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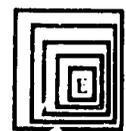
SREMP III

Sahel Regional Financial Management Project

Projet Régional de Gestion Financière au Sahel



U.S. Agency
for International
Development



Experience,
Incorporated

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SRFMP

SECOND REGIONAL WORKSHOP REPORT

ABIDJAN NOVEMBER 2 - 6, 1987

TABLE OF CONTENTS

	<u>PAGE</u>
EXECUTIVE SUMMARY	i-ii
I. OBJECTIVES	1
II. PARTICIPANTS	2
III. RESULTS	2
A. Opening Remarks	2
B. Country Reports	3
Chad	3
Niger	4
The Gambia	5
Mali	6
Senegal	6
Burkina Faso	8
Mauritania	8
Other	9

TABLE OF CONTENTS

(continued)

	<u>Page</u>
C. Training and Program Issues	9
1. Project Direction	9
2. Participant Training	12
3. Computer Training Guidelines	16
4. Cost Guidelines for Workshops	17
5. Project Accounting Systems and Manuals and Materials Dissemination	18
6. Local Currency Reviews for the African Bureau	20
7. SRFMP II Evaluation	21
8. Reporting	21
9. Future Regional Workshops	22
10. Other Issues Discussed	22
D. Institutionalization	23
E. Review of CY 88 Budgets and Work Plans	25
IV. SUMMARY AND CONCLUSION	26
APPENDIX A - Workshop Agenda	
B - SRFMP II Contract (pp. 7-10)	
C - SRFMP II Project Paper (pp. 2-3)	
D - Suggested Rephrasing of Project Outputs	
E - USAID - Dakar Policy for Third-Country Participants in Senegal	
F - Narrative - Introduction to 1988 Workplan	

EXECUTIVE SUMMARY

Objectives

The following were the objectives of the SRFMP II second regional workshop:

1. Reports by Country Team Leaders (CTLs) on country activities, with a focus on past and projected activities related to institutionalization of improved financial management. Purpose: for CTLs to benefit from each other's experiences and achievements and to avoid duplication of effort.
2. Resolve outstanding programmatic issues.
3. Review individual country CY 88 work plans and budgets.

Summary of Results

The objectives of the workshop were met. CTL reports on country activities resulted in:

1. specific possibilities for inter-country collaboration
2. potential use in other countries of systems and/or materials developed by CTs
3. suggestions for improving local programs.

In addition, we resolved the following issues:

1. We defined SRFMP II's role vis-a-vis 121(d) certification.

2. We established that the current project focus is upon activities related to institutionalization.
3. We discussed short-term training options available and made preliminary plans for a training program at CESAG for the fall of CY 88. We addressed the issue of the significant negative impact of the fall of the dollar on the training budget (as well as on all other local costs). We established guidelines for the administration of participant trainees.
4. We agreed that no more significant SRFMP resources need to be devoted to the standardization of project accounting systems.
5. We established specific guidelines for funding SRFMP workshops/seminars.
6. We established guidelines for providing computer training.

SRFMP/home office staff also reviewed individual country work plans and budgets and recommended specific changes or improvements. CTLs will submit revised and approved work plans and budgets to EI/W by January 1 including country narratives as specified by the AID/W Project Officer.

Finally, the AID/W Project Officer will respond to the Project Director on two outstanding issues:

1. restatement of project outputs, which he will review with a project oversight committee; and
2. the possibility of providing long-term practical training to a Chadian from the private sector.

SRFMP

SECOND REGIONAL WORKSHOP REPORT

ABIDJAN NOVEMBER 2 - 6, 1987

I. OBJECTIVES

The following were the objectives of the workshop:

A. Reports by Country Team Leaders (CTLs) on country activities. Purpose: for CTLs to share strategies, methodologies, problem-resolution, materials developed, and systems designed so as to benefit from each other's experiences and to avoid duplication of effort. Also to review past and projected activities related to institutionalization of improved financial management.

B. Resolve outstanding programmatic issues including:

1. Allocation of project resources between support for USAID-funded projects and those activities devoted to institutionalization
2. Guidelines for third-country participant training
3. Standardization of project accounting systems
4. Cost guidelines for workshops/seminars
5. Computer training guidelines.

C. Review of individual country CY 88 work plans and budgets.

II. PARTICIPANTS

Mark Baudoin	CTL/Niger
Ford Brown	SRFMP II Director
Ray Garcia	CTL/Mali
Paul Libiszowski	CTL/Chad
Frank Lusby	CTL/Senegal
James Procopis	AFR/SWA/SRFMP II Project Officer
David Quang	SRFMP II/Administrative Assistant
Peter Shaw	SRFMP II/Training & Materials Development Specialist
James Shorten	CTL/Gambia
James Zervas	CTL/Burkina Faso

Alan Chissick, CTL/Mauritania, was unable to attend the conference due to an extended illness.

III. RESULTS

A. OPENING REMARKS

Art Fell and James Stanford opened the conference. They outlined REDSO's activities and their relation to the SRFMP project. In addition, Mr. Stanford spoke about the REDSO Controller's use of Abidjan-based Big 8 Accounting Firms, the audit function for AID in West Africa, and REDSO's MACS accounting system.

B. COUNTRY REPORTS

Country activities are summarized below. They have previously been reported on in detail in end of quarter and end of year reports. The following summaries include the CTLs' reports on past and projected institutionalization efforts in their respective countries.

CHAD

The country team (CT) has devoted its project accounting activities to counterpart-funded projects as well as USAID projects subject to 121(d) certification. It has been involved with both the improved financial management of these projects as well as improved planning. The project has worked extensively with the National Roads Office (OFNAR) in collaboration with other donors. The CT has also worked with a Ministry of Plan (MOP) unit which is responsible for project management. In addition it has worked with professors at the University of Chad to improve training techniques in the management department. SRFMP/Chad has provided extensive training through workshops and on-the-job training (OJT) to financial personnel at various USAID and other donor-funded projects, the MOP, the Quarry Office, various donor organizations, and the Ministry of Health (MOH).

The CT has worked with the Bureau d'Etudes et de Conseil (BEC), at the University of Chad, which will be a major focus of its activities in 1988. SRFMP activities related to developing the consulting capacity of the BEC include training professors as trainers, developing standard workshops on financial planning and budgeting, and facilitating BEC consultancies. BEC has

obtained contracts with government entities, the parastatal sector, and donor organizations. By charging fees it will have the potential to develop into a financially viable institution. The BEC is the primary focus of the CT's current institutionalization efforts.

In his efforts to develop a Chadian Accounting Society and to develop audit capacity in Chad, the CTL has encountered government opposition. The CT will renew its efforts in this area if and when the political climate permits.

NIGER

The local CT has worked with USAID-funded projects on the following activities:

1. visited eight projects to review systems in preparation of a workshop in project accounting
2. developed a manual for project accounting
3. conducted a workshop in project accounting
4. developed a 500-person payroll system for a major project
5. assisted the reinstallation of General Ledger at the Health Project
6. reinstated monthly project accountant meetings.

The CT also held two other workshops. In one of them the team trained project, Ministry of Finance (MOF), and MOP financial personnel in computer applications in financial management. In the other, they provided training in auditing in conjunction with a local private training institution,

the Centre National de Perfectionnement à la Gestion (CNPNG). Developing the training and consulting capacity of the CNPG will be a major part of the institutionalization efforts in 1988. The CT also hopes to work with CNPG on developing a local association of accountants. The CT's other efforts to institutionalize improved financial management included building the capacity of a local accounting firm to perform audits, and working closely with the MOP unit responsible for monitoring all counterpart-funded projects. The CT has developed a financial management system for tracking these projects on both an individual and a global basis. The Team also plans to evaluate and help improve the accounting curriculum at the Ecole Nationale d'Administration (ENA).

THE GAMBIA

Since USAID reportedly no longer has projects subject to 121 (d) certification, the CT has had minimal contact with USAID-funded projects. The CT has focused its efforts on the development of the Management Development Institute (MDI), a non-degree awarding training center established about four years ago with external donor funds. The CT's efforts have contributed to institutionalization by adding new courses/seminars in financial management, developing the curricula of both existing and newly created courses, encouraging extensive use of local professionals to help facilitate MDI courses and seminars, and training the latter as trainers. MDI courses range from one to 12 weeks for government, parastatal, and a few private sector individuals. During the 86-87 academic year, the CT added courses in storekeeping, customs, and training of trainers. The CT plans to add a course in purchasing for the 87-88 academic year. The CT is also planning to increase support for the Gambian Association of Financial Managers by assisting them in publishing a newsletter.

MALI

The Mali CT has visited about eight USAID-funded projects to address weaknesses identified during the certification process. The CT's visits frequently included OJT, for as many as twelve financial personnel, on specific topics such as inventory, bank reconciliation and the General Ledger. The CT has also assisted in the financial planning for two new USAID-funded projects. In addition, they instituted a regular series of workshops for project accountants and project managers..

Institutionalization efforts have focused on two areas: the development of the Malian Accountants Association, and curriculum development at the ENA. The CT has assisted the former in developing standards and by-laws. At the ENA, they developed the curriculum for an accounting course, which they also taught, and worked on the development of an audit course. The CT has worked closely with the Malian Contrôle d'Etat, for which it will sponsor workshops in CY 88. It will also work with a UNDP project, which is planning extensive management training of government personnel.

SENEGAL

Our Senegal Team directed its efforts to four areas: inventory accounting (IA), small-medium sized enterprises (SMEs), the Senegalese Accountants' Society (SAS), and local management consulting firms. These efforts contribute to institutionalization by developing the capacity of public or private entities to use improved financial management practices and to train others in their use. The CT's direct work with USAID projects has been minimal. Instead they provided advice and guidance to the SAS, which has

conducted project accounting workshops, and to some local consulting firms, which have provided management advice to selected USAID projects.

The CT's work on IA in collaboration with GOS regional inspectors and controllers and the national Director of Materials and Transit has resulted in the development of an improved national IA system, officially accepted by the Office of the President of Senegal. The CT has and will continue to provide training for members of these groups to conduct workshops on the implementation of the system at the national level. The project's major activity with SMEs was with a group of Maitrisard Bakers, whose management committee worked with the CT to produce a standard accounting system and prepare and conduct a series of workshops to train owners and managers of over 30 private bakeries. The CT has also developed the capacity of this management group to provide consulting services to bakeries. At least one member of the baker's group will hopefully join the CT in conducting a similar activity for another sector of the Maitrisard program next year.

The CT advised the SAS in conducting workshops on USAID project accounting and in developing a workshop on household finance to be conducted in 1988. The CT has trained members of the SAS in training techniques and will provide support to the SAS to produce a quarterly newsletter. Finally, the CT has worked with local accounting firms, whose previous experience had been generally restricted to audit, to develop their management consulting capacities. Thus, SFRMP/Senegal is developing the nucleus of a consulting capacity, which now includes the local accounting firms, the SAS, the Maitrisards, and the CT's own local professional staff.

BURKINA FASO

The Burkina team has worked with USAID projects primarily in two areas: conducting systems reviews leading to 121(d) certification, and conducting an inventory management seminar for those projects. However, the CT's major efforts were directed to the Ministry of Agriculture's (MOA) Organismes de Développement Rural (ORD). In close collaboration with the Direction de Contrôle et Gestion (DCG) of the MOA and a World Bank Project, the CT has worked on the standardization of the entire ORD accounting system. As various aspects of the system are agreed upon, the work group produces a manual and the CT and DCG conduct a workshop to train accountants. These trained accountants then provide OJT to other accountants as necessary. To date five of the projected twelve manuals have been produced.

While the ORD effort continues in 1988, the CT will devote some of its time to other institutionalization efforts. This will include work with the Chamber of Commerce to develop its training capacity for improved financial management of private enterprises.

MAURITANIA (As reported by Peter Shaw)

The USAID/GIRM protocol provides that the CTL will spend 80% of his time with the Commissariat de Sécurité Alimentaire (CSA) and 20% on USAID projects. Activities involving the latter have included systems review for 121(d) certification purposes, systems improvements, and development of an accounting system for a counterpart-funded project. The CTL has spent the

majority of his time at the CSA. In conjunction with other donor-funded technical assistants, the CTL redesigned the CSA accounting system and trained both accounting and management staff. Future efforts, all of which support improved financial management of this government institution, will include: development of a detailed manual for the system in place, training in budgeting for CSA management staff, elaboration of accounting for fixed assets, and a formal training program of 240 hours of accounting and related training for CSA accountants in order to prepare them for an internationally accepted accounting degree.

OTHER

As a result of the country presentation, we identified the following areas of potential cross-country collaboration:

1. Possibility of Niger's local Associate participating in a Chad training of trainers program, tentatively scheduled for January
2. Possibility of CNPG/Niger facilitating an audit workshop in Mali
3. Possibility of BEC/Chad working with the CSA in Mauritania on budget development.

C. TRAINING AND PROGRAM ISSUES

1. Project Direction (See pp. 7-9 of the contract (Appendix B) and 2 pages of Project Paper (Appendix C).)

Our group examined the issue of how the project has and will allocate resources in meeting the following contract objectives (see contract p. 7):

- a. "ensuring that systems exist and trained personnel are available to manage AID funded projects to meet, at a minimum, the FAA Section 121(d) requirements."
- b. working "with both the public and private sectors to improve financial management practice used in the host countries."
- c. providing "support and encouragement to both the public and private sectors to institutionalize improved financial management practices."

The conference group defined the project's role via-à-vis USAID projects as follows:

- a. Only in Burkina and Mauritania have our project teams conducted reviews which were used as a basis for 121(d) certification. Conducting such reviews should generally remain the responsibility of the USAID Controller's office. SRFMP intervention has been in most cases and should be in the future a response to a request for assistance by either USAID, the project itself, or the cognizant host government.

- b. SRFMP II cannot "ensure that systems exist and trained personnel are available to manage AID funded projects" because we do not hire or fire personnel, nor do we prescribe or establish basic accounting systems. However, upon request, we can provide training and systems development.
- c. Our current focus is more on items "b" and "c" above, i.e., the institutionalization of improved financial management practices in private and public sectors, rather than on devoting most of our efforts to project accounting.
- d. Contract references which restrict certain activities to projects are not applicable to achieving general "institutionalization" goals (ref. "c" directly above). Specifically:
- (1) Output "b" on contract p. 7 ("specialized financial management systems for selected projects will be in place and operational") should not be restricted to projects.
 - (2) Participants for workshops and seminars (see p. 9 of contract) should not be restricted to members of projects, nor should case situations be restricted to situations from existing projects.

- (3) Output "d" (contract top of p. 8) should refer to improved financial management planning in general and not be restricted to projects.

The AID/W Project Officer, Jim Procopis, agreed that these restrictions are inappropriate.

- e. Our group, including Mr. Procopis, agreed that the objectively verifiable indicators for project purpose and outputs, as described in the project paper (see Appendix C), are inappropriate since seven of the nine indicators refer specifically and solely to activities relating to projects.

The group also agreed that the 9 project outputs, defined in the contract (on pages 7 and 8), are difficult to work with because they overlap, are redundant, and are not clearly stated. The conference group recommended a restatement of these outputs as listed in Appendix D. This restatement does not substantively change the outputs. Mr. Procopis agreed to present this revision to an AID/W project review committee for approval. In the interim, we will use the outputs as stated in the contract for presentation of our CY 88 work plans.

2. Participant Training

The contract (p.9) calls for short-term training for 36 participants. Jim Procopis agreed that:

- a. This training does not need to be limited to Dakar, especially for Anglophone Gambian participants.
- b. CESAG's 3 1/2 month short course is appropriate although it is a general management course with course offerings in financial management.
- c. Short-term participants must be restricted to host government employees.

David Quang pointed out that the SRFMP II budget provides \$470,000 for workshops, short-term training, and long-term training. The CESAG course costs about \$10,000 per participant. The contract calls for 36 short-term participants. As a result, the SRFMP budget will probably be inadequate to fully support all participant training costs. Therefore, the CTLs should seek other funding sources, such as the SHRD project.

The Contract budget is so limited for training because of the significant drop in the dollar/FCFA exchange rate between the time of the original budget preparation (April-May 1985) and now. The AID Controller's office has informed us that when the budget was formulated for the project paper, the AID exchange rate current at that time was used: approximately 470 FCFA. In comparison, the bank rate on November 25, 1987 was 283. This 40% drop in the exchange rate could result in a training budget shortfall if we implement all contractual training requirements and finance them exclusively with project funds. Obviously all other budget line items which include local costs have suffered a similar negative impact from the fall in the value of the dollar.

We then discussed possible programs at CESAG. CESAG offers the possibility of tailoring a short course to a client's specific needs. The conference group discussed designing a course to respond to specialized needs as defined by the CTLs. As a result, the next few months CTLs will identify a minimum of two participants each for CY 88 training and communicate any special training needs they may have to Peter Shaw. If CESAG's regular course cannot meet those needs, Peter will, with CESAG's cooperation, attempt to develop a specialized course to start in the fall of 1988.

In a meeting on November 5 between Jim Procopis, Ford Brown, Ray Garcia and Doug Arnold (USAID/Bamako/Controller), Mr. Arnold stated that he would communicate through Ray the number of potential participants USAID/Mali might identify for financial management training at CESAG. Such participants would be financed by funds external to SRFMP. There is a possibility, of course, that any special program developed could be utilized to provide short-term training for participants from other countries.

Participants from The Gambia, who have completed MDI coursework and require training beyond MDI's capacity, will be considered for training in a West African Anglophone country, possibly Ghana.

We also discussed guidelines for managing participants in Dakar, because of the added responsibility and work required of Frank Lusby:

- a. Copies of USAID/Senegal guidelines for maintenance and other allowances for AID-funded participants in Senegal were distributed and discussed (Appendix E).

- b. Once a participant has been approved by Washington for project funding, the CTL will communicate the budget to Frank Lusby. This budget must indicate the costs to be paid by the local CTL and those to be paid by SRFMP/Dakar.
- c. On all receipts for allowances the CTL (or his accountant) must specify the period of time covered by the allowance (maintenance allowance for month of January, for example).
- d. SRFMP will pay allowances on a monthly basis.
- e. Before the participant leaves his/her country, he must sign a letter certifying he understands exactly what allowances will be paid. A copy of this signed letter must be sent to EI/W and to Frank in Dakar.
- f. For non-CESAG-bound participants going to Senegal, the CTL should ascertain if the training institution can provide housing which is affordable under USAID guidelines. If housing is unavailable, the CTL should allow Frank a few months lead time to enable him to arrange housing for the participant.

- g. Frank or a member of his office will meet all participants at the Dakar airport. Frank will telex arrivals to the CTL.
- h. Frank will monitor attendance through CESAG; however, this may not be possible for participants in other institutions.

Regarding long-term US-based training, Paul Libiszowski stated that the Chadian government has expressed a clear preference for short-term training. He has, however, received a proposal from Price Waterhouse/Abidjan to train a private sector Chadian for one, possible two years. The contract (p. 10 in Appendix B) does not require that long-term training be limited to host government employees. Jim Procopis stated that he would determine whether this training fell within contract guidelines.

3. Computer Training Guidelines

The conference group agreed upon the following guidelines:

- a. SRFMP will not provide "generic" computer training. We will, however, provide appropriate computer training when it is directly related to financial management and fits within project objectives.
- b. Computer training will be provided only for personnel who have access to computers.

- c. Computer training could be provided when it contributes to the efficiency of a financial management system. The computer would be treated as a tool for efficiency and not an end in itself.

4. Cost Guidelines for Workshops

During the workshop we determined that current SRFMP policy is that the project will not fund per diem, travel expenses, pocket money, hotel accommodations, or elaborate closing ceremonies for workshop participation. Current practices vary from country to country. Some USAID missions have stated policies, others have none, or at least we cannot locate a written policy. SRFMP policy is, therefore, that if per diem, travel expenses, or pocket money are provided under local USAID policy, then the participants' employers should provide that support--either other projects or host government entities. SRFMP will not fund per diem and related costs for private sector participants.

A waiver of this policy may be approved by EI/W if the CTL certifies that adherence to the policy would prevent the full participation of certain people: e.g., if a host government ministry cannot or will not provide per diem for out-of-town participants. Waivers will be approved only on a case-by-case basis, at the Washington level.

SRFMP will normally finance coffee breaks, lunch if local policy dictates, and workshop facility rental if not otherwise available.

If any mission strongly opposes these principles because of their local policies, then the CTL should transmit existent written policy to Washington for further consideration.

5. Project Accounting Systems and Manuals and Materials Dissemination

SRFMP I and II has produced five major project accounting manuals, as follows:

- a. 1982 Basic Accounting Manual for a Single Entry System
- b. 1986 draft of the expansion of the above manual into a double entry system (referred to as the Christian Manual)
- c. Burkina single entry system
- d. Burkina expansion of the single entry to a double entry system
- e. 1987 Niger single entry system with introduction to the double entry system.

Prior to this conference, Peter Shaw had asked all CTLs for their comments on the utility of the Christian Manual and whether it should be revised or published. CTLs commented as follows:

- a. The Christian Manual and other manuals are generally used as a reference. Very basic systems are not currently a major problem nor a focus of the SRFMP II program.

- b. The project should not encourage the use of double entry systems for project accounting except in unusual cases, e.g., larger projects, or those with revenues or very significant assets. A few projects in Mali, Niger, and Chad currently use double entry accounting.

- c. There is general standardization in project accounting throughout the Sahel due to Phase I efforts and reinforced by Phase II. There is, however, no reason to insist upon absolute standardization, especially given the differences in Controller requirements in individual missions.

- d. Given the above there is no reason to allocate project time and resources to revise or publish the Christian Manual.

As regards materials dissemination, the CTLs expressed general satisfaction with materials EI/W has provided, both in terms of quality and speed of response. Peter Shaw stated that he has generally received field documents, manuals, workshop reports, etc. on a timely basis. He added that he classifies these documents and enters them into a data base. He then sends copies to CTLs whose activities indicate a potential use for the documents.

The CTLs suggested that a listing of current SRFMP II documents be provided to enable them to request documents they don't have. Peter will provide the list and in the future will produce such a listing on a periodic basis. Several documents discussed during the conference were requested by CTLs, including Niger's payroll system, Mali's Accounting Society by-laws, and Senegal's inventory accounting system.

The group also agreed that session designs generally should be included in workshop reports to facilitate easy repetition of workshops in other countries.

6. Local Currency Reviews for the Africa Bureau

Ford Brown informed the CTLs that SRFMP II has agreed to assist the Africa Bureau in reviewing host government accounting systems which account for and control AID-generated local currencies. Issues to be researched by the CTLs in their respective countries include: magnitude of the local currency program, source of local currencies, evaluation of controls of that currency including timeliness of deposits, procedures to safeguard them, control of disbursements, and sufficiency of record-keeping systems. Ford recommended CTs spend about a week on this study, to be completed before the end of January. In any event, they should not devote more than two weeks to this effort. If a CT cannot complete the study within two weeks, they should state why they cannot in their report.

7. SRFMP II Evaluation

Jim Procopis discussed the upcoming evaluation. He stated that according to the Project Paper this project will be evaluated twice during its implementation and once at the end. The upcoming evaluation should start in March 1988 and take about four weeks. The three-person evaluation team probably will include experts in program, training, and financial management, and they may be chosen before the end of the year.

8. Reporting

The CTLs and James Procopis expressed general satisfaction with the content and format of our quarterly reports and the annual report. One CTL recommended that the home office indicate when the (field) monthly reports have been received. Peter requested that monthly reports include clear quantified data, especially those regarding workshops, i.e., number of participants trained, duration of workshop, approximate training hours per day. CTLs requested that copies of quarterly reports be made available to their project officers. Finally, some CTLs recommended the next annual report should include a section with country descriptions of activities. The current format reports on achievement of project outputs by the project as a whole, which makes it difficult to get a clear picture of activities in individual countries.

9. Future Regional Workshops

The Project Paper calls for two regional workshops per year. The group agreed that workshops held each six months would be useful. Ford Brown stated that we would try to hold the next workshop soon after the evaluation report is issued. Peter Shaw mentioned that we should schedule fall workshops sufficiently before the end of the year to allow CTLs time to develop definitive country work plans and budgets for the following year. Frank Lusby stated that he would like future workshops to have a theme or topic in addition to general program and administrative issues. EI/W emphasized the need for CTLs to tell us what topics they would like covered.

10. Other Issues Discussed

- a. Internships - experiences in Mali and Senegal
- b. Project accountants meetings in Niger
- c. Newsletters - projected currently for The Gambia and Senegal and possible in other countries
- d. Administrative - David Quang's responsibility for all U.S. procurement, R&R guidelines, unexpendable property report due end-of-year (David will send uniform format), EI leave reports for CTLs
- e. Niger and Senegal presented two project-developed systems in detail.

D. INSTITUTIONALIZATION

We have described in Section III.B. above our efforts in each country towards the institutionalization of improved financial management techniques. We might add, however, that the group spent considerable time trying to define institutionalization and to identify those activities which met the definition. A three-tiered view of institutionalization emerged from this discussion, as follows:

1. It means leaving behind a training capacity in financial management. That capacity may be formal (in a training institution) or informal (e.g., people capable of providing OJT or designing workshops).
2. It means leaving behind a cadre (in either the public or private sector) capable of utilizing improved financial management techniques, motivated to use them, and competent in any general or specialized systems developed by the project.
3. It means leaving behind a consciousness of the importance and utility of improved financial management by host country accountants and financial and general managers.

Many of the activities considered to be part of institutionalization and described as such in Section III.B. above do not meet the first, or strictest definition. We generally agreed that leaving a training capacity

behind would be ideal and should ensure the continuity of continued use of improved financial management techniques; however, we also agreed that limiting the definition to that goal would be too restrictive. The contract itself does not set this goal. In fact only one project output refers to an improved training capacity (Appendix B, p.8, output b).

The contract definition/description is that institutionalization "refers to activities which build lasting capacity in financial management... over the life of the project and beyond...A capacity can be said to be institutionalized when it is maintained by an organization or group because it meets functional needs and has been provided sufficient resources to continue." (Appendix B, p.7) This description most closely resembles definition 2 above. In addition, it sets goals against which project progress may be measured. Definition 3 above is much more difficult to quantify. Finally, most of the project outputs, as stated in the contract, relate directly to this contract definition.

We believe that definitions 1-3 above represent different levels of the institutionalization process, all of which the project as a whole is currently addressing. The contract definition is broad enough to include these various aspects of the process and is representative of both past and projected activities, which fall within the contract's guidelines.

E. REVIEW OF CY 88 BUDGETS AND WORK PLANS

Jim Procopis provided instructions for the special information he wants included in the narrative portion of to the CY 88 work plans. These instructions appear in Appendix F. The reason for this narrative is to explain why specific directions have been taken in different countries, why certain project outputs are being emphasized locally, and why some outputs may not be applicable. Mr. Procopis stated that it is not necessary for each country to address each output, depending upon the local context. He requested that the CTLs obtain concurrence with these narratives from their Project Officers as well as from the host government. He also suggested that either the Program Officer, Deputy Mission Director, or Mission Director be informed of the content of this text. The narrative, along with the work plan signed by the Project Officer and host government, must be transmitted to arrive at EI/W by January 1, 1988. The CTLs should present the work plans using the nine outputs as they appear in the contract.

David Quang reviewed the general SRFMP II budget. He presented figures for the overall project budget, expenses projected through 1987, and the available budget for 1988-90. David again stressed the limitations of the training budget and the constraint which the adverse exchange rate has had upon the budget in general.

Ford Brown and Peter Shaw met with individual CTLs to review work plans. They made suggestions for improvements and changes. After these reviews were finished, David Quang reviewed each individual country budget. The work plans and budgets for 1988 will incorporate the suggestions and modifications made during these reviews.

IV. SUMMARY AND CONCLUSION

The objectives of the workshop were met. CTL reports on country activities and past and projected activities related to institutionalization resulted in:

- A. a number of possibilities for inter-country collaboration
- B. potential use in other countries of systems and/or materials developed by CTs
- C. suggestions for improving local programs.

In addition we resolved the following issues:

- A. We defined SRFMP's role vis-à-vis 121(d) certification.
- B. We established that the project has progressed to a support role for AID-funded projects, offering increasing support for activities related to institutionalization. In addition, we agreed that contract references to projects in its sections on "objective of the project" and "scope of work" are restrictive and inappropriate (see section III.C.1 above) as are the objectively verifiable indicators in the project paper.
- C. We discussed short-term training options available and made preliminary plans for a training program at CESAG for the fall of CY 88. We also addressed the issue of the significant negative impact of the fall in the value of the dollar upon the training budget. Finally, we established relative responsibilities of CTLs and the CTL/Senegal for the administration of participant trainees in Dakar.

- D. We agreed that no additional SRFMP resources need to be devoted to the standardization of project accounting systems.
- E. We established specific guidelines for funding SRFMP workshops/seminars.
- F. We established guidelines for providing computer training.

SRFMP/home office staff also reviewed individual country work plans and budgets and recommended specific changes or improvements. CTLs will submit revised and approved work plans and budgets to EI/W by January 1. They will provide country narratives along with the work plans as specified by the AID/W Project Officer.

Finally, the AID/W Project Officer will respond to the Project Director on two outstanding issues:

- A. restatement of project outputs, which he will review with a project oversight committee; and
- B. the possibility of providing long-term practical training to a Chadian from the private sector.



APPENDIX A

Sahel Regional Financial Management Project



REGIONAL WORKSHOP
ABIDJAN
NOVEMBER 2-6, 1987

Monday, November 2

Opening: Art Fell, Director, REDSO/Abidjan
Jim Stanford, Controller, REDSO/Abidjan
Country Reports

Tuesday, November 3

Training Issues:
Introduction
 Project Direction
 USAID Projects vs. Institutionalization
Participant Training
 Short-term/third country
 Long-term
Internships
Project Accountants Meetings
Cost Guidelines for Workshops
Computer Training Guidelines
Management Consulting
Newsletters
Workshop Follow-Up

Wednesday, November 3

Institutionalization
 Progress to Date
 Projected Activities
Work Plan Revision
Meet Big 8 Firms

Thursday, November 4

Review of Country CY 88 Work Plans
Review of Country CY 88 Budgets

Friday, November 5

1988 SRFMP Evaluation
Management/Administrative Issues
Procurement/Logistics
Reports/Reporting
Computer Programs
Workshop Videos
Forward Planning for Regional Workshops
Wrap-Up
Closing

TS

SECTION CWORK STATEMENT1. OBJECTIVE OF THE PROJECT

The project objective is to improve the financial management capability of Sahelian host government ministries and other organizations in Burkina Faso, Cape Verde, Chad, Gambia, Mali, Mauritania, Niger, and Senegal. This includes, but is not limited to, ensuring that systems exist and trained personnel are available to manage AID funded projects to meet, at a minimum, the Foreign Assistance Act Section 121(d) requirements. In addition to improving the financial management of AID project funds, the project will work with both the private and public sectors to improve the financial management practice used in the host countries.

Concurrent with improving the financial management capability within the countries, the Contractor shall also provide support and encouragement to both the public and private sectors to institutionalize improved financial management practices.

The term "institutionalization" or "institutional development" refers to activities which build lasting capacity in financial management in USAID and host government mutually-defined priority areas over the life of the project and beyond. Activities may be undertaken, and capacity-building achieved, through both direct project activities and secondary project benefits, either planned or unplanned. A capacity can be said to be institutionalized when it is maintained by an organization or group because it meets functional needs and has been provided sufficient resources to continue. This does not mean the development of an institution, but rather, putting this capability within an existing organization or group. Some of the basic functions to be institutionalized are: basic accounting, asset management, financial reporting, and budgeting/planning.

At the end of the contract period, it is anticipated that the following five outputs will have been obtained:

- (a) Accounts associated with A.I.D. projects and managed by host governments will meet USAID Controller accountability standards.
- (b) Specialized financial management systems for selected projects will be in place and operational (e.g., inventory control, auditing/monitoring, budget development, etc.).

(c) Host country organizations and individuals will have assumed increasing responsibility for applying internationally acceptable financial management methods.

(d) Improved financial management planning will be incorporated into new development projects by selected host government agencies and institutions.

(e) The numbers of trained accountants and financial managers will have increased in each Sahelian country.

The process of institutionalizing improved financial management will vary from country to country, but must occur in all countries. Institutionalization of these practices must have occurred within one or more of the host country's organizations and preferably in several. Institutionalization will also have occurred within the private sector.

Four additional outputs are expected to be obtained during the contract period and the Contractor shall actively pursue their achievement. They are:

(a) Improved training curriculum in training institutions, both public and private, within the Sahel;

(b) Improved status of accountants and financial managers within the Sahel;

(c) Other donor organizations use the AID type of financial accountability to improve project management and use project resources more efficiently; and

(d) Host governments accept improved financial management practices to the extent that they use them in managing their own resources.

2. SCOPE OF WORK

(a) To achieve the above objectives and outputs, the Project design includes the following major inputs, all of which shall be the responsibility of the Contractor to implement:

(1) Long-term technical assistance for Burkina Faso, Chad, Gambia, Mali, Mauritania, Niger, and Senegal. This mainly takes the form of resident project teams (one financial management expert and up to two Sahelian accountants/financial managers per country) and a full-time project coordinator and a full-time training specialist/materials development expert. Long-term technical assistance will accomplish the following activities:

- (A) Design appropriate accounting and financial management systems;
- (B) Develop and disseminate suitable training materials and methods;
- (C) Train cooperating country personnel;
- (D) Assist in installation of the systems;
- (E) Facilitate the utilization of the accounting data in improved financial and program decision-making wherever possible; and
- (F) Encourage institutionalization of improved management practices in public and private sectors.

The situation varies from country to country, and individually tailored efforts have been developed. However, the central technical concepts and approaches to improvement can be applied systematically and flexibly through a regional effort. Long-term technical assistance staff will be located in Senegal, The Gambia, Mali, Burkina Faso, Niger, Chad and Mauritania. See also Part 4 of Section F of this contract.

(2) Short-term technical assistance. Short-term technical assistance will be provided for particular needs (e.g., inventory control, auditing). See also Part 4 of Section F of this contract.

(3) Workshops and seminars. This training will be provided in-country on a national level, as needed, and for specific groups of projects (e.g., training in inventory control for projects requiring this assistance). Workshops will focus on financial management training and utilize case situations from existing projects to develop financial management skills. It is planned that approximately 64 4-day workshops/seminars will be conducted, up to two per year for each country, for about 20 participants in each session. The cost of these seminars and participant support costs (i.e. travel, per diem), if any, will be paid by the Contractor, if other funding is not available and if approved by the cognizant AID/W Project Officer.

(4) Short-term training. This consists primarily of two to three month training courses for selected host government employees in Dakar, Senegal. These training courses will be directed specifically to developing work related skills (not academic). Two emphases will be accounting training and mid-level financial management training. It is planned that 36 participants will attend this three-month course.

(5) Long-term training. Long-term training in the United States or a third country is only planned for one country, Chad (two person-years), but may also be provided to other countries as opportunities occur. Accordingly, AID reserves the right to increase the amount of long-term training. Any adjustment to the contract as a result thereof shall be handled in accordance with the clause of this contract entitled "Changes - Cost Reimbursement" (FAR 52.243.02, Alternate II).

(6) Commodity Procurement. In addition to expendable supplies and materials, nonexpendable equipment (see Part 6 of Section H of this contract) to be procured under the project are furnishings, equipment and supplies for the long-term experts and the offices of the in-country financial management teams. Major cost items are 7 vehicles plus spare parts, household equipment and furnishings (see Part 6 of Section B of this contract), and office equipment for each of the teams. Procurement of and payment for all items will be the responsibility of the Contractor.

3. SPECIFIC CONTRACT REQUIREMENTS

(a) General

The Contractor shall be responsible for all Project implementation actions and functions. These functions will include developing an overall Project work plan, and annual work plans covering all proposed Project activities both in the field and in the U.S.; preparing annual budgets for all proposed activities, by country and by type of Project activity; employing and supporting all Project personnel; conducting workshops/seminars and training activities financed by the Project; submitting required reports on Project substantive and financial activities; and developing internal systems for collecting, reporting and evaluating Project progress and problems.

Responsibilities of the Contractor can be grouped in five major categories:

(1) Overall project implementation planning, execution, and coordination.

(2) Provision, management, and support of all technical assistance (including Sahelian support staff) and training personnel in the field.

(3) Development and dissemination of training materials.

APPENDIX C

(from SRFMP II Project Paper)

PURPOSE:

1. Descriptive Summary

Improve financial management of Sahelian development institutions that directly handle funds provided by AID (sustain at or above 121(d) requirements) and encourage institutionalization of improved management practice in public and private sectors.

2. Objectively Verifiable Indicators (End of Project Status)

1. No current AID project has been decertified.
2. All newly designed or redesigned projects are approved and show improved financial management procedures.
3. Host country project managers are using accounting data for project decision-making at project end.
4. Host countries operate their own financial management training programs in governmental, public or private institutions at project end.

3. Means of Verification

1. USAID Controller records.
2. USAID Project Officer records.
3. Project manager's implementation plans.
4. Host government project budgets and projects.
5. New funding requests to USAID and other donors.
6. Decrease in expatriate TA needs in financial management.
7. H. government and project training plans.

4. Assumptions

1. FAA Sec. 121(d) is not repealed, yet the Sahel development program is maintained at least at current levels.
2. The proportion of AID projects with Local Currency in the total Sahel portfolio remains the same or increases.
3. The proportion of local currency handled by host governments in the projects with local currency in them in the Sahel remains the same or increase.
4. The accounting practices advocated by AID are found to be applicable and can be adapted to host government functions.
5. Host governments can make personnel available to participate in financial management in sufficient numbers to provide a "critical mass" for change in each country.

APPENDIX C (con't)

OUTPUTS:

1. Descriptive Summary

1. Accounts managed by host government in USAID projects meet USAID Controller's accountability standards.
2. Specialized financial management systems for selected projects are in place and operational (e.g., inventory control, auditing/monitoring, budget development, etc.).
3. Host country organizations and individuals assume increasing responsibility for meeting certification requirements and applying financial management methods.
4. Improved financial management planning is incorporated into new USAID funded projects and selected host government agencies and institutions.
5. Numbers of trained accountants and financial managers increase in each country.

2. Objectively Verifiable Indicators

1. USAID controllers offices maintain certification standards and are able to reduce monitoring of project accounts due to improved management by end of project.
2. New or redesigned projects have not had to devote additional project TA costs to host country financial management issues. No new or redesigned project requires more Mission Controller staff input than ordinary in the pre-FAA Sec. 121(d) period by end of Project.
3. At least 1000 project managers/accountants have been trained in eight countries in financial management by end of Project and selected ones are training others.
4. New host government project personnel in selected countries have been trained in improved financial management practice.
5. Accounting newsletters begin under project are being produced by local organizations at projects end.

3. Means of Verification

1. USAID Controller records.
2. USAID Project Officer records.
3. Project implementation plans including training plans.
4. Budgets and reports developed by HG personnel.
5. Accounting newsletters in selected countries.

APPENDIX D

SUGGESTED REPHRASING OF PROJECT OUTPUTS

(Ref: EI contract, pp. 7-8, list of 5 major and 4 additional outputs.)

A. PROJECT ACCOUNTING

1. USAID project accounts managed by host country governments will meet USAID Controller accountability standards. Specialized financial management systems for selected projects will be in place and operational.
2. Collaboration with other donors will result in improved financial management of their project funds.

B. INSTITUTIONALIZATION

1. Host country public sector and parastatal organizations will utilize sound financial management techniques in managing their own resources and in planning new development projects.
2. Private sector individuals and firms will utilize improved financial management techniques in managing their own resources.
3. Training curricula in both public and private training institutions will improve.
4. The numbers of trained accountants and financial managers in the Sahel will increase and their status will improve.
5. The audit and financial management consulting capacity of either private accounting/consulting firms or public organizations will be improved.

USAID-DAKAR POLICY

FILE FOR FUTURE
REFERENCEJune 22, 1987
UDP-056A

TO : All USAID Employees

FROM : Stephen F. Wallace, Executive Officer

SUBJECT: Maintenance and Other Allowances for A.I.D.-Funded
Third-Country Participants in Senegal

The purpose of this Policy Amendment is to establish transit status allowance rates and procedures for third-country participants in Senegal. All other terms and conditions of the original policy remain in force.

A. Transit Status:

1. At schools in Dakar, maximum transit allowance rate is CFA 10,000/day.
2. At schools outside of Dakar, maximum transit allowance rate is CFA 6,000/day.
3. Academic participants will receive transit allowance for a maximum of 30 days upon arrival in Senegal.
4. Short-term participants will receive transit allowance during first 30 days or for length of training program if less than 30 days; and will receive allowance of CFA 125,000/month thereafter for the duration of the training program.
5. USAID/Senegal reserves the right to establish special rates for certain short-term programs when special arrangements are made with the training institutions.

USAID-DAKAR POLICY

FILE FOR FUTURE REFERENCE

June 17, 1987
UDP-056

TO : All USAID Employees
FROM : Stephen F. Wallace, Executive Officer
SUBJECT: Maintenance and Other Allowances for A.I.D.-Funded
Third-Country Participants in Senegal

The purpose of this Policy Statement is to establish uniform maintenance and other allowances for A.I.D.-funded third-country participants in Senegal in accordance with A.I.D. Handbook 10, Appendix E.

- A. Table 1 sets forth the approved maintenance allowances and other allowances covering third-country participants at all Senegalese institutions which currently host third-country participants.
- B. These rates are effective for all third-country participants commencing on August 1, 1987. The rates will be in effect until July 31, 1988, at which time they will be reevaluated and amended, if needed.
- C. USAID/Senegal will establish maintenance and other allowances for other institutions in Senegal if and when A.I.D.-funded third-country participants are accepted by and attend such institutions.
- D. Per diem payments for participants during required internships will be paid only if such payments are required for food and lodging costs. No per diem payment will be paid if it serves as an indemnity or incentive for the participant to carry out the internship.

APPENDIX E (con't)

- E. Payment to participants for books and equipment will be based on a list of required books and equipment to be solicited from each institution prior to the beginning of each school year. For those institutions which are not able to provide an annual list of required books and equipment, USAID/Senegal will determine an equitable book and equipment allowance based on recommendations from the institutions. Annual payment for books and allowances will not exceed CFA 150,000.
- F. USAID/Senegal will review and approve all other training costs for which USAID/Senegal has the responsibility to approve under Handbook 10 which may be applicable to third-country participants in Senegal and not included at the time of the issuance of this Policy Statement.
- G. The maintenance allowances set forth in Table 1 are calculated to cover the basic living expenses of participants only and are not applicable nor payable to dependents. If a participant in Senegal would like to bring his/her family to Senegal during the time that the participant is in training, then he/she must do so at his/her own expense and complete and sign the Dependent Certification (AID Form 1380-5) in accordance with A.I.D. Handbook 10, Chapter 16. A copy of this signed certification must be sent to USAID/Senegal from the sending Mission.
- H. All third-country participants in Senegal, both long-term and short-term, are to be uniformly covered by a medical insurance plan providing for 100 percent coverage. The Mission will arrange for a local insurance company to provide uniform medical insurance for all third-country participants. Three institutions currently provide full umbrella policy to cover all A.I.D.-funded participants under common provisions. However, if an institution insists that the tuition fees include full medical coverage, then we will use such medical coverage provided by the institution as long as the coverage is equal to, or better than, the Mission's medical insurance plan. All sending Missions will be encouraged to require medical examinations for all long-term third-country participants prior to their departure.
- I. During the last month of training, all participants will receive a single one-time allowance for shipment of training materials. Long-term academic participants and short-term technical participants with programs over five months will receive CFA 20,000. Short-term participants with program less than five months will receive CFA 18,000.
- J. Each participant has the choice to live off-campus or on-campus except for participants at institutions which require all students to live on campus, in which case they must stay on-campus. If the participant's respective institution requires specific approval for students to live off-campus, the participant will be responsible for obtaining such approval. Participants at such institutions will continue to receive the on-campus maintenance rate until USAID/Senegal has received in writing official approval for the participant to live off-campus.

65

APPENDIX E (con't)

- X. The following maintenance rates will apply during vacation periods: (1) students who live off-campus will continue to receive the off-campus maintenance allowance; (2) students who live in dormitories during the academic year and who must live off-campus during vacation periods will receive the off-campus maintenance allowance during the vacation period; (3) students who live in dormitories during vacation periods which do not offer dining facilities will receive the off-campus maintenance allowance during the vacation period; and (4) students who return to their home country during vacation periods will receive no maintenance allowance while they are not in senegal.

UDP-057: Maintenance and Other Allowances for A.I.D.-Funded Third-Country Participants in Senegal

TABLE 1
(CFA)

School	MONTHLY MAINTENANCE ALLOWANCE			MEDICAL COVERAGE		PRACTICAL TRAINING
	On Campus: Full Room and Board Provided	On Campus: Student pays Room and Board	Off-Campus: No Room and Board Provided	Fully Covered by School	To be Included under USAID-Approved Plan	Amount to be Paid to Participants during Practical Training
EHEA	50,000	N/A	125,000	Yes	N/A ²	2,500/day
ENSUT	N/A	65,000	125,000	Yes	N/A ²	750/day
SEBIV	N/A	65,000	125,000	N/A	Yes	N/A
ENAB	N/A	65,000	125,000	N/A	Yes	N/A
INDF	55,000	N/A	N/A	N/A	Yes	1,000/day
ENCR	55,000	N/A	125,000	Yes	N/A ²	2,500/day
CEBAC	50,000 ¹	N/A	125,000	N/A	Yes	2,000/day
FACULTY OF MEDICINE	N/A	65,000	125,000	N/A	Yes	N/A

¹CEBAC dormitory facilities will be completed late 1987.

²Participants at these schools will be covered under Mission approved policy, when feasible.

APPENDIX F

NARRATIVE - INTRODUCTION TO 1988 WORKPLAN

1. State: Who is government counterpart?
2. Has protocol been signed? If not, why not?
3. Describe goals for 1987 per 87 workplan.
4. Describe accomplishments of 87 and explain any divergencies from workplan.
5. Describe goals/strategy for 1988.
6. Explain why these goals/strategy chosen?
 - What local conditions determine that strategy. Include all factors impacting on special approaches, problems or issues.
7. Explain how past 87 and projected 88 activities contributed or will contribute to institutionalization.
8. How many workshops conducted 1987?
 - What length of time (e.g. how many days? full days or 1/2 days?).
 - Number of participants (Note if participants in more than 1 workshop).
9. Same for 1988 projections.
10. Be explicit in your past (87) and projected (88) 121(d) certification activities and responsibilities.