Unit: **USAID/NICARAGUA** Evaluation Number: 93/1	B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes X Slipped __ Ad Hoc __ Evaluation Plan Submission Date: FY: 92 Q: 3	C. Evaluation Timing Interim __ Final X Ex Post __ Other ____

D. Activity or Activities Evaluated (List the following information for project(s) or program(s); if not applicable list title and date of the evaluation report.)

Project No.	Project/Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (mo/yr)	Planned LOP Cost (000)	Amount Obligated to date (000)
524-0301.04	Public Sector Support	1990	3/31/93	7,780	7,780

ACTIONS

E. Action Decisions Approved by Mission Director - Actions Required:	Name of Officer Responsible for Action	Date to be Completed
1. Send copies of the evaluation and follow-up report to the government entities involved in the project, including the Office of Public Property, to provide notice of problem areas and recommendations addressed specifically to the government and to provide basic information required for follow-up actions.	J. Corley	Completed
2. Sign agreements with the Central Government, Alcaldia of Managua, and National Assembly (which in turn would sign similar agreements with institutions under their jurisdictions) outlining requirements and control procedures for the use of vehicles.	J. Corley	Completed
3. Contract Price-Waterhouse to reconcile commodity purchases and deliveries with project documentation and determine unit values and other information as recommended.	J. Corley	Completed
4. Work with the government to validate costs and documentation to allow duty-free entry of goods, including certification of original copies.	J. Corley	Completed
5. Distribute remaining vehicles and equipment based on assurances of proper use and care through signed agreements and other follow-up work.	J. Corley	Completed
6. Close out the project based on proper assurances related to evaluation recommendations.	J. Corley	Completed

APPROVALS

F. Date of Mission Review of Evaluation: April 23, 1993

G. Approvals of Evaluation Summary and Action Decisions:

	Project Officer or Program Officer	Evaluation Officer	Representative of Borrower/Grantee	Mission Director
Name (Typed)	J. Corley	Todd Amani		Janet Ballantyne
Signature	Todd Amani	Todd H. Amani		Janet Ballantyne
Date	1/5/94	11/30/93		1/10/94

ABSTRACT

H. Evaluation Abstract: After the 1990 presidential election of President Violeta Chamorro, many government employees from the outgoing Sandinista government took with them office equipment - vehicles, air conditioners, and furniture. The Public Sector Commodity Support Project was designed to address an urgent need by the newly elected Chamorro government for office equipment, furniture, and vehicles needed to ensure the provision of basic public services.

Accomplishments - In general, the team felt that the project has contributed to the rendering of essential public services by providing urgently needed vehicles, and equipment to key government agencies. Their evaluation of project accomplishments indicated that 1) the Ministries and offices of the Government of Nicaragua (GON) have made general provisions in their respective budgets for the operational costs and the maintenance of the vehicles and equipment procured under the project, 2) project goals have been gradually achieved; GON officers and key employees indicate that the equipment received has helped them considerably in performing their assigned functions more efficiently and to be more responsive to demand for public services, 3) GON ministries and offices favored with the vehicles and equipment procured under the project have, in general, established basic inventory controls in connection therewith, and in some cases they have implemented monitoring and follow-up programs, 4) the project has had a positive impact on the GON's ability to render public services, 5) commodities received were installed and appeared to be in good operating condition, and were being used for the project's intended purposes, 6) the GON's General Procurement Office maintains a control structure adequate for discharging its receiving, physical custody and delivery responsibilities under the project, and 7) the Secretariat of the Presidency has maintained files and records that identify the GON's Ministry or office that received vehicles and the name of the officers to whom the vehicles were assigned, as well as a signed document evidencing these facts. Based on the generally positive impact of the project on the GON's ability to render public services, the team recommended that the Mission of USAID in Nicaragua continue to provide assistance to the GON under the Public Sector Commodity Support Project.

Problems and Recommendations - The team also noted a series of problem areas and constraints including delays in providing vehicles and equipment; poor communication of recommendations by project managers; the need for a reconciliation of commodities purchased and received, exemption of import duties, distribution decisions, notification of the Public Property Office, and inspection of furniture purchases; concerns about proper vehicle use; lack of accounting for project commodities or use of responsibility cards; and the need for a plan to address recurrent costs. Based on these findings the team recommended a series of actions to deal with each problem and in many cases outlined "lessons learned" related to each area that would be relevant to project design of similar projects in other countries. The lessons learned included the importance of having a mechanism for decisionmaking related to distribution outlined in the project agreement or a memorandum of understanding that can be used on the absence of consensus, the need for pre-award surveys of recipients to assure proper inventory management, tracking of recommendations made by project managers, and early review of government control systems.

COSTS

I. Evaluation Costs

1. Evaluation Team Name / Affiliation	Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. $)	Source of Funds
Price Waterhouse	524-0301-0-00-3001-00	$20,738	Project: 524-0301.04 (ESF)

2. Mission/Office Professional Staff Person-Days (estimate):	3. Borrower/Grantee Professional Staff Person-Days (Estimate):
N/A	N/A

SUMMARY		
J. Summary of Evaluation Findings, Conclusions, and Recommendations (Try not to exceed three (3) pages) Address the following items: • Purpose of Evaluation and methodology used • Purpose of activity(ies) evaluated • Findings and conclusions (relate to questions) • Principal Recommendations • Lessons Learned		
Mission or Office: USAID/Nicaragua	Date This Summary Prepared: Nov. 6, 1992	Title and Date of Full Evaluation Report: Evaluation of the Public Sector Commodity Support Project - For the period from September 25, 1990 to August 31, 1992.

After the 1990 presidential election of President Violeta Chamorro, many government employees from the outgoing Sandinista government took with them office equipment - vehicles, air conditioners, and furniture. The Public Sector Commodity Support Project was designed to address an urgent need by the newly elected Chamorro government for office supplies and materials needed to ensure the provision of basic public services. Funds were provided to the GON for the purchase of office equipment, furniture, and vehicles. The Ministry of the Presidency coordinated the effort to identify and prioritize GON needs and presented a list to USAID. This list was reviewed by USAID for eligibility under AID procurement guidelines. A Procurement Services Agent (PSA) assisted by identifying potential suppliers, establishing responsive and responsible procurement systems, and overseeing the actual procurement and receipt, inventory, and storage controls.

Because of the nature of the project, the evaluation effort included a reconciliation of actual commodities with documentation and end-use checks and was carried out by Price-Waterhouse. Their findings, conclusions (including lessons learned), and recommendations are as follows:

Accomplishments - In general, although some exceptions were noted, the team felt that the Public Sector Commodity Support Project has contributed to the rendering of essential public services by providing urgently needed vehicles, and equipment to key government agencies. Their evaluation of project accomplishments indicated that:

1. Although the accounting systems in place do not permit a direct identification, the Ministries and offices of the Government of Nicaragua (GON) have made general provisions in their respective budgets for the operational costs and the maintenance of the vehicles and equipment procured under the project.

2. The project goals have been gradually achieved. The large majority of the GON's officers and key employees interviewed during the evaluation share the opinion that the equipment received under the grant has helped them considerably in performing more efficiently their assigned functions and to be in a position to be more responsive to the demands for public services.

3. The GON ministries and offices favored with the vehicles and equipment procured under the project have, in general, established basic inventory controls in connection therewith, and in some cases they have implemented monitoring and follow-up programs.

4. The project has had a positive impact on the GON's ability to render public services.

5. Inspection visits to different Ministries and GON offices that had received equipment and vehicles under the project confirmed that the commodities received were installed and appeared to be in good operating condition, and were being used for the project's intended purposes.

6. The GON's General Procurement Office maintains a control structure adequate for discharging its receiving, physical custody and delivery responsibilities under the project.

7. The Secretariat of the Presidency has maintained files and records that identify the GON's Ministry or office that received vehicles and the name of the officers to whom the vehicles were assigned, as well as a signed document evidencing these facts.

Recommendation: Based on the generally positive impact of the project on the GON's ability to render public services, the team recommended that the Mission of USAID in Nicaragua continue to provide assistance to the GON under the Public Sector Commodity Support Project.

Problem Areas and Constraints

1. Considerable delays have been experienced in providing the totality of the vehicles and equipment procured under the project to the different Ministries and offices of the GON, which have hampered the attainment of project goals. Although the original PACD 9/25/91 was extended to 12/31/92 all commodities had not been received as of the evaluation date.

   Recommendation: That the Ministry of the Presidency obtain authorization from USAID/N to deliver commodities and vehicles to GON donor recipients; and, the Ministry of the Presidency provide assurances that all terms under the agreement with USAID be fully complied with and adequate control procedures recommended by the PSA be implemented. In the future it might be advisable to consider performing a pre-award examination of the intended recipients of federal aid to determine their capability in terms of organization, staff, and systems established. Provision for decisionmaking regarding distribution when there is a lack of consensus should be clear in the project agreement or memorandum of understanding.

2. There is no evidence to indicate that the recommendations previously made by the Project's Procurement Services Agent were formally made known to the GON or to its different Ministries and offices receiving equipment and/or vehicles under the project.

   Recommendation: That USAID provide the GON, through the Ministry of the Presidency, a copy of all recommendations made by the PSA or made by external project auditors. Generally, a tracking system for recommendations provided to counterparts should be established.

3. Reconciliations of the commodities selected under the project with those actually purchased, and between actual purchases and those received by the GON's General Procurement Office were not prepared. As part of the team's work, however, a reconciliation of the goods donated by USAID was prepared.

   Recommendation: That agencies benefiting from the donation be required to inform the Public Property Office and USAID/N of the location and intended use of all equipment and vehicles. USAID should be concerned whether recipients of federal assistance have a financial management information system in place in accordance with sound management and USAID requirements.

4. The Secretariat of the Presidency has not completed all legal procedures necessary to obtain the import duties exemption for all the equipment and vehicles donated to the GON under the project.

   Recommendation: That the Secretariat of the Presidency gather all original documentation concerning equipment purchased abroad and complete the procedures necessary to obtain import duty exemptions. Conditions precedent to disbursement should include import duty exemptions.

5. The Selection Committee required by Annex 1A to the project agreement was not fully operative. As a result, some decisions regarding commodities to be purchased and the allocation to recipient institutions had to be made by USAID.

Recommendation: That one member of the Selection Committtee from the Ministry of the Presidency and one from the Ministry of External Cooperation take an active role in deciding the priorities of the second delivery of equipment and vehicles. It may not always be in the best interest of the USAID to make decisions on matters for which the ultimate responsibility belongs to someone else, in this case the GON. USAID's role should be more oriented towards overseeing that appropriate actions are taken by the GON to create an environment more conducive to the attainment of project goals.

6. The Public Property Office had not been provided with sufficient information concerning the equipment and vehicles donated to the GON under the project.

   Recommendation: That the GON's General Procurement Office and the Ministry of the Presidency provide the Public Property Office with information that was lacking. It is important that USAID obtain sufficient knowledge of GON procedures in use to ensure adequate controls prior to project implementation.

7. The GON's General Procurement Office did not physically inspect the delivery of the furniture manufactured by Pierson Jackman nor did it confirm such deliveries with the recipient GON offices.

   Recommendation: That the GON request that all GON offices which received furniture directly from Pierson Jackman provide the necessary documentation to maintain accountability.

8. Although control procedures had been designed for the vehicles of the donation, GON and USAID/N officials reported that they felt that donated vehicles were not being used exclusively for official use. Some felt that the characteristics of most, if not all of the first 41 vehicles under the donation (air-conditioned sedans) contributed to the problem.

   Recommendation: That existing control procedures be reinforced to provide better assurances that vehicles provided under the project be used for official government use only. The USAID should establish beforehand the reliability of GON's control procedures of significance to the project, and impose restrictive clauses where necessary.

9. The GON Ministries and offices involved in this project have not implemented the use of responsibility cards for the permanent control over the vehicles and equipment of the donation. These cards should contain information regarding the location, custodian, transfers, and any other data considered necessary for maintaining adequate controls. Also, the financial accounting system followed does not provide for a quick and easy identification of all those assets donated by USAID.

   Recommendation: The capability of the systems and procedures instituted by the GON should be established and tested prior to disbursement of federal funds. If weakness in these procedures is evident, then the GON should be required to take corrective action as a CP or demonstrate having overcome such weaknesses within a reasonable time period.

10. There is no evidence to demonstrate that the PSA, working with the GON, prepared a plan establishing the recurrent yearly costs after the equipment warranties expire. This plan was required by Annex 1A to the grant agreement.

    Recommendation: That the Ministry of the Presidency require that the above plan be prepared and delivered prior to December 31, 1992. It is important that, in any future project of a similar nature, a high level official be appointed as an internal coordinator, specifically charged with monitoring the project on behalf of the GON so that all agreement terms and conditions are met.

ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation Summary; always attach a copy of the full report.)

The full evaluation report is attached: Evaluation of the Public Sector Commodity Support Project - For the period from September 25, 1990 to August 31, 1992. Dated November 6, 1992.

Also attached is a follow-up report that was considered part of the evaluation entitled, "Evaluation of the Public Sector Support Project - Phase II" dated December 18, 1992.

COMMENTS

L. Comments by Mission and Borrower/Grantee on Full Report

The evaluation was very useful in accounting for the disposition of nearly all the commodities purchased under the project and in confirming that there were only minor discrepancies between quantities ordered and actual purchases which were not considered problematic. The evaluation also provided useful information about the entities involved in project implementation. The broader purposes of the evaluation regarding how such a project might have been better designed and implemented were poorly addressed by the evaluation. The analysis was superficial and the lessons learned were too specific to be relevant to considerations of future projects of a similar nature in other locations.

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USAID/NICARAGUA PROJECT NO. 524-0301.04

EVALUATION OF THE PUBLIC SECTOR COMMODITY SUPPORT PROJECT

FOR THE PERIOD FROM SEPTEMBER 25, 1990
TO AUGUST 31, 1992

Price Waterhouse

EVALUATION OF THE PUBLIC SECTOR COMMODITY SUPPORT PROJECT

USAID/NICARAGUA PROJECT NO. 524-0301.04

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Price Waterhouse

November 6, 1992

Mr. James E. Corley
Contracting Officer
USAID/Nicaragua
Managua, Nicaragua

Dear Mr. Corley:

This report presents the results of our evaluation of the Public Sector Commodity Support Project, USAID/Nicaragua project No. 524-0301.04, executed for the period from September 25, 1990 to August 31, 1992.

I. EVALUATION SUMMARY -

A. Accomplishments -

In general, although some exceptions were noted, it is felt that the Public Sector Commodity Support Project has contributed to the rendering of essential public services by providing urgently needed vehicles, and equipment to key government agencies.

Our evaluation of project accomplishments indicate that:

1. Although the accounting systems in place do not permit a direct identification, the Ministries and offices of the Government of Nicaragua (GON) have made general provisions in their respective budgets for the operational costs and the maintenance of the vehicles and equipment procured under the project.

2. The project goals have been gradually achieved. The large majority of the GON's officers and key employees interviewed during our evaluation share the opinion that the equipment received under the grant has helped them considerably in performing more efficiently their assigned functions and to be in a position to be more responsive to the demands for public services.

3. The GON ministries and offices favored with the vehicles and equipment procured under the project have, in general, established basic inventory controls in connection therewith, and in some cases they have implemented monitoring and follow-up programs.

4. The project has had a positive impact on the GON's ability to render public services.

5. Our inspection visits to different Ministries and GON offices that had received equipment and vehicles under the project confirmed that the commodities received were installed and appeared to be in good operating condition, and were being used for the project's intended purposes.

6. The GON's General Procurement Office maintains a control structure adequate for discharging its receiving, physical custody and delivery responsibilities under the project.

7. The Secretariat of the Presidency has maintained files and records that identify the GON's Ministry or office that received vehicles and the name of the officers to whom the vehicles were assigned, as well as a signed document evidencing these facts.

Based on the generally positive impact of the project on the GON's ability to render public services, we recommend that the Mission of USAID in Nicaragua continues to provide assistance to the GON under the Public Sector Commodity Support Project.

B. Problem Areas and Constraints -

1. Considerable delays have been experienced in providing the totality of the vehicles and equipment procured under the project to the different Ministries and offices of the GON, which has hampered the attainment of project goals.

2. There is no evidence to indicate that the recommendations previously made by the Project's Procurement Services Agent were formally made known to the GON or to its different Ministries and offices receiving equipment and/or vehicles under the project.

3. Reconciliations of the commodities selected under the project with those actually purchased, and between actual purchases and those received by the GON's General Procurement Office were not prepared. As part of our work, however, we prepared a reconciliation of the goods donated by USAID under Project No. 524-0301.04 (see Appendixes IV through VII).

4. The Secretariat of the Presidency has not completed all legal procedures necessary to obtain the import duties exemption for all the equipment and vehicles donated to the GON under the project.

5. The Selection Committee required by section II of Annex 1A to the project agreement was not fully operative. As a result thereof, some decisions regarding commodities to be purchased and the recipient institutions had to be taken by USAID.

6. Dirección de Bienes del Estado (the Public Property Office) has not been provided with sufficient information on the equipment and vehicles donated to the GON under the project.

7. The GON's General Procurement Office did not physically inspect the delivery of the furniture manufactured by Pierson Jackman nor did it confirm such deliveries with the recipient GON offices.

8. Although control procedures had been designed for the vehicles of the donation, the interview process with GON and USAID/-Nicaragua officials disclosed cases where it was felt that the vehicles were not being used exclusively for governmental or public activities, as required by the project agreement. Some felt that the characteristics of most, if not all of the first 41 vehicles under the donation (air-conditioned sedans) contributed to the problem.

9. The GON Ministries and offices involved in this project have not implemented the use of responsibility cards for the permanent control over the vehicles and equipment of the donation. These cards should contain information regarding the location, custodian, transfers, and any other data considered necessary for maintaining adequate controls. Also, the financial accounting system followed does not provide for a quick and easy identification of all those assets donated by USAID.

10. There is no evidence to demonstrate that the PSA, working with the GON, prepared a plan establishing the recurrent yearly costs after the equipment warranties expire. This plan was required by Annex 1A to the grant agreement.

The details of our observations, summarized above, together with our recommendations and judgments regarding lessons learned for future A.I.D. projects, are presented in the Statement of Conclusions and Recommendations section of this evaluation report.

Yours very truly,

Price Waterhouse

II. STATEMENT OF CONCLUSIONS AND RECOMMENDATIONS

1. Considerable delays have been experienced in providing the GON with all the equipment and vehicles procured under the project, which has hampered full attainment of project goals and objectives.

Although the original Project Assistance Completion Date was September 25, 1991, subsequently extended to December 31, 1992, as of the date of our evaluation not all the goods financed under the grant had been furnished to the GON agencies scheduled to receive such commodities. The equipment of the second delivery (FY 1992) is still under the custody of the GON's General Procurement Office (Proveeduría General de la República - PGR), and the vehicles are still in the warehouse of the dealer (Casa Pellas).

Recommendation:

The Ministry of the Presidency should immediately seek an agreement or understanding with USAID/Nicaragua in order to obtain from the latter the authorization to deliver from the General Procurement Office and from Casa Pellas the commodities and vehicles to the GON agencies selected to benefit from the second delivery (1992) of the donation. To accomplish this task, the Ministry of the Presidency should provide proper assurances that the terms of the agreement will be fully complied with and that adequate steps will be promptly taken to strengthen applicable control procedures and to implement the recommendations previously presented by the Procurement Services Agent, and the recommendations presented in this current evaluation report.

Lesson learned:

Full cooperation and commonality of objectives have to be secured in order to prevent unnecessary delays in project implementation. Also, the convenience of having the grant agreement or the memorandum of understanding, as the case may be, defining what actions can be taken in case of lack of consensus on matters of significance to the project, should be carefully pondered.

Also, and to prevent unjustifiable delays in future project execution, USAID/Nicaragua may want to consider performing a pre-award examination of the intended recipient of federal aid aimed at determining its capability in terms of organization, staff, systems and established procedures to manage the assistance provided by A.I.D., and making sure that corrective action on matters of significance is required as part of the conditions precedent to disbursement.

2. Although various internal control issues were informally discussed by the PSA with GON officials, there is no evidence to indicate that all the recommendations made in writing by the Project's Procurement Services Agent were formally communicated to the GON or to its different Ministries and offices selected to receive equipment and/or vehicles under the project.

Recommendation:

USAID/Nicaragua should immediately furnish to the GON, through the Ministry of the Presidency, copy of all recommendations made previously by the Project's Procurement Services Agent or by external auditors of the Project, and require a response indicating which actions will be taken to correct all the weaknesses so identified, provided they remain valid. This request from USAID/Nicaragua to the GON should also refer to the recommendations which are part of this evaluation report.

Lesson learned:

Whenever an evaluation is made in connection with a USAID funded project, the recommendations resulting therefrom should be communicated promptly to the persons that do have the authority to act based on such recommendations. As a standard procedure, USAID/Nicaragua should establish a tracking system designed to keep informed on the status of all previously made recommendations affecting any of its financed projects.

3. Reconciliations of the commodities selected under the project with those actually purchased, and between actual purchases and those received by the GON's General Procurement Office had not been prepared.

As part of our work, however, we prepared a reconciliation of the goods donated by USAID to the GON under Project No. 524-0301.04 (see Appendixes IV to VII).

Recommendation:

The GON agencies benefiting from the donation should be required to inform the PGR, the Public Property Office, and USAID/Nicaragua of the physical location and intended use of all equipment and vehicles received from the donation, to facilitate establishing appropriate centralized control and evaluation of the degree of achievement regarding project goals and objectives.

Lesson learned:

USAID/Nicaragua, from the current experience, must be more concerned for future projects in establishing from the very beginning if the beneficiary of federal assistance has in place a financial management information system capable of capturing, recording, processing, summarizing, and reporting on project transactions/commodities in accordance with sound practices and USAID requirements.

4. <u>The Secretariat of the Presidency has not completed all legal procedures necessary to obtain the import duties exemption for all the equipment and vehicles donated to the GON under the project</u>.

Recommendation:

The Secretariat of the Presidency should gather all original documents in support of the equipment purchased abroad under the project, if not already in its possession, and complete all legal procedures necessary to obtain from the corresponding authorities the import duty exemptions.

Lesson learned:

USAID/Nicaragua should consider the convenience of requiring that, for future projects, and not to jeopardize project execution, the GON takes prompt action to obtain the import duty exemptions. The possibility of making this requirement part of the conditions precedent to disbursement should not be discarded.

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5. The Selection Committee required by section II of Annex 1A to the project agreement was not fully operative. As a result thereof, some decisions regarding commodities to be purchased and the recipient institutions had to be taken by USAID/-Nicaragua.

Recommendation:

As the second delivery of equipment and vehicles has not yet been made the GON, represented by the Ministry of the Presidency, should insist that the two members of the GON in the Selection Committee (one from the Ministry of the Presidency and one from the Ministry of External Cooperation) take an active role in deciding the priorities, the equipment that is needed, and the GON agencies more likely to make the best possible use of the assistance provided by USAID.

Lesson learned:

It is important to recognize that the ultimate responsibility for the success or failure of a project to improve the capacity of the GON to provide public and social services rests on the GON, and that it may not in the best interest of USAID to take decisions on matters for which the ultimate responsibility belongs to someone else. USAID's role, in future projects, should be more oriented towards overseeing that appropriate actions are taken by the GON to create the environment more conducive to the attainment of project goals.

6. Dirección de Bienes del Estado (the Public Property Office) has not been provided with sufficient information on the equipment and vehicles donated to the GON under the project.

Recommendation:

The GON's General Procurement Office and the Ministry of the Presidency should immediately provide the Public Property Office (Dirección de Bienes del Estado) with all the details regarding the equipment and vehicles received from the grant and delivered to the Ministries and offices of the GON.

Lesson learned:

It is important, for future projects, that USAID obtains beforehand a good knowledge of the procedures the GON intends to use to ensure adequate controls through the established management information system and on how monitoring and other verification procedures will be applied by the control units charged with that responsibility within the GON.

7. The GON's General Procurement Office did not physically inspect the delivery of the furniture manufactured by Pierson Jackman nor did it confirm such deliveries with the recipient GON offices.

Recommendation:

The GON's General Procurement Office should immediately request from all GON offices that received furniture directly from Pierson Jackman all necessary documentation in order to maintain complete and full accountability over the equipment received by the GON in donation.

Lesson learned:

It is necessary to maintain control over the equipment that under contract is delivered directly by the manufacturer to the different GON offices, as these direct transfers escape the control procedures already established by the PGR for all goods for which it is either responsible or has passed on the responsibility to other agencies within the GON.

8. The interview process with GON and USAID/Nicaragua officials disclosed cases where it was felt that donated vehicles were not being used exclusively for governmental or public activities, as required by the project agreement. Some felt that the characteristics of most, if not all of the first 41 vehicles under the donation (air-conditioned sedans) contributed to the problem.

Recommendation:

The GON and its different agencies receiving assistance under the project should reinforce existing control procedures to provide better assurances that the vehicles and equipment

provided under the project are used only for governmental or public activities. Monitoring and follow-up activities should take place to periodically determine compliance with the control procedure designed for the vehicles received under the grant.

Lesson learned:

USAID/Nicaragua should establish beforehand the reliability of GON's control procedures of significance to the project, and impose restrictive clauses or take other actions as deemed more appropriate.

9. The GON Ministries and offices involved in this project have not implemented the use of responsibility cards regarding the equipment covered by the agreement. Also, the financial accounting system followed does not provide for a quick and easy identification of all those assets donated by USAID.

Recommendation:

The GON should seek the support of USAID and/or of other donors to obtain long-term technical assistance for the critical review and possible design and implementation of a new integrated inventory management system for the entire government. In the meantime, the GON should renew its efforts to implement the individual recommendations previously made by the PSA in connection with USAID/Nicaragua project No. 524-0301.04 and those included in the presented report.

Lesson learned:

The true capability of the systems and procedures established by the GON should be established and tested beforehand, and in any event prior to the disbursement of Federal funds. Should a preliminary investigation and assessment indicate control weaknesses in areas of significance to the USAID funded project, the GON should be required to take corrective action as a condition precedent or to demonstrate having overcomed such weaknesses within a reasonable period of time.

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10. There is no evidence to demonstrate that the PSA, working with the GON, established a plan with the recurrent yearly costs after the equipment warranties expire. This plan was required by Annex 1A to the grant agreement.

Recommendation:

The Ministry of the Presidency should require that the above mentioned plan be prepared and delivered to its attention before the PACD of December 31, 1992.

Lesson learned:

It is important that any future project with the GON benefits from the appointment of a high level official as the project internal coordinator specifically charged with the responsibility for monitoring, on behalf of the GON, that all agreement terms and conditions are satisfactorily met and/or complied with.

III. DETAILED INFORMATION

A. Background:

When the Chamorro Government took office in April 1990, it faced severe difficulties in implementing an agenda of reconciliation and restructuring of Nicaragua.

The lack of available resources compounded the difficulties encountered, as without basic office supplies and information systems the newly elected government was not in a position to ensure the provision of essential public services or to design and implement programs responsive to the demands of the public. It was quite evident that the Chamorro Government required additional and immediate financing to be responsive to the critical social and economic needs and ensure the political and economic transition.

To provide much needed resources, on September 25, 1990, the Government of Nicaragua (GON) and the United States of America, acting through the Agency for International Development (USAID) signed a grant agreement for the undertaking of a project consisting in the procurement of urgently needed vehicles, equipment and materials for key government agencies in order to maintain the provision of essential GON public services. The Project Assistance Completion Date (PACD) is December 31, 1992, and the grant was not to exceed US$ 7,780,000 Dollars.

The institutions to receive commodities under the project and the type and allocation of commodities thereon was to be determined by a Selection Committee composed of representatives from USAID/Nicaragua, and the Ministries of the Presidency (MOP) and External Cooperation (MEC), who collectively would review the specific requests by GON agencies and determine the eligibility of such requests. The Committee would also decide, on a priority basis, which institutions and what commodities qualified for financing.

Under the grant agreement for the Public Sector Commodity Support Project, USAID/Nicaragua Project No. 524-0301.04, the Government of Nicaragua accepted that all commodities purchased under the project would be provided to those government agencies designated by the Selection Committee and would be used for governmental or public activities.

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The agreement also provided that all purchases would be made by a Procurement Services Agent (PSA), and that to the extent feasible, the commodities and vehicles approved by the Selection Committee would be ordered from U.S. manufacturers legally represented in Managua, which in turn would have provided adequate stimulus to further trade relationships with the United states. Installation of the equipment, limited maintenance and warranties would be supplied by the U.S. manufacturers' suppliers in Managua; staff training in the use and maintenance of the equipment would be conducted by the suppliers.

It was also agreed that the committee's decision on the commodities to be financed and the recipient institutions would be incorporated in a Memorandum of Understanding (MOU), which would be signed by USAID, the MOP and the MEC. Regarding the purchase of computers, the USAID information Resources Management Office (IRM) would analyze the need and justification for such computers based on an assessment conducted for the GON during the early development of the original project. IRM was also to prepare a plan which would include recommendations on both computer and training requirements.

Commodities were delivered to a Ministry of Finance's warehouse in Managua established under the Project Grant Agreement. The vehicles were delivered directly through the Ministry of the Presidency.

All funds for local procurement would be managed directly by the USAID Mission, and the GON would continue to maintain the commodities after the USAID assistance is terminated. For this purpose, the GON agreed to provide adequate funds for the operation and maintenance of the USAID funded commodities. The PSA, in turn, would be required to work with the GON to establish the recurrent yearly costs to be absorbed by the GON for the maintenance and repair of the equipment after the equipment warranty period expires.

B. Information on which the conclusions and recommendations are based:

Our work, performed in accordance with the SOW attached to Contract No. 524-0301-0-00-3001-00 dated October 15, 1992, consisted primarily in reviewing project documentation, conducting end-use checks and inspections, review records and

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control procedures related to inventory management, and interview personnel within recipient organizations and within USAID/Nicaragua.

Our conclusions and recommendations, as presented in this evaluation report represent our interpretation of the findings and the application of our best judgment based on this interpretation. Our fact finding included the review of the following documents:

* The Project Grant Agreement dated September 25, 1990 and its amendment No. 1 dated September 17, 1991.
* Project Implementation Letters Nos. 1 to 7.
* Project correspondence signed by the USAID project manager, Mr. Carlos Ferro.
* List of commodities financed under amendment 1 to the grant agreement.
* List of commodities provided under the original amendment.
* List of commodities assigned to key GON agencies under PIL No. 5.
* Progress and final reports prepared by Mr. David Turman, consultant of AMEG.
* Reports by the non-federal auditors.
* Lists of equipment and vehicles assigned prepared by the GON's General Procurement Office (PGR).
* Kardex cards maintained by the PGR.
* Lists maintained by the PGR which contain evidence of the commodities received from the PGR by the GON agencies participating in the project.
* Certifications (actas) maintained by the Secretariat of the Presidency with regards to the vehicles delivered to other GON agencies.

* Lists of vehicles and equipment received by GON agencies.

* Miscellaneous documents maintained by Pierson Jackman in partial support of deliveries of furniture to different GON agencies participating in the project.

* Documents in support of purchases made directly by USAID for the project, including original invoices, bank drafts and charges, bills of lading etc.

SCOPE OF WORK FOR THE EVALUATION

I. EQUIPMENT AND VEHICLES

1. Obtain and review the following documents pertaining to Project No. 524-0301.04:

   a) Copy of the Agreement.

   b) Project budgets and PIO/C's.

   c) Purchase Orders effectively executed.

   d) Confirmations from USAID in Nicaragua, necessary to prepare the reconciliation of the goods received by the GON under the grant agreement.

   e) Documents that provide evidence that the equipment was actually received by Proveeduría General de la República as representative of the GON.

   f) Documents that provide evidence regarding the transfers of equipment to the various units of the GON.

2. Perform the following:

   a) Review/prepare the reconciliation of equipment to be ordered, equipment actually purchased, and equipment received by the GON for subsequent distribution to Ministries and other GON units.

   b) Verify, at random, that the equipment is installed and in working condition.

   c) Identify and evaluate the nature and the effectiveness of the administrative and accounting controls applied by the GON to the equipments and vehicles acquired under the Agreement.

   d) Interview GON personnel at different levels to obtain information on the use of the equipment and their perception of its impact on day to day tasks.

SCOPE OF WORK FOR THE EVALUATION

3. Make recommendations to the Government relative to the actions it should take to improve the effectiveness in the use of the equipment and vehicles received under the project.

4. Analyze the information obtained and establish the degree to which project objectives have been achieved.

II. ACTIONS TAKEN ON THE RECOMMENDATIONS OF THE PROJECT'S PROCUREMENT SERVICES AGENT

1. Obtain and review previous reports identifying weaknesses in the GON's inventory management systems.

2. Review audit reports and other documents and correspondence on the project to identify problems in the handling and control over inventories.

3. Review revised policies and procedures in support of corrective action that may have been taken by GON officials with respect to the recommendations previously made by the Project's Procurement Services Agent.

4. Schedule interviews with key officials at both the USAID Mission to Nicaragua and the various GON Ministries to determine the extent and nature of corrective actions taken to improve the GON's inventory management system.

5. Review, on a test basis, the GON's inventory records and the documentation in support of inventory transactions to determine compliance with revised inventory management policies and procedures.

6. Make recommendations to the GON regarding additional actions that may be taken to improve its inventory management system and to reinforce proper accountability over the equipment and vehicles supplied as part of the project with USAID funds.

SCOPE OF WORK FOR THE EVALUATION

III. TECHNICAL ASSISTANCE RECEIVED

1. Interview, at the different Ministries participating in the Project, those responsible for budget preparation to determine if they include provisions for the recurring costs that would be normally associated with the commodities procured under the agreement.

2. Determine if the budget provisions appear adequate and reasonable for project and USAID purposes.

3. Make the recommendations to the GON on actions that should be taken to improve the budgeting process applicable to the recurring costs associated with the maintenance of the equipment and commodities procured under the agreement.

IV. LESSONS TO BE LEARNED FOR FUTURE PROJECTS

1. Interview, at USAID/Nicaragua and the GON, those key persons involved in the project to assist in determining the failures and successes identified during project implementation.

2. Review project documents which may refer to difficulties or achievements in project implementation.

3. List, in the corresponding report, those lessons learned which would help orient the design and implementation of similar projects in the future.

APPENDIX II

METHODOLOGY USED IN THE EVALUATION

1. In performing our analysis and evaluation we followed systematically the method that goes from the general to the specific.

2. Our fact finding and subsequent analysis commenced with USAID/Nicaragua, where we obtained a general understanding of the project, its objectives, the expectations and, by going through the correspondence files, an initial impression of the key players within the government.

3. We studied very carefully the progress and final reports of the PSA consultant, and obtained a more informed knowledge of the problems, real or potential, derived from the dealings with powerful government individuals.

4. Our initial findings were adjusted to better fit the prevailing environment in view of the extreme needs of the newly elected government at the time the project was designed and the first actions were taken in an attempt to meet project goals and objectives.

5. We moved down the ladder. We proceeded from the top to the bottom in the hierarchy of the GON. More detailed work was performed at those agencies of the GON where there was evidence of insufficient controls for the management of inventories.

6. At all times we demanded active participation of GON officers and key employees in the discussion of the more important issues surrounding the Project. We were alert at all times for indications that would bring additional light to our understanding of the origin of the problems revealed by our evaluation.

7. We made maximum use of our considerable experience in working with different GON agencies, and with USAID/-Nicaragua, in coming up with balanced and objective conclusions and practical recommendations. The lessons learned, as presented in this evaluation report, represent our best interpretation, based on an after-the-fact analysis of what went smooth and what went wrong, and an appraisal of what, with hindsight, could have produced more satisfactory results.

BIBLIOGRAPHY OF DOCUMENTS CONSULTED, SITE VISITS, AND PERSONS INTERVIEWED

A. List of documents consulted -

* The Project Grant Agreement date September 25, 1990 and its amendment No. 1 dated September 17, 1991.
* Project Implementation Letters Nos. 1 to 9.
* Project correspondence signed by the USAID project manager, Mr. Carlos Ferro.
* List of commodities financed under amendment 1 to the grant agreement.
* List of commodities provided under the original amendment.
* List of commodities assigned to key GON agencies under PIL No. 5.
* Progress and final reports prepared by Mr. David Turman, consultant of AMEG.
* Reports by the non-federal auditors.
* Lists of equipment and vehicles assigned prepared by the GON's General Procurement Office (PGR).
* Kardex cards maintained by the PGR.
* Lists maintained by the PGR which contain evidence of the commodities received from the PGR by the GON agencies participating in the project.
* Certifications (actas) maintained by the Secretariat of the Presidency with regards to the vehicles delivered to other GON agencies.
* Lists of vehicles and equipment received by GON agencies.
* Miscellaneous documents maintained by Pierson Jackman in partial support of deliveries of furniture to different GON agencies participating in the project.

BIBLIOGRAPHY OF DOCUMENTS CONSULTED, SITE VISITS, AND PERSONS INTERVIEWED

* Documents in support of purchases made directly by USAID for the project, including original invoices, bank drafts and charges, bills of lading etc.

B. Agencies visited and names of persons interviewed -

1. United States Agency for International Development
   - Mark Silverman, Deputy Director
   - James E. Corley, Contracting Officer
   - Lawrence Odle, Project Development Officer
   - Richard Layton, Controller
   - Sergio Watson, Financial Analyst
   - David Lieberman, Project Officer
2. Ministry of the Presidency
   - Roberto Gómez, Secretary
3. General Procurement Office
   - Carlos Canales, Director
   - Walter Arce, Supply Director
   - Sergio Ulloa, Responsible for warehousing
   - Vera de Morales, Administrative and Financial Mgr.
4. Ministry of Finance
   - Ernesto Ruiz, Director
5. Office of the Comptroller General
   - Luis Correa, Deputy Comptroller

BIBLIOGRAPHY OF DOCUMENTS CONSULTED, SITE VISITS, AND PERSONS INTERVIEWED

6. Ministry of Health (MINSA)

- Maritza Castro, Administrator of the National Health Complex
- Eloy Carrión, Accountant
- Pablo Jarquín, Head of Transportation
- Sandra Padilla, Director of Planning
- Jose María Buitrago, Coordinator of the Economic Directorate
- René Antonio Marenco, Internal Auditor

7. Ministry of Economy and Development (MEDE)

- Carlos Dhompe S., Administrative Director
- Jorge Antonio Tom, Budgeting Director
- Mario González M., Administrative and Financial Diector
- Angel Herrera A., Accountant

8. Ministry of Education

- Julio Marenco, Administrative Director
- Edmundo Lacayo, Director of Supplies

9. Pierson Jackman

- Michelle Pierson, General Manager
- José Morales, Accountant

RECONCILIATION OF GOODS AND VEHICLES DONATED
BY AID PROJECT No.524-0301.04 PHASE I

GOODS AND VEHICLES	PRELIMINARY DISTRIBUTION AID (1)	PURCHASES BY AMEG (2)	DIFFERENCES BETWEEN (1) AND (2)	RECEIVED BY PROVEEDURIA (3)	DIFFERENCES BETWEEN (2) AND (3)	RECEIVED BY UNITS (4)	DIFFERENCES BETWEEN (3) AND (4)- STOCK AT PROVEEDURIA
Photocopy 50-52	1	1		1		1	
Photocopy 50-28	96	96		96		96	
Computer M 30286	169***	169		169		169	
Computer M 55X61	22***	22		22		22	
Computer M 80-386	21***	21		21		19	2
Air Conditioner 16BTU	262	262		268	6	268	
Air Conditioner 30BTU	86	86		80	(6)	80	
Scientific calculator	53	53		0	(53)	0	
Calculator 14 digits	572	572		572		572	
Electric typewriter	514	514		514		514	
Manual typewriter	214	214		214		214	
Typewriter table	116	116		116		116	
Computer table	151	151		151		151	
Paper Shredder	27	34	7	34		29	5
Photocopy M 2510	1	1		0	(1)	0	
Telephone system	29	29		29		29	
Phone	175	175		175		174	1
Fax	59	59		59		59	
Accountant desk	61	0	(61)	0		0	
Accountant chair	61	0	(61)	0		0	
Stencil	59	59		59		59	
File cabinet	281	281		281		281	
Dictaphone	14	14		14		14	
Waiting room chair	84	94	10	95	1	84	11
Reception sofa	10	10		10		8	2**
Secretary desk	251	251		251		251	
Secretary L desk	1	1		1		1	
Secretary chair	183	184	1	184		184	
Executive desk	164	164		164		164	
Secretary chair (fixed)	82	82		82		82	
Executive table	2	2		2		2	
Conference table	2	2		2		2	
Table	2	2		2		2	
Vehicles	38	38		38*		38	
Locked file cabinet	22	0	(22)	0		0	
Laptop	5***	5		5		4	1
Carried Over...	3,890	3,764		3,711		3,689	

Brought forward..	3,890	3,764		3,711	3,689
Executive chair	40	101	61	101	101
Offset machine	1	1		1	1
Van	1	1		1*	1
Pick-up	2	2		2*	2
TOTALS	3,934	3,869		3,816	3,794

RECONCILIATION OF GOODS AND VEHICLES DONATED
BY AID PROJECT No.524-0301.04 PHASE I

SOFTWARE	PRELIMINARY DISTRIBUTION AID (1)	PURCHASES BY AMEG (2)	DIFFERENCES BETWEEN (1) AND (2)	RECEIVED BY PROVEEDURIA (3)	DIFFERENCES BETWEEN (2) AND (3)	RECEIVED BY UNITS (4)	DIFFERENCES BETWEEN (3) AND (4)- STOCK AT PROVEEDURIA
Lotus Lan	5***	5		5		5	
Lotus Node	39***	39		45	6	45	
Lotus S/U	152***	152		146	(6)	146	
WP Lan	5***	5		5		5	
WP Node	39***	39		39		39	
WP S/U	152***	152		160	8	80	80
Clipper	5***	5		5		5	
Harvard Graphics	7***	7		7		7	
DBase	4***	4		4		4	
TOTALS	408	408		416		336	

* Vehicles, pickups and van were received by the Ministry of the Presidency.

** Stock at Pierson Jackman

*** Approved by USAID Project manager Mr. Carlos Ferro on 09-27-91

(1) From attachment II/PIL No.5.

(2) From all support documentation provided by AID.

(3) From documentation provided by Proveeduria, including authorization letters to retire the furniture manufactured by Pierson Jackman.

(4) From documentation provided by Proveeduria and Pierson Jackman.

RECONCILIATION OF GOODS AND VEHICLES DONATED
BY AID PROJECT No.524-0301.04 PHASE II

GOODS AND VEHICLES	PRELIMINARY DISTRIBUTION AID (1)	PURCHASES BY AMEG (2)	DIFFERENCES BETWEEN (1) AND (2)	RECEIVED BY PROVEEDURIA AND STOCK (3)	DIFFERENCES BETWEEN (2) AND (3)
Photocopy 50-52	24	24		24	
Photocopy 50-28	23	23		23	
Computer W 486	18	18		18	
Computer W 80-386	135	147	12	147	
Computer laptop	10	10		10	
Air Conditioner	86	86		86	
Electric fans	59	59		59	
Coffee lab	1	0	(1)	1	
Desk calculators	138	138		138	
Electric typewriter	179	179		179	
Manual typewriter	83	83		83	
Mobile radio set	29	30	1	30	
Phone system	20	20		20	
Phone unit	66	60	(6)	56	(4)
Fax machine	36	36		36	
Mimeograph	66	66		66	
File Cabinet	84	84		84	
Dictaphone	11	11		11	
Vehicle Pick-up	52	**			
Slide Projector	43	42	(1)	42	
Dump Truck 9 ton	2	**			
Photocopier X25-10				1*	
HP laser printer		20		20	
Epson printer LQ 570		147		147	
Lotus S/U sp		175		175	
WP S/U sp		175		175	
PC Tools 7.1		175		175	
Pagemaker 4.0		5		5	
HG 3.0		100		100	

* Photocopier X25-10 was pending from Phase I.

** USAID/Nicaragua did not furnish us with any documentation.

(1) From attachment I/PIL No.5.

(2) From all support documentation provided by AID.

(3) From documentation and physical inventory of Proveeduria.

GOODS AND VEHICLES	AID	FISE	MIFIN	MEDE	REPAT	MITRAB	MINSA	MED	CULT.	C.EXT.	REL.EXT.	IRENA	R.MIC.	AN. PRES.	AT.SUR	INDERA	EMB.	PROC.	CSJ	MAG	AT.MOR.	INRA	IND.	MCT	DIPP	TOTAL: DISTRIBUTED TO KEY AGENCIES OF GOH	TOTAL: RECEIPTS BY PROVEEDURIA	STOCK	DIFFERENCES
39 Lotus Lan			1	1		1								2												5	5	0	
40* Lotus Mode			15	4		5								15												39	45		6*
41* Lotus S/U	1	5	56	7			22	8	1	7	7	10	1	3	4	3		2	2	4						143	146		3*
42 WP Lan			1	1			1							2												5	5	0	
43 WP Mode			15	4		5								15												39	39	0	
44* WP S/U																										80	160	80	**
45 Clipper			1	1		1	1							1												5	5	0	
46 Harvard Graphics			1	1			1	1	1			1		1												7	7	0	
47 DBase			1				1	1				1														4	4	0	

* Lotus Mode; 6 software packages were distributed, without any evidence of reception.

* Lotus S/U; 3 software packages were distributed, without any evidence of reception.

** WP S/U; Proveeduria report shows 143 software packages distributed; however the physical inventory revealed 80 of this packages in stock.

NOTES:

The redistribution of the goods originally assigned to repatriacion and to RAA is shown in Appendixes VI and VII.

GOODS AND VEHICLES DISTRIBUTED - PHASE I
PROJECT No.524-0301.04

GOODS AND VEHICLES	AID	FISE	MIFIN	MEDE	REPAT	MITRAB	MINSA	MED	CULT.	C.EXT.	REL.EXT.	IRENA	R.MIC.	AN.	PRES.	AT.SUR	INDERA	EMB.	PROC.	CSJ	MAG	AT.MOR.	IMRA	IND.	MCT	DIPP	TOTAL: DISTRIBUTED TO KEY AGENCIES OF GON	TOTAL: RECEIPTS BY PROVEEDURIA	STOCK	DIFFERENCES
01 Photocopy X 50-52							1																				1	1	0	
02 Photocopy Xerox 50-28				6	1	2	24	3	1	4	5	2	1	2	4	1	1		4	5	2	1	14	2	11		96	96	0	
03 Computer IBM 286		5	65	10			22	8		7	7	10	1	7	8	4	3	4	2	2	4						169	169	0	
04 Computer IBM 386 (19 Goods)																											41	43	2	
M55261 (22 Goods)	1		14	4		6			1			1		1	12			1									262	268	0	6
05 Air Conditioner 18M BTU		5				20	45	27	2	19	6	29			7	11			25	36					30		86	80	0	(6)
06 Air Conditioner 27.5M BTU	2			15	14	19							14			1			6	6		8				1	0	0	0	
07 Scientific calculator																											572	572	0	
08 Calculator 14 digits	3	4		12	15		302	64	6	10	4	25			6	26	2		16	17		12		10	38		514	514	0	
09 Electric typewriter	1	2		12	9	12	312	28	6	7	6	18	6	8	17	3	5		12	13	5	7		5	20		214	214	0	
10 Manual typewriter	2	3			9			52		1	1	17			6	16			30	50		7			20		29	34	5	
11 Paper Shredder										3	5		1		10	1			2	3	2					2	0	0	0	
12 Photocopy M 2510																											29	29	0	
13 Telephone system				3	1	1			1		1	1		1	3	1	1		2	2	1				10		174	175	1	
14 Phone				18	6	6			6		6	6		6	18	6	6		12	12	6				60		59	59	0	
15 Fax				8	1	1	9	13	1	2	2	1		2	5	1	1		1	2	1	1		2	5		61	61	0	
16 Accountant desk		5								2							3		20	31							59	59	0	
17 Stencil					1		35	16				2							2	2		1					281	281	0	
18 File cabinet	2	4			24		168			2	2	21	1	8	3	13	5		3	5	12	8					14	14	0	
19 Dictaphone											3			8	1				1	1							84	95	11	
20 Waiting room chair	3	2			15					5	5	6					3		10	10		12			13		184	184	0	
21 Secretary chair		1					162			8	8						5										82	82	0	
22 Secretary chair	1				11					8	8								20	25		9					38	38	0	
23 Vehicles		2		3		3	2	2	2	2	2			8	4				4				2	2			0	0	0	
24 Locked file cabinet																											4	5	1	
25 Laptop			2												2												40	40	0	
26 Executive chair	4	4			13					1	1			8								9					1	1	0	
27 Offset machine														1													1	1	0	
28 Van														1													2	2	0	
29 Pick-up														2													116	116	0	
30 Typewriter table																			42	64						10	151	151	0	
31 Computer table		5		14	1	6	22	8	1	7	7	11	3	8	20	4	3		2	2	4	1			12	10	8	10	2	
32 Reception sofa						2					2						1		1	2							251	251	0	
33 Secretary desk	1				11		162					18					5		20	25		9					1	1	0	
34 Secretary desk		1								1		18					20					29			50		164	164	0	
35 Executive desk	4	4			38					1	1																2	2	0	
36 Executive table										1	1																2	2	0	
37 Conference table																	2										2	2	0	
38 Table																														
TOTALS	24	47	81	105	170	78	1,266	221	27	91	83	186	27	71	126	88	66	5	237	315	37	114	16	21	269	23	3,794	3,816	22	

GOODS AND VEHICLES DISTRIBUTED - PHASE I
PROJECT No. 524/0301.04
REDESTRIBUTION OF GOODS ORIGINALLY DELIVERED TO REPATRIATION

	GOODS	REPATRIA-CION	1 INVIC-TA	2 MIFIN-DGI	3 MIFIN DIR. CONTAB. GU-BERNAMENTAL	4 MIFIN-DGP	5 BENEMERITO CUERPO DE BOMBEROS	6 COMAN-DANTE RUBEN	7 MINISTE-RIO PRE-SIDENCIA	1 TO 7 TOTAL	DIFFE-RENCE	PUBLIC PROPERTY OFFICE
01	Photocopy X5052	1								0	1	1
02	Air Conditioner 27.5 M BTU	14		3	5		1			9	5	5
03	Calculator 14 Digits	15			3			11		14	1	1
04	Electric Typewriter	9	2		2			2		6	3	3
05	Manual Typewriter	9			2			2		4	5	5
06	Telephone System	1	1							1	0	0
07	Phone	6	6							6	0	0
08	Fax	1							1	1	0	0
09	Stencil	1								0	1	1
10	File Cabinet	24	2					2		4	20	20
11	Waiting Room Chair	15			6			9		15	0	0
12	Secretary Chair	11								0	11	11
13	Executive Chair	13	3	1		3		1		8	5	5
14	Computer Table	1								0	1	1
15	Secretary Desk	11								0	11	11
16	Executive Desk	38	5		2	1	1	4		13	25	25 *
	TOTALS	170	19	4	20	4	2	31	1	81	89	89

* Not confirmed by the Public Property Office. Mr. Ernesto Ruiz indicated that ha has no knowledge of these goods.

GOODS AND VEHICLES DISTRIBUTED - PHASE I
PROJECT No. 524/0301.04
GOODS ORIGINALLY ASSIGNED TO RAAN BUT WITHDRAWN BY USAID/NICARAGUA

ITEM	GOODS	DELIVERED TO RAAN	WITHDRAWN BY USAID/ NICARAGUA *	TOTALS ORIGINALLY ASSIGNED TO RAAN
01	Photocopy X5052 -	1		1
02	Air Conditioner 27.5 M BTU	8	2	10
03	Calculator 14 Digits	12	3	15
04	Electric Typewriter	7	1	8
05	Manual Typewriter	7	2	9
06	Fax	1		1
07	Stencil	1		1
08	File Cabinet	8	2	10
09	Waiting Room Chair	12	3	15
10	Secretary Chair	9	1	10
11	Executive Chair	9	4	13
12	Computer Table	1		1
13	Secretary Desk	9	1	10
14	Executive Desk	29	4	33
15	Computer 386		1	1
16	Monitor		1	
17	Impresora Laser y Cables			
18	UPS, Regulador de voltaje y Softwre		1	
19	Dos		1	
20	W. Perfect 5.1		1	
21	Lotus		1	
	TOTALS	114	29	138

* Withdrawals authorized by Mr. Carlos Ferro - USAID/Nicaragua project manager, on 10/24/91

USAID/NICARAGUA PROJECT No.524-0301.04

EVALUATION OF THE PUBLIC SECTOR SUPPORT PROJECT - PHASE II

* * *

DECEMBER 18, 1992

Price Waterhouse

EVALUATION OF THE PUBLIC SECTOR SUPPORT PROJECT - PHASE II

USAID/NICARAGUA PROJECT NO. 524-0301.04

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APPENDIXES -

I. SCOPE OF WORK

II. DISTRIBUTION TO GON AGENCIES - PHASE II.

III. EQUIPMENT NOT YET DISTRIBUTED

IV. RECONCILIATION OF COMMODITIES PURCHASED, RECEIVED BY THE GON'S PROCUREMENT OFFICE, AND DISTRIBUTED TO VARIOUS GON AGENCIES

V. DETERMINATION OF THE PURCHASE PRICE OF ALL COMMODITIES UNDER PHASES I AND II OF THE PROJECT

VI. DETERMINATION OF THE UNIT COSTS OF THE EQUIPMENT PURCHASED

Apartado Postal 2697
Managua, Nicaragua

Teléfonos: del 25465
al 25622
FAX 25623

Price Waterhouse

December 18, 1992

Mr. James E. Corley
Contracts Officer
USAID/Nicaragua
Managua, Nicaragua

Dear Mr. Corley:

This report presents the results of our work regarding phase II of the Public Sector Commodity Support Project, USAID/Nicaragua Project No. 524-0301.04, designed to ensure that all commodities to be delivered under Phase II of the Project were adequately accounted for, in the quantity and apparent quality for which payment was made, and were delivered to the designated beneficiaries in accordance with the terms and conditions of the project agreement and other pertinent project documentation.

A. Distribution of Commodities Under Phase II of the Project -

Except for what is mentioned below, the delivery of the commodities under Phase II of the Project was handled by the General Procurement Office (Proveeduría General de la República - PGR) as intended and according to the authorizations of USAID/Nicaragua.

1. As detailed in Appendix III, page 1, certain commodities had not been distributed to the intended beneficiaries as of December 18, 1992.

B. Reconciliation of Commodities - Phases I and II -

The reconciliation of commodities purchased by the Project's Procurement Services Agent (AMEG) with those received by the GON's General Procurement Office (PGR), and with those delivered (and received) by the intended beneficiaries, revealed minor differences which were valued as shown in more detail in Appendixes IV and V. The unit costs for all commodities purchased under the project are included as Appendix VI.

C. Assistance to the GON in Correcting Deficiencies Observed During Commodity Distribution -

Our representatives were present during the distribution of the Phase II equipment from the warehouse operated under the responsibility of PGR, and the vehicles from Casa Pellas, a local car importer and distributor, to observe the procedures followed and assist the GON in ensuring a satisfactory distribution in accordance with procedures established and tested during Phase I of the Project. PGR officials consulted with us regarding the special situations that had not been foreseen or experienced during Phase I. In this capacity our staff assisted in recommending the courses of action that in our judgment would maintain appropriate controls over the deliveries without impairing the attainment of project goals and objectives.

The details of our observations, summarized above, together with our recommendations, are presented in the Statement of Conclusions and Recommendations section of this evaluation report, and are complemented by the data and other pertinent information presented in Appendixes I through VI.

Yours very truly,

Oscar A. Cordon
Partner

B. STATEMENT OF CONCLUSIONS, RECOMMENDATIONS, AND CORRECTIVE ACTIONS TAKEN BY THE GON

1. Some Items acquired for the Project Had Not Yet Been Delivered to the Intended Beneficiaries as of the Date of Our Final Inspection at the GON's General Procurement Office (Proveeduria General de la República - PGR) on December 18, 1992.

Condition:

Distribution in the cases noted, further detailed in Appendix III, had not taken place as of December 18, 1992:

- Some items, although properly identified (see Appendix III, page 1) had not been distributed by PGR to the intended beneficiaries.

- The National Assembly entered into its annual holiday and vacations season before the delivery of equipment under Phase II of the project commenced. Therefore, actual deliveries in this case will not be effected until early to mid January, 1993.

Action Taken:

- A complete physical inventory of all items at the PGR warehouse was taken in order to inform USAID/Nicaragua of the equipment on hand and to request authorization to make their distribution in accordance with the suggestions made by the GON.

  USAID/Nicaragua approved the suggested distribution (see Appendix III, pages 2 and 3.

- The equipment pending delivery to the National Assembly, and other items pending distribution, will be maintained under custody by PGR.

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Recommendation:

The distribution of all items on hand and under the custody of PGR as of December 18, 1992, (see Appendix III, page 1) should be made as soon as possible observing the same procedures followed for all the other items during Phase II of the Project.

2. The GON Has Not Received All Documents Necessary to Request and Obtain The Duty Exemptions For All The Equipment Introduced to Nicaragua Under The Project.

Condition

Neither the Ministry of the Presidency nor the General Procurement Office have received from USAID/Nicaragua all the necessary original documents that are normally required to obtain import duty exemptions.

Actions Taken:

At a meeting with representatives from USAID/Nicaragua Controller's Office, it was agreed that certified copies of all purchase and shipping documents for the importations to Nicaragua of equipment, purchased directly by USAID through the efforts of the Project's Procurement Services Agent (AMEG), would be provided to the Ministry of the Presidency to initiate and/or complete all necessary actions.

Recommendation:

The Ministry of the Presidency, upon receiving from USAID/Nicaragua the certified copies of the importation documents, should exert all necessary efforts within the Ministry of Finance to accelerate required procedures and secure the duty exemptions for all the equipment and vehicles received by the GON under the Project.

3. There Were Minor Differences Between The Commodities Ordered And Those Purchased by AMEG, and Between The Commodities Purchased and Those Received by The PGR.

Condition:

Differences in the quantities ordered, purchased and received by the PGR, although not of significance, existed under both Phases of Project No.524-0301.04.

Action Taken:

- A complete physical inventory was taken for those commodities purchased in excess of quantities ordered.

- A complete reconciliation of commodities ordered, purchased, received by PGR, and delivered to other GON agencies was prepared (Appendixes III and IV).

- The exceptions found in the reconciliation process (both overages and shortages) were properly documented and valued, wherever possible.

Recommendation:

The shortages are not considered significant and the differences between quantities ordered and actual purchases by AMEG do not present a problem of importance as payments were made for items purchased and received by PGR which were subsequently distributed to the intended beneficiaries of the assistance under the project. Quantities received in excess are also of minor importance, have already been identified, and their distribution, as suggested by the GON, has met with the approval of USAID/Nicaragua. Based on the foregoing, we recommend that the project be closed provided USAID/Nicaragua obtains proper assurances with respect to the actions to be taken by the GON in connection with the other recommendations included in this evaluation report.

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PUBLIC SECTOR COMMODITY SUPPORT PROJECT - PHASE II

GENERAL WORKPLAN

Reference to W/P's

I. Pre-review activities -

Review the following documents:

a) USAID/Nicaragua Project No.524-0301.04 Agreement, together with Project Implementation letters, Project Implementation Orders, etc.

b) GON policies and procedures for the distribution of commodities under Phase II of the Project.

c) The GON's delivery schedule for the Phase II commodities.

II. Review procedures -

A. Physical Observation

1. Observe the distribution of commodities under Phase II of the Project to ensure that:

a) All commodities are adequately accounted for.

b) Are in the quantity and apparent condition for which payment was made.

c) Are delivered to the intended beneficiary in accordance with the most recent authorization and approval in Project documents.

B. Documentation and Reporting

1. Document deficiencies or irregularities, if any, observed during commodity distribution.

2. Report immediately, to USAID/Nicaragua and to the GON, material weaknesses observed.

3. Assist the GON in correcting deficiencies observed during commodity distribution.

C. Reconciliation

1. Review project implementation letters, project implementation orders, purchase orders, original invoices, bills of lading, receiving reports, and other documentation, as appropriate.

2. Reconcile commodities ordered with those purchased by the Project's Procurement Services Agent (AMEG).

3. Reconcile commodities purchased with those received by the GON's General Procurement Office (Proveeduria), as well as with those received by the various previously approved GON Ministries and offices.

4. Document differences revealed by the reconciliation process and discuss them first with USAID and subsequently with the GON.

5. Determine the purchase price of all commodities under Phases I and II of the Project.

6. Establish the value of the assistance received by the GON under the project and the value of the reconciling items.

D. Other Responsibilities

1. Establish what action, if any, has been taken by the GON on all recommendations previously made.

2. Prepare a report, in both English and Spanish, discussing in sufficient detail the following:

   a) The review findings.

   b) Our interpretation of the findings.

   c) Recommended corrective actions, if any.

   d) Results of actions taken by the GON in response to the recommendations made.

Workplan approved by:

Date: December 4, 1992

GOODS DISTRIBUTED - PHASE II
PROJECT No. 524-0301.04

	National Assembly	MIFIN	Supreme Court	Central Bank	Bank Superintendency	MINSA	MED	MAG	IRENA	Controller General	CORNAP	INEC	Presidency Radio Mic.	FISE	INE	Alcaldia Managua	INIFOM	MITRAB	Distributed To key agencies of GON	Receipts by Proveeduria	Stock
Photocopiers 5028				5				10	1	1	1		2		1	2			23	23	0
Photocopiers Canon			2	13	2									2		1			20	24	4
Computers 386SX		15	10	24	12	5		22	10	8	5		5	6	5	5	5	10	147	147	0
Computers 486		1	1	2	1			2	2	1									10	18	8
UPS		16	11	26	13	5		24	12	9	5		5	6	5	5	5	10	157	165	8
Computers Lap Top				3	1			1	2		2			1					10	10	0
Air Conditioners			18		1			21		20	5			12		4	5		86	86	0
Electric Fans			50							5					4				59	59	0
Coffee Lab								1											1	1	0
Desk Calculators				28	14			19	12	30	5			1	20	5	4		138	138	0
Elect. Typewriters			50	20	6		25	18		8	2		11	2	10	6	2		160	179	19 *
Manual Typewriters							25		45						10		3		83	83	0
Mobile Radio Sets				7			16					6	1						30	30	0
Phone Systems					1											1			2	20	18
Phone Units					17											9			26	56	30
Fax Machines			2	2	2	7	9		1	1	1	3		7					35	36	1
Mimeographs			4				44	5				10		1		2			66	66	0
File Cabinets					12			5	23	10				7		4	3		64	84	20
Dictaphones										7									7	11	4
Vehicles Pick-Ups							20	9	10		1			6		3			49	50 **	1
Slide Projectors							39							2			1		42	42	0
Dump Trucks - 9 ton														2					2	2 **	0
HP Laser Printer		6	1	3	2			2	2	2									18	20	2
Epson printer LQ 570		12	10	23	11	5		22	10	7	5		5	6	5	5	5	10	141	147	6
Lotus S/U SP		26	11	26	13	5		24	12	9	5		5	6	5	5	5	10	167	175	8
WP S/U SP		26	11	26	13	5		24	12	9	5		5	6	5	5	5	10	167	175	8
PC tools 7.1		26	11	26	13	5		24	12	9	5		5	6	5	5	5	10	167	175	8
Pagemaker 4.0		1	1	1	1														4	5	1
HG 3.0		10			12	5		22	10	8	5		5	6	5	5	5	2	100	100	0
Projection Screens																	1		1	4	3

* 1 out of the 19 electric typewriters in stock was received as an empty sealed box.
** Received by Casa Pellas.

STOCK AT PROVEEDURIA AS OF DECEMBER 18, 1992
APPROVED BY USAID
PROJECT No.524-0301.04

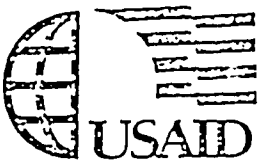
	Description	Qty
	PHASE II:	
	CPU IBM 486 PS/2	8
*	Slim High Diskette Drive PS/2	8
*	Monitor IBM color mod 8512	8
	Laser printer HP LJ III	2
*	Toner HP LJ III	2
	UPS Omni 750 Lan Tripplite	8
*	Battery Yuasa 12 V.	6
*	Spanish Keyboard IBM	8
	Epson printer LQ-570	6
	PC Tool 7.1	8
	WP 5.1 S/U	8
	Pagemaker 4.0	1
	Lotus 123 3.1 S/U	8
*	Laser printer card	2
	Glassbeadded Screen Floor	3
	Photocopy Canon NP-6060	4
	File cabinets	20
*	Paper Tray Legal	2
	Electric typewriter	19 **
	Dictaphone	4
	Fax Xerox	1
	Phone Systems	18
	Phone Units	30
	PHASE I:	
	Phone	1
	Reception sofa	2

* Accesories

** 1 of the 19 electric typewriters in stock was received as an empty sealed box.

AGENCY FOR INTERNATIONAL DEVELOPMENT

mo. Managua USAID
2712 Box 9
AA 34021



AGENCIA INTERNACIONAL PARA EL DESARROLLO

Pista Sub Urbana
Apartado Postal C-167, Managua
ZP 13

DEC 14 1992

Sr. Jorge Gómez Mayorga
Secretario Privado del
Ministro de la Presidencia
Su Despacho

Estimado Señor Gómez:

Asunto: Proyecto de Apoyo de Bienes al Sector Público

En relación a la copia de la carta adjunta del 11 de Diciembre de 1992, solicitando la disposición final del equipo no asignado, verificado por Price Waterhouse y que aún permanece en la bodega central del Ministerio de Finanzas, le comunicamos que estamos de acuerdo con la distribución propuesta; al mismo tiempo, en carta aparte, hemos informado a la Lic. Marta Palacios, Vice Ministro de Finanzas, sobre su solicitud de computadoras para el Ministerio del Trabajo.

Favor proceder con la distribución a la mayor brevedad posible, a fin de que Price Waterhouse finalice la reconciliación del equipo del proyecto.

Sinceramente,

Mark Silverman
Sub Director

cc: Sr. Carlos Canales G., Proveeduria MIFIN
Sr. Carlos Escobar, Price Waterhouse-

Telephone: Internacional -011-505-2 (Local No.)

ASSIGNMENT OF GOODS PURCHASED IN EXCESS
APPROVED BY USAID
PROJECT No.524-0301.04

	Description	Qty	Recommended assignment ***
	PHASE II:		
	CPU IBM 486 PS/2	1	MIFIN
*	Slim High Diskette Drive PS/2	1	MIFIN
*	Monitor IBM color mod 8512	1	MIFIN
	CPU IBM 386 PS1 Tec+Mon	12	10 MITRAB, 2 MIFIN
	UPS Omni 750 Lan Tripplite	1	MIFIN
	UPS Omni 450 Lan Tripplite	12	10 MITRAB, 2 MIFIN
*	Spanish Keyboard IBM	1	MIFIN
*	Diskette adaptor 5.25	1	MIFIN
	Epson printer LQ-570	15	10 MITRAB, 5 MIFIN
	PC Tool 7.1	23	10 MITRAB, 13 MIFIN
	WP 5.1 S/U	23	10 MITRAB, 13 MIFIN
	Lotus 123 3.1 S/U	23	10 MITRAB, 13 MIFIN
	Harvard Graphics 3.0	12	2 MITRAB, 10 MIFIN
	Glassbeadded Screen Floor	4	2 MED, 1 FISE, 1 INIFOM
*	Motor Mod. 50-11-K76P0-075	2	MIFIN
*	A/C compressor	3	MIFIN
*	Adapter	2	MIFIN
**	Power suppy	1	PRESIDENCIA
**	Connectors	2	PRESIDENCIA
**	Mobile antennas	2	PRESIDENCIA
**	Base station antena	1	PRESIDENCIA
**	Transceiver Motorola Radius	3	PRESIDENCIA
	FASE I:		
	Computer IBM 386	2	PRESIDENCIA
	Paper Shredder	5	3 PRESIDENCIA, 2 MIFIN
	Phone	1	FISE
	Waitingroom chair	11	PRESIDENCIA
	Reception sofa	2	PRESIDENCIA
	Laser printer	1	PRESIDENCIA
	Laptop	1	MIFIN-PGR
	Word Perfect	80	MIFIN (EDP)

* Accesories

** Equivalent to 1 mobile radio set.

*** Assignment recommeded by the GON of Nicaragua; approved by USAID on letter dated 12-14-92 (see appendix III, 2 of 3).

RECONCILIATION OF GOODS AND VEHICLES DONATED
BY AID PROJECT No,524-0301.04 PHASE I

GOODS AND VEHICLES	PRELIMINARY DISTRIBUTION AID (1)	PURCHASES BY AMEG (2)	DIFFERENCES BETWEEN (1) AND (2)	RECEIVED BY PROVEEDURIA (3)	DIFFERENCES BETWEEN (2) AND (3)	RECEIVED BY UNITS (4)	DIFFERENCES BETWEEN (3) AND (4) STOCK AT PROVEEDURIA
Photocopy 50-52	1	1		1		1	
Photocopy 50-28	96	96		96		96	
Computer H 30286	169***	169		169		169	
Computer H 55X61	22***	22		22		22	
Computer H 80-386	21***	21		21		21	
Air Conditioner 16BTU	262	262		268	6	268	
Air Conditioner 30BTU	86	86		80	(6)	80	
Scientific calculator	53	53		0	(53)	0	
Calculator 14 digits	572	572		572		572	
Electric typewriter	514	514		514		514	
Manual typewriter	214	214		214		214	
Typewriter table	116	116		116		116	
Computer table	151	151		151		151	
Paper Shredder	27	34	7	34		34	
Photocopy H 2510	1	1		0	(1)	0	
Telephone system	29	29		29		29	
Phone	175	175		175		174	1
Fax	59	59		59		59	
Accountant desk	61	0	(61)	0		0	
Accountant chair	61	0	(61)	0		0	
Stencil	59	59		59		59	
File cabinet	281	281		281		281	
Dictaphone	14	14		14		14	
Waiting room chair	84	94	10	95	1	95	
Reception sofa	10	10		10		8	2 **
Secretary desk	251	251		251		251	
Secretary L desk	1	1		1		1	
Secretary chair	183	184	1	184		184	
Executive desk	164	164		164		164	
Secretary chair (fixed)	82	82		82		82	
Executive table	2	2		2		2	
Conference table	2	2		2		2	
Table	2	2		2		2	
Vehicles	38	38		38*		38	
Locked file cabinet	-22	0	(22)	0		0	
Laptop	5***	5		5		5	
Carried Over...	3,890	3,764		3,711		3,708	

Explanations in page 2 of 3

GOODS AND VEHICLES	PRELIMINARY DISTRIBUTION AID (1)	PURCHASES BY AMEG (2)	DIFFERENCES BETWEEN (1) AND (2)	RECEIVED BY PROVEEDURIA (3)	DIFFERENCES BETWEEN (2) AND (3)	RECEIVED BY UNITS (4)	DIFFERENCES BETWEEN (3) AND (4) STOCK AT PROVEEDURIA
Brought forward..	3,890	3,764		3,711		3,708	
Executive chair	40	101	61	101		101	
Offset machine	1	1		1		1	
Van	1	1		1*		1	
Pick-up	2	2		2*		2	
TOTALS	3,934	3,869		3,816		3,813	

RECONCILIATION OF GOODS AND VEHICLES DONATED
BY AID PROJECT No.524-0301.04 PHASE I

SOFTWARE	PRELIMINARY DISTRIBUTION AID (1)	PURCHASES BY AMEG (2)	DIFFERENCES BETWEEN (1) AND (2)	RECEIVED BY PROVEEDURIA (3)	DIFFERENCES BETWEEN (2) AND (3)	RECEIVED BY UNITS (4)
Lotus Lan	5***	5		5		5
Lotus Node	39***	39		45	6	45
Lotus S/U	152***	152		146	(6)	146
WP Lan	5***	5		5		5
WP Node	39***	39		39		39
WP S/U	152***	152		160	8	160
Clipper	5***	5		5		5
Harvard Graphics	7***	7		7		7
DBase	4***	4		4		4
TOTALS	408	408		416		416

* Vehicles, pickups and van were received by the Ministry of the Presidency.

** Stock at Pierson Jackman

*** Approved by USAID Project manager Mr. Carlos Ferro on 09-27-91

(1) From attachment II/PIL No.5.

(2) From all support documentation provided by AID.

(3) From documentation provided by Proveeduria, including authorization letters to retire the furniture manufactured by Pierson Jackman.

(4) From documentation provided by Proveeduria and Pierson Jackman.

RECONCILIATION OF GOODS AND VEHICLES DONATED
BY AID PROJECT No.524-0301.04 PHASE II

GOODS AND VEHICLES	PRELIMINARY DISTRIBUTION AID (1)	PURCHASES BY AMEG (2)	DIFFERENCES BETWEEN (1) AND (2)	RECEIVED BY PROVEEDURIA (3)	DIFFERENCES BETWEEN (2) AND (3)	RECEIVED BY UNITS (4)	DIFFERENCES BETWEEN (3) AND (4) STOCK AT PROVEEDURIA
Photocopy Canon NP 6060	24	24		24		20	4
Photocopy 50-28	23	23		23		23	-
Computer M 486	18	18		18		10	8
Computer M 80-386	135	147	12	147		147	-
Computer laptop	10	10		10		10	-
Air Conditioner	86	86		86		86	-
Electric fans	59	59		59		59	-
Coffee lab	1	1		1		1	-
Desk calculators	138	138		138		138	-
Electric typewriter	179	179		179		160	19 ***
Manual typewriter	83	83		83		83	-
Mobile radio set	29	30	1	30		30	-
Phone system	20	20		20		2	18
Phone unit	66	60	(6)	56	(4)	26	30
Fax machine	36	36		36		35	1
Mimeograph	66	66		66		66	-
File Cabinet	84	84		84		64	20
Dictaphone	11	11		11		7	4
Vehicle Pick-up	50	50		50 **		49	1 **
Slide Projector	43	42	(1)	42		42	-
Dump Truck 9 ton	2	2		2 **		2	-
Photocopier X25-10				1 *		1	-
HP laser printer		20		20		18	2
Epson printer LQ 570		147		147		141	6
Lotus S/U sp		175		175		167	8
WP S/U sp		175		175		167	8
PC Tools 7.1		175		175		167	8
Pagemaker 4.0		5		5		4	1
HG 3.0		100		100		100	-

* Photocopier X25-10 was pending from Phase I.

** Pick-ups and trucks were received by Casa Pellas.

*** 1 of the 19 electric typewriters in stock was received as an empty sealed box.

(1) From attachment I/PIL No.5.

(2) From all support documentation provided by USAID.

(3) From documentation/physical inventory at Proveeduria.

PURCHASE PRICE OF COMMODITIES PROCURED UNDER
PROJECT No. 524-0301.04

	Phase I	Phase II
Invoice costs ***	$ 3,166,266	$ 2,348,490 *
Insurance costs	79,559	41,541
Shipping costs	68,066	76,238
Sub-total	3,313,891	2,466,269
Procurement agent fees	293,006	150,774
Total costs	$ 3,606,897	$ 2,617,043 **
Total purchases for Phase I + II	$ 6,223,940 **	

* Includes US$153,619 for which not enough documentation was provided to us to segregate insurance and shipping costs. Also, drafts of letters of credit to support these invoices and the ones for the vehicles were not made available for our review.

** These totals do not include the insurance costs and the procurement agent fees on the vehicles (Phase II), as USAID/Nicaragua did not have the related data. Also, insurance, freight costs and the procurement agent fees on the coffee lab were not provided (Phase II).

*** Invoice costs were mostly CIF Managua; insurance and shipping costs were subtracted to net them out:

Insurance costs were extracted from invoice and contract abstracts (OMB No. 0412-0020).

Freight costs were extracted from Bill of Lading or Air-Way Bill.

VALUE OF THE DIFFERENCES IN THE RECONCILIATION OF GOODS AND VEHICLES DONATED BY USAID
PROJECT No. 524-0301.04
PHASE I + PHASE II

GOODS ORDERED BY USAID VS. AMEG PURCHASES

Item	Ordered by USAID (1)	Purchased by AMEG (2)	Differences between (1) and (2) (units)	Value of the differences (3)
Phase I				
Paper Shredders	27	34 (4)	7	
Waiting room chairs	84	94	10	$ 340
Secretary chairs	183	184	1	93
				$ 433
Phase II				
M80-386 Computers	135	147	12	$25,764
Mobile radio sets	29	30	1	2,136
Phone units	66	60	(6)	(293)
Slide proyectors	43	42	(1)	(516)
				$27,091

Other differences not quantificable in dollars -

- USAID ordered 22 locked file cabinets; AMEG did not purchase them (Phase I).
- USAID ordered 61 accountant desks; AMEG did not purchase them (Phase I).
- USAID ordered one 18 KVA UPS; AMEG did not purchase it (Phase II).

incorrect for desk see PIL invoice

Notes:

(1) From PIL No. 5.

(2) From actual invoices.

(3) Value of goods CIF Managua.

(4) Eventhough Proveeduria received them, these items could not be identified in the invoices examined.

VALUE OF THE DIFFERENCES IN THE RECONCILIATION OF GOODS AND VEHICLES DONATED BY USAID
PROJECT No. 524-0301.04
PHASE I + PHASE II

GOODS PURCHASED BY AMEG VS. GOODS RECEIVED BY PROVEEDURIA

Item	Purchased by AMEG (2)	Received by Proveeduría	Value of the differences (3)
Phase I			
Scientific calculators	53	None	$(1,325)
Photocopy M 2510	1	None	(5,453) (1)
Waiting room chairs	94	95	34
Word Perfect S/U	152	160	3,304
			$(3,440)
Phase II			
Photocopy M 2510		1	$ 5,453 (1)
Phone units	60	56	(195)
			$ 5,258

(1) The photocopier was received during Phase II; therefore not a difference under the Project.

(2) From actual invoices examined.

(3) Value of goods: CIF Managua.

DETERMINATION OF UNIT COSTS *
OF THE EQUIPMENT PURCHASED
USAID PROJECT No.524-0301.04 PHASE I

GOODS AND VEHICLES	UNIT COSTS US$
Photocopy 50-52	18,475
Photocopy 50-28	7,039
Computer M 30286	3,147
Computer M 55X61	4,335
Computer M 80-386	9,527
Air Conditioner 16BTU	565
Air Conditioner 30BTU	739
Calculator 14 digits	126
Electric typewriter	316
Manual typewriter	233
Typewriter table	87
Computer table	284
Photocopy 2510	5,843
Telephone system	5,915
Phone	45
Fax	1,430
Stencil	1,648
File cabinet	235
Dictaphone	388
Waiting room chair	37
Reception sofa	268
Secretary desk	375
Secretary L desk	491
Secretary chair	100
Executive desk	450
Secretary chair (fixed)	144
Executive table	171
Conference table	321
Table	375
Vehicles	10,114
Laptop	2,800
Printer Epson	498
Laser Printer HP	2,239
Executive chair	149
Offset machine	22,962
Van	22,967
Pick-up	10,653
Scientific calculator	27

* These unit costs were determined based on the documentation provided by USAID.

DETERMINATION OF UNIT COSTS *
OF THE EQUIPMENT PURCHASED
USAID PROJECT No.524-0301.04 PHASE I

	SOFTWARE	UNIT COSTS US$
	MS-DOS V 3.3	91
	Lotus Lan	526
	Lotus Node	314
	Lotus S/U	746
	WP Lan	299
	WP Node	178
	WP S/U	443
	Clipper	560
	Novell	5,353
	DBase	435
	Harvard Graphics	454
**	Hubs and Cabling	1,231

* These unit costs were determined based on the documentation provided by USAID.

** Accesories.

DETERMINATION OF UNIT COSTS *
OF THE EQUIPMENT PURCHASED
USAID PROJECT No.524-0301.04 PHASE II

GOODS AND VEHICLES	UNIT COSTS US$
Photocopy Canon NP 6060	14,748
Photocopy 50-28	7,051
Computer N 486	11,547
Computer IBM PS/2 (386)	7,390
Computer IBM PS/1 (386)	2,311
Computer laptop	3,191
Air Conditioner	847
Electric fans	115
Coffee lab	15,924
Desk calculators	114
Electric typewriter	199
Manual typewriter	189
Mobile radio set	2,300
Phone system	5,943
Phone unit	53
Fax machine	539
Mineograph	1,082
File Cabinet	197
Dictaphone	199
Vehicle Pick-up	8,259
Slide Projector	556
Dump Truck 9 ton	34,524
HP laser printer	2,321
Epson printer LQ 570	334
Lotus S/U sp	517
WP S/U sp	328
PC Tools 7.1	136
Pagemaker 4.0	635
HG 3.0	456
Glassbeadded Screen Floor	314

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