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OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD)
USAID PROJECT 698-0452

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OAU AND HOST COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT
for the 5-year period ended September 30, 1991

AUDIT REPORT

March 1992

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Réjean Labonté c.m.a
Comptable en Management Accrédité
Certified Management Accountant

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Semi-Arid Food Grain Research and Development (SAFGRAD II) USAID PROJECT 698-0452

Your letter dated November 25, 1991 required that we realize the following objectives:

Objective 1 - Accounting system

Development and proposal of an accounting system to register, in future phases, the in-kind contribution of OAU and the Host-countries participating to the project.

Objective 2 - Audit of the in-kind contribution

Fully assess and audit the OAU and 26 Host-country in-kind contribution to the project during the 5-year period started October 1, 1986 and ended September 30, 1991.

We have developed and proposed a simple system for accounting OAU and Host-countries in-kind contribution in future phases of the project. This system is discussed in a separate document annexed to this audit report.

Scope of the Audit

We have audited the OAU and Host-country in-kind contribution to the SAFGRAD II project for the 5-year period started October 1, 1986 and ended September 30, 1991.

We conducted our audit in accordance with generally accepted auditing standards, Circular OMB-122 and, in particular, Circular OMB-110 Attachment E, paragraph 3 (b) articles 1 to 7 which require that both cash and in-kind contribution "meet all of the following criteria:

- (1) Are verifiable from the recipient's records;
- (2) Are not included as contributions for any other federally assisted program;
- (3) Are necessary and reasonable for proper and efficient accomplishment of project objectives;
- (4) Are types of charges that would be allowable under the applicable cost principles;
- (5) Are not paid by the Federal Government under another assistance agreement...;
- (6) Are provided for in the approved budget when required by the Federal agency; and
- (7) Conform to other provisions of this attachment."

Scope Limitation

We could not conduct our mission as planned in the scope of work because of limitations that, without invalidating the audit, have created a situation where time needed was not available to further investigate, in some countries, various elements of the in-kind contribution statement. These limitations were the following:

Limitation no.1 – No legal authority of OAU

over the 26 Host-Countries participating to SAFGRAD. As described in note 2 to the Consolidated statement, the Institutions visited are not legally bound to OAU nor to the SAFGRAD project. Their participation is based on good-will and advantages they may obtain from the project. Following written communication from the SAFGRAD Coordination Office, only two (2) research institutions had sent a duly completed statement of their in-kind contribution to the SAFGRAD Coordination Office prior to our departure for mission. All others did not reply. Research Institutions informed of our visit had prepared information and data permitting to complete and submit to us their statement of in-kind contribution, which we audited.

This limited the scope of our mission which was to fully audit the OAU and 26 Host-Countries in-kind contribution to the project. The statements of in-kind contribution of the 17 Host-Countries not visited have not been submitted and the information and data in our possession are not sufficient to properly assess what would be the in-kind contribution of these countries.

Limitation no.2 – Lack of a clear definition of the in-kind contribution,

of the method of evaluating the expenses allowed in the contribution and, also, lack of a standard SAFGRAD accounting system did not permit the research institutions to properly keep records of the expenses contributed to the project according to generally accepted accounting principles.

This situation did not invalidate the audit process but obliged us to use other methods to properly assess the contribution declared, thus reducing the time that would have been required to further investigate certain costs that were finally disallowed due to insufficient evidence.

Limitation no. 3 – Dissemination of the information

in different Research Institution services or other Government Ministries or services due to the government financial management practices (see note 2 on the Consolidated statement).

Financial documents were rarely available on site and time constraint did not allow us to visit the departments concerned to search for, obtain and examine these documents.

Limitation no.4 – Time constraint.

The time allowed for the mission and the tight travel schedule from one country to another did not permit to further investigate some costs we estimated too high. In some cases, we could not visit other departments to get more justification.

This limitation resulted in disallowances of declared costs when more time could have probably justified the figures stated.

In order to perform our audit, we have reviewed a sample of SAFGRAD Host-Countries' research organizations, which are:

1. Institute of Agricultural Studies and Research (INERA), BURKINA FASO
2. Institute of Agricultural Research (IRA), CAMEROON
3. Institute of Drylands (IDESSA), COTE D'IVOIRE
4. Nyankpala Agricultural Experiment Station (NAES), GHANA
5. Kenya Agricultural Research Institute (KARI), KENYA
6. Institute of Rural Economy (IER), MALI
7. National Institute of Research in Agronomy (INRAN), NIGER
8. Institute for Agricultural Research (IAR), NIGERIA
9. SAFGRAD ACPO's Office, TOGO

We visited the Scientific, Technical and Research Commission (STRC) of OAU, NIGERIA. We also met with SAGRAD Coordination Office Staff Members, and the Coordinators of the West Africa MAIZE and COWPEA Networks as well as the Coordinator of the Eastern African Regional Sorghum and Millet (EARSAM) Network.

We performed the audit to obtain reasonable assurance about whether the Consolidated financial statement of the in-kind contribution is free of material misstatement. Our audit included the following tasks:

- Examination and determination of the various costs and expenses contributed,
- Assessment of the fairness and reasonableness of the costs declared by the Research Institutions under review,
- Evaluation of certain costs that could not be sufficiently justified (the farm land value for example),
- Estimation of the contribution for the four (4) years prior to 1991.
- Analysis of the consistency of each line-item figures presented in the Consolidated statement of the in-kind contribution and adjustment of certain inconsistencies revealed.

Auditor's Opinion

In our opinion, except for a reserve concerning Aid financed equipment and buildings included in BURKINA FASO statement of contribution (see notes A3 and A4), the effects of the limits on the scope of the audit as explained above and on the attached note to the financial statements, the Consolidated Statement of the In-kind Contribution to SAFGRAD II, herewith attached, presents fairly, in all material respects, the OAU in-kind contribution and the SAFGRAD Host-Country Research Institutions reviewed in-kind contribution, for the 5-year period started October 1, 1986 to September 30, 1991, in conformity with the basis of accounting, evaluation described and OMB Circular OMB-110 Attachment E.



Réjean Labonté, CMA
Auditor

March 14, 1992

**OAU/SAFGRAD COORDINATION
Semi-Arid Food Grains Research
USAID PROJECT 698-0452**

**CONSOLIDATED STATEMENT OF
for the 5-year period ended Septe**

	GO (bit J)	TRAINING (Exhibit K)	TOTAL CONTRIBUTION	% OF TOTAL
SALARIES AND EMPLOYEE COMPENSATION				
Administrative staff emoluments			193,500 \$	
Field research staff emoluments	300 \$	168,500 \$	1,162,600 \$	
Farm labour	100 \$		284,400 \$	
Laboratory staff emoluments			25,500 \$	
	400 \$	168,500 \$	1,666,000 \$	54.3%
EQUIPMENT AND SPACE				
Office equipment	500 \$		33,000 \$	
Office space	900 \$		254,500 \$	
Laboratory equipment and space			155,600 \$	
Researcher's residence rental			12,100 \$	
	400 \$		455,200 \$	14.8%
FARM LAND (USE, PREPARATION AND MAINTENANCE)				
Farm land use	100 \$		252,000 \$	
Farm utilities			57,600 \$	
Agricultural and farm materials	300 \$		159,900 \$	
	400 \$		469,500 \$	15.3%
OPERATING COSTS				
Communications			7,400 \$	
Office utilities	300 \$		25,600 \$	
Office stationery and supplies			20,700 \$	
Misc. expenses			1,300 \$	
Laboratory utilities			5,800 \$	
Chemicals and supplies			39,100 \$	
	300 \$		99,900 \$	3.3%
TRAVELLING COSTS				
			180,300 \$	5.9%
CASH CONTRIBUTION				
			200,000 \$	6.5%
TOTAL CONTRIBUTION				
	500 \$	168,500 \$	3,070,900 \$	100.0%

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Comptable en Management Accrédité
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OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

NOTES TO THE CONSOLIDATED STATEMENT OF THE IN-KIND CONTRIBUTION

Note 1 – Background

The Organization of African Unity (OAU) agreed to match USAID award in contributing \$1.8 million during the 5-year life of the SAFGRAD II project.

No specific understanding between AID and OAU was made at the time, and since then, on the definition of the in-kind contribution, the type of expenses allowed and the method to be used to justify and account for the contributed expenses. No provision either was made to plan the audit of the in-kind contribution in similar ways as other functions of the project were (mid-term or end evaluation for example).

Note 2 – Accounting policies and evaluation methods used

OAU and the SAFGRAD project have no legal authority on the national research institutions participating in SAFGRAD. These research institutions operate under Ministries (Agriculture or Higher Education) or inside larger organizations (like IAR in Nigeria). The research institutions visited had generally an accounting department and system but do not handle funds. This function is executed by another department of their organisation or by the Treasurer of the Government. Copies of financial documents may be kept by the research institute (invoices taken before payment, copies of requisitions of material from the main stockroom, etc.). Financial reports are produced and transmitted to the Research Institution by the tutorial body (on a more or less regular basis depending of the country).

The accounting policies and practices examined differ from one institution to another. No accounting system of the in-kind contribution was put in place at the start-up date of the project to properly record and document operations.

In the absence of a standard accounting system of the in-kind contribution, the expenses have been evaluated according to the methods described in notes 3 to 9 below.

Note 3 – Establishment of the annual contributions prior to 1991

First information transmitted by the SAFGRAD Coordination Office to Host-countries Research Institutions regarding the Audit of the Contribution was that it would cover the 1991 contribution only (ref letter of July 1991). Later, information was sent to request that the statement of the in-kind contribution would cover the 5 years of the project (1986-1991). Most Host-countries visited, except Kenya, had prepared only 1991 contribution statements, and not enough information was available to prepare yearly reports of the contribution.

We disagreed to the assumption made by the research institutions to the effect that the contribution for the 5-year period could be estimated in multiplying 1991 by 5.

In order to assess the contribution for these four years, we first determined that the level of activity during that period could be compared to the 1991 activities. We took into consideration the fact that more than 80% of the in-kind contribution consisted of expenses – salaries, value of the farm land used, etc. – for which the unit price did not fluctuate since years.

Taking into account that the two (2) first years of the project were less active, we applied to 1991 (base 100%) the following ratios: 1987, 60%; 1988, 75%; 1989 and 1990, 100%.

This assumption was confirmed at the end of our mission when KARI (Kenya), that had enough information to produce yearly reports, declared a trend in their activities compared to 1991 as follow: 1987, 69%; 1988, 75%; 1989 and 1990, 100%.

Note 4 – Exchange rate of local currency in US\$

The costs contributed were established in local currency then converted in equivalent US\$ by using the annual average rate obtained in compiling the rates of exchange transmitted by USOFFICE RAMC DATA PARIS.

Note 5 – Salaries and employee compensation

Salaries and compensation paid by local governments to researchers and staff while performing SAFGRAD activities.

This item represents 54% of the total contribution. The salaries declared were not paid by AID under other awards. This item was determined in applying to the each researcher's salary (verified on the Institution's payroll or computer printout) a percentage representing the portion of time spent on SAFGRAD activities.

Note 6 – Equipment and space

Office, laboratory, stockroom and similar other space and equipment used by the Researchers and staff for SAFGRAD activities.

This item represents 15% of the total contribution and was determined in applying to the rental value of the space used the percentage previously determined to establish the salaries and compensation. The rental value of the space used according to the average rental values of similar buildings in the area.

Note 7 – Farm land use, preparation and maintenance

Value of the land used and the costs of land preparation and maintenance (ploughing and

irrigation for example) and agricultural and farm material (fertilizers for example).

This item represents 15% of the total contribution. Farm land use was evaluated for all research institutes on the basis of the real property value obtained in one Research Institution: IDESSA in COTE D'IVOIRE. Other costs were estimated by applying to the total expenditures of the station a proportion of the costs based on the surface used for SAFGRAD experimentation.

Note 8 – Operating costs

All other operating expenses (excluding travelling and farm land expenses) such as utilities (water, electricity, etc.) and office and laboratory materials and supplies.

This item represents 3% of the total contribution. It was evaluated in applying to the total expenses of the station the percentage obtained in the calculation of the salaries.

Note 9 – Travelling costs

Travelling by researchers and staff in and out of the reserach station to perform SAFGRAD activities.

This item represents 6% of the total contribution. The contribution to SAFGRAD was established in applying to the total expenditures for the research station for car and vehicles operation (including gasoline, repair, insurance, etc.), the percentage obtained in the calculation of the salaries.

Note 10 – Tax exemption

All expenses examined have been found tax exempted due to the "umbrella" provided by OAU as planned in the Project Paper and required in the Grant Agreement. No valuation of this diplomatic benefit was made nor can it be since it is not in conformance with allowable costs as stipulated in the Grant Agreement.

Exhibit A

OAU/SAFGRAD COORDINATION OFFICE Semi-Arid Food Grains Research and Development (SAFGRAD II) USAID PROJECT 698/0452

COUNTRY: BURKINA FASO (Note A1)

STATEMENT OF THE COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT for the 5-year period ended September 30, 1991

	CONTRIBUTION AS DECLARED (in CFA)	CORRECTIONS (in CFA)	REVISED CONTRIBUTION (in CFA)	REVISED CONTRIBUTION (in US \$)	REF. TO NOTES
ADMINISTRATIVE EXPENSES					
Office space	8,547,000	-1,111,110	7,435,890	25,280 \$	A4
Office space (SAFGRAD offices)	18,000,000	0	18,000,000	60,950 \$	
Administrative staff emoluments	686,220	-89,209	597,011	2,030 \$	
	<u>27,233,220</u>	<u>-1,200,319</u>	<u>26,032,901</u>	<u>88,260 \$</u>	
RESEARCH STATION FACILITIES					
Farm lands	36,835,080	16,287,240	53,122,320	180,670 \$	A2
Farm utilities	3,310,860	-430,412	2,880,448	9,790 \$	A3
Agricultural and farm materials	2,347,860	-305,222	2,042,638	6,950 \$	
Transportation	4,571,040	-594,235	3,976,805	13,530 \$	
Farm labour	1,522,260	-197,894	1,324,366	4,500 \$	
Field research staff emoluments	10,266,576	-634,042	9,632,534	32,760 \$	
	<u>58,853,676</u>	<u>14,125,435</u>	<u>72,979,111</u>	<u>246,200 \$</u>	
LABORATORY FACILITIES					
Laboratory equipment and space	32,884,080	-4,274,930	28,609,150	97,290 \$	A4
	<u>32,884,080</u>	<u>-4,274,930</u>	<u>28,609,150</u>	<u>97,290 \$</u>	
TOTAL	<u>118,970,976</u>	<u>8,650,186</u>	<u>127,621,162</u>	<u>433,750 \$</u>	

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

COUNTRY: BURKINA FASO

NOTES TO EXHIBIT A

Note A1 – Authority responsible for the in-kind contribution statement

The BURKINA FASO in-kind contribution statement was prepared according to information received from (1) the SAFGRAD Coordination Office – for office space provided to them by the Government of Burkina Faso, and (2) from the Institute of Agricultural Studies and Research (INERA) – for information concerning SAFGRAD activities.

The Institute of Agricultural Studies and Research (INERA) is part of the National Center for Scientific and Technological Research (CNRST) of the Ministry of Secondary and Higher Education and Scientific Research of BURKINA FASO. INERA is based in Ouagadougou and operates agricultural research stations in the country. The principal research station of Kamboinse (10 km from Ouagadougou) is one important operation center for SAFGRAD as the station is hosting IITA's Maize and Cowpea Networks for West and Central Africa.

Nine (9) regional research stations conduct SAFGRAD trials on a total of 95 ha of land. Eight (8) researchers and staff spent, in 1991, an equivalent of 1.3 person/year on SAFGRAD activities.

Note A2 – Farm land use, preparation and maintenance

Our correction is to evaluate the land used for SAFGRAD activities. Information on land value was obtained late near the end of the audit mission.

Note A3 – Farm utilities

This item includes the depreciation costs of two (2) submerged motor water pumps for irrigation (a total of \$9,800). In our opinion, this amount for the 5-year period is reasonable but, because of time constraint, we did not verify if this equipment was or not paid for under other AID awards.

Note A4 – Use of office, laboratory and other spaces

Some of INERA's buildings used for SAFGRAD activities were financed previously by AID under other projects. We considered the value of the space used to be an allowable in-kind contribution from BURKINA FASO to SAFGRAD II because Section 5.6 "Grantee owned equipment, supplies, facilities" of the Project Grant Agreement recognised the Grantee as being the owner of these previously AID financed facilities by using the expression "Grantee owned". Section 5.6 also had the Grantee agreed "that serviceable equipment, supplies and facilities financed previously by AID under the projects entitled "Major Cereals" (JP-26) and "Safgrad" (JP-31), will be made available for use under the Project initiated by this Grant Agreement."

Exhibit B

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698/0452

COUNTRY: CAMEROUN (Note B1)

STATEMENT OF THE COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT
for the 5-year period ended September 30, 1991

	CONTRIBUTION AS DECLARED (in CFA)	CORRECTIONS (in CFA)	REVISED CONTRIBUTION (in CFA)	REVISED CONTRIBUTION (in US \$)	REF. TO NOTES
ADMINISTRATIVE EXPENSES					
Office utilities	0	2,967,976	2,967,976	9,640 \$	B2
Office stationery and supplies	1,303,290	-391,242	912,048	3,000 \$	
Administrative staff emoluments	4,079,775	-427,405	3,652,370	12,550 \$	
	<u>5,383,065</u>	<u>2,149,329</u>	<u>7,532,394</u>	<u>25,390 \$</u>	
RESEARCH STATION FACILITIES					
Farm lands	28,875,000	-27,903,900	971,100	3,330 \$	B3
Farm utilities	417,136	-183,626	233,510	750 \$	
Agricultural and farm materials	194,287	-85,526	108,761	350 \$	
Transportation	7,209,347	-2,381,625	4,827,722	15,870 \$	
Farm labour	5,021,156	-2,008,462	3,012,694	9,670 \$	
Field research staff emoluments	109,744,936	-24,639,794	85,105,142	291,670 \$	B4
Researcher's residence rental	21,000,000	-17,472,000	3,528,000	12,130 \$	B5
Misc. expenses	4,569,450	-4,156,650	412,800	1,310 \$	
	<u>177,031,312</u>	<u>-78,831,583</u>	<u>98,199,729</u>	<u>335,060 \$</u>	
TOTAL	<u><u>182,414,377</u></u>	<u><u>-76,682,254</u></u>	<u><u>105,732,123</u></u>	<u><u>360,470 \$</u></u>	

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

COUNTRY: CAMEROON

NOTES TO EXHIBIT B

Note B1 – Authority responsible for the in-kind contribution statement

The CAMEROON in-kind contribution statement was prepared according to information received from the Institute of Agricultural Research (IRA). IRA is one of the five (5) national research institutes of the Ministry of Higher Education, Computer Science and Scientific Research (MESIRES).

IRA, based in Nkolbisson near Yaounde, operates one Research Centre in each of the four (4) agro-ecological sectors of the country. It also operates sixteen (16) research stations and eighteen (18) research sub-stations. It has an annual budget of \$6 million and hires more than 2,000 employees (including more than 200 researchers).

SAFGRAD trials are conducted in the Maroua region, 450 km north of Yaounde. Fourteen (14) researchers and staff spent an equivalent of 5.7 person/year (in 1991) on SAFGRAD activities, using 5 ha of land on the station site and 100 ha on 400 farmers' lands for on farm trials.

Note B2 – Office utilities

Our correction is to account for the cost of office utilities calculated but not included in the in-kind contribution statement.

Note B3 – Farm land use, preparation and maintenance

We have reduced the value of the farm land use by \$85,000 to disallow the value of land used for on-farm trials.

Although we believe that the value of the land used for those trials is a positive SAFGRAD output, we did not possess sufficient evidence (on the number of farms, their situation, the number of ha used, etc.) to properly assess its value and include this item as a CAMEROON in-kind contribution.

Note B4 – Field research staff emoluments

We have made an important correction to this item following a review of the statement of time spent by each researcher compared to SAFGRAD activities in the country.

Note B5 – Researcher’s residence rental

We reduced the SAFGRAD portion of the costs of residence rental to take into account the reduction of the percentage of time spent by the researchers on SAFGRAD activities as explained in note B4 above.

Exhibit C

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698/0452

COUNTRY: COTE D'IVOIRE (Note C1)

STATEMENT OF THE COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT
for the 5-year period ended September 30, 1991

	CONTRIBUTION AS DECLARED (in CFA)	CORRECTIONS (in CFA)	REVISED CONTRIBUTION (in CFA)	REVISED CONTRIBUTION (in US \$)	REF. TO NOTES
ADMINISTRATIVE EXPENSES					
Office space	2,414,000	0	2,414,000	8,200 \$	
Office equipment	387,000	0	387,000	1,300 \$	
Office utilities	413,000	0	413,000	1,400 \$	
Office stationery and supplies	63,000	0	63,000	300 \$	
Administrative staff emoluments	931,000	0	931,000	3,100 \$	
	<u>4,228,000</u>	<u>0</u>	<u>4,228,000</u>	<u>14,300 \$</u>	
RESEARCH STATION FACILITIES					
Farm lands	2,080,000	0	2,080,000	7,100 \$	
Agricultural and farm materials	2,866,000	0	2,866,000	9,800 \$	
Transportation	600,000	0	600,000	2,100 \$	
Farm labour	2,662,000	0	2,662,000	9,100 \$	
Field research staff emoluments	23,455,000	0	23,455,000	79,900 \$	
	<u>31,663,000</u>	<u>0</u>	<u>31,663,000</u>	<u>108,000 \$</u>	
LABORATORY FACILITIES					
Laboratory equipment and space	932,000	0	932,000	3,100 \$	
Chemicals and supplies	392,000	0	392,000	1,300 \$	
Laboratory staff emoluments	870,000	0	870,000	2,900 \$	
	<u>2,194,000</u>	<u>0</u>	<u>2,194,000</u>	<u>7,300 \$</u>	
TOTAL	<u><u>38,085,000</u></u>	<u><u>0</u></u>	<u><u>38,085,000</u></u>	<u><u>129,600 \$</u></u>	

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

COUNTRY: COTE D'IVOIRE

NOTES TO EXHIBIT C

Note C1 – Authority responsible for the in-kind contribution statement

The COTE D'IVOIRE in-kind contribution statement was prepared according to information received from the Institute of Drylands (IDESSA).

IDESSA, based in Bouaké in the Central region of the country, operates five (5) research stations in the region for a total of 28,000 ha.

Exhibit D

OAU/SAFGRAD COORDINATION OFFICE Semi-Arid Food Grain Research and Development (SAFGRAD II) USAID PROJECT 698/0452

COUNTRY: GHANA (Note D1)

STATEMENT OF THE COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT for the 5-year period ended September 30, 1991

	CONTRIBUTION AS DECLARED (in Cedis)	CORRECTIONS (in Cedis)	REVISED CONTRIBUTION (in Cedis)	REVISED CONTRIBUTION (in US \$)	REF. TO NOTES
ADMINISTRATIVE EXPENSES					
Office space	2,152,800	-279,864	1,872,936	7,710 \$	
Office equipment	1,957,800	-254,514	1,703,286	7,010 \$	
Office utilities	117,000	-15,210	101,790	420 \$	
Office stationery and supplies	1,014,000	-131,820	882,180	3,620 \$	
Administrative staff emoluments	2,700,750	-351,096	2,349,652	9,650 \$	
	<u>7,942,350</u>	<u>-1,032,506</u>	<u>6,909,844</u>	<u>28,410 \$</u>	
RESEARCH STATION FACILITIES					
Farm lands	7,800,000	-7,559,900	240,100	990 \$	
Farm utilities	2,769,000	-359,970	2,409,030	9,910 \$	
Agricultural and farm materials	1,747,200	-227,136	1,520,064	6,260 \$	
Transportation	42,900,000	-35,435,400	7,464,600	30,710 \$	D2
Farm labour	48,001,200	-22,943,895	25,057,305	103,070 \$	D3
Field research staff emoluments	26,080,490	-3,817,025	22,263,465	91,580 \$	
	<u>129,297,890</u>	<u>-70,343,326</u>	<u>58,954,564</u>	<u>242,520 \$</u>	
LABORATORY FACILITIES					
Laboratory equipment and space	7,800,000	-1,014,000	6,786,000	27,910 \$	
Chemicals and supplies	3,042,000	-395,460	2,646,540	10,880 \$	
Laboratory utilities	234,000	-30,420	203,580	840 \$	
Laboratory staff emoluments	501,150	-65,150	436,000	1,790 \$	
	<u>11,577,150</u>	<u>-1,505,030</u>	<u>10,072,120</u>	<u>41,420 \$</u>	
TOTAL	<u>146,817,390</u>	<u>-72,880,862</u>	<u>75,936,528</u>	<u>312,350 \$</u>	

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

COUNTRY: GHANA

NOTES TO EXHIBIT D

Note D1 – Authority responsible for the in-kind contribution statement

The GHANA in-kind contribution statement was prepared according to information received from the Nyankpala Agricultural Experiment Station (NAES). A minor portion of the Crops Research Institute (CRI) in KUMASI is also included in the in-kind contribution.

NAES is situated 800 km north of ACCRA, near the town of Tamale, and is one of the most important research stations of the country. It has an annual Government budget of \$760,000 (1991) and receives important support from the German Government. NAES hires 600 employees including 100 researchers and technicians.

In 1991, eight (8) researchers and technicians spent an equivalent of 3.3 person/year on SAFGRAD activities, using 8 ha of the 1,000 ha of land of the research station.

Note D2 – Travelling costs

Travelling costs declared were excessively high compared to other Research Institutes reviewed because of high travelling costs for the whole NAES activity. This situation was also noted last year by German Experts during an end-of-project evaluation performed at NAES. They could not explain this situation and recommended that steps be taken during the next phase to find a proper solution to the problem.

Although NAES has applied a consistent method to allocate correctly a portion of their total travelling costs to SAFGRAD, we have reduced the travelling costs declared by 80% (\$122,800) bringing the contribution to a reasonable cost of \$30,710.

Our decision was based on the following elements:

- a) On-site SAFGRAD trials are performed directly on NAES land so no important travelling is required to transport researchers.
- b) On-farm trials executed in the region necessitate researchers to travel in and out of Nyankpala but no information was available on the importance of this travelling to permit a proper assessment of these costs.
- c) The average costs of travelling in other research institutions reviewed ranges from \$15,000 to \$30,000.

Note D3 – Farm labour

The contribution declared for this item (\$171,760) was very high compared to other research institutes reviewed because of a general situation at NAES where a large number of labourers are hired (near 500 on a total of 600).

Although NAES has applied a consistent method to allocate correctly a portion of their total farm labourers' salary to SAFGRAD, we have disallowed 40% (\$103,070) bringing the contribution to \$68,700 for the following reasons:

- a) NAES operation is highly automated with tractors and farm machinery thus resulting in a lesser need for manpower to maintain the land;
- b) A normal work set-up (observed in Kenya, for example, where more accurate data are kept on farm labour) is: 3 labourers for each 1 researcher. At this rate, the 8 researchers at NAES would require a maximum of 24 labourers, not 40 as declared.

Exhibit E

**OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain. Research and Development (SAFGRAD II)
USAID PROJECT 698/0452**

COUNTRY: KENYA (Note E1)

**STATEMENT OF THE COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT
for the 5-year period ended September 30, 1991**

	CONTRIBUTION AS DECLARED (in Kshs)	CORRECTIONS (in Kshs)	REVISED CONTRIBUTION (in Kshs)	REVISED CONTRIBUTION (in US \$)	REF. TO NOTES
ADMINISTRATIVE EXPENSES					
Office stationery and supplies	3,600	0	3,600	180 \$	
	<u>3,600</u>	<u>0</u>	<u>3,600</u>	<u>180 \$</u>	
RESEARCH STATION FACILITIES					
Farm lands	418,700	-184,670	234,030	11,750 \$	
Agricultural and farm materials	2,543,460	-1,907,600	635,860	31,990 \$	
Transportation	1,087,770	0	1,087,770	54,560 \$	
Farm labour	1,654,580	-549,310	1,105,270	54,340 \$	
Field research staff emoluments	5,196,420	-2,756,760	2,439,660	118,970 \$	
	<u>10,900,930</u>	<u>-5,398,340</u>	<u>5,502,590</u>	<u>271,630 \$</u>	
LABORATORY FACILITIES					
Laboratory equipment and space	576,500	-411,750	164,750	8,740 \$	
	<u>576,500</u>	<u>-411,750</u>	<u>164,750</u>	<u>8,740 \$</u>	
TOTAL	<u><u>11,481,030</u></u>	<u><u>-5,810,090</u></u>	<u><u>5,670,940</u></u>	<u><u>280,550 \$</u></u>	

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

COUNTRY: KENYA

NOTES TO EXHIBIT E

Note E1 – Authority responsible for the in-kind contribution statement

The KENYA in-kind contribution statement was prepared according to information received from the Kenya Agricultural Research Institute (KARI) from the Ministry of Research, Science and Technology.

KARI's headquarters near Nairobi are also an important research center. KARI's 1991 budget of \$18.6 million included 51% for salary and employee compensation. More than 500 scientists alone work at KARI.

KARI National programs are heavily related to SAFGRAD as (1) national research objectives are aimed at the same target as SAFGRAD's and (2) because KARI entertains a close relationship with SAFGRAD/ICRISAT based also in Nairobi. SAFGRAD/ICRISAT are the network coordinator for the Eastern African Regional Sorghum and Millet (EARSAM) network.

This great integration in similar activities as SAFGRAD made difficult the evaluation of the contribution to SAFGRAD.

SAFGRAD activities are performed in the Katumani research center region and in nine (9) other research stations and sub-stations in the country. In 1991, sixty-six (66) researchers and staff spent an equivalent of 14.4 person/year on SAFGRAD activities. This high degree of involvement in experimentation is mainly due to the country's climate that permits two (2) cropping seasons in most of the stations concerned by SAFGRAD.

Contrary to other research stations, we did not have to estimate the four (4) years prior to 1991 as KARI information system permitted the production of yearly reports.

Exhibit F

**OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698/0452**

COUNTRY: MALI (Note F1)

**STATEMENT OF THE COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT
for the 5-year period ended September 30, 1991**

	CONTRIBUTION AS DECLARED (in CFA)	CORRECTIONS (in CFA)	REVISED CONTRIBUTION (in CFA)	REVISED CONTRIBUTION (in US \$)	REF. TO NOTES
ADMINISTRATIVE EXPENSES					
Office space	7,830,000	0	7,830,000	26,600 \$	
Office equipment	3,001,000	0	3,001,000	10,200 \$	
Office stationery and supplies	1,087,000	0	1,087,000	3,700 \$	
	<u>11,918,000</u>	<u>0</u>	<u>11,918,000</u>	<u>40,500 \$</u>	
RESEARCH STATION FACILITIES					
Farm lands	1,927,000	0	1,927,000	6,500 \$	
Agricultural and farm materials	2,845,000	0	2,845,000	9,800 \$	
Transportation	400,000	0	400,000	1,300 \$	
Farm labour	4,398,000	0	4,398,000	14,900 \$	
Field research staff emoluments	60,473,000	0	60,473,000	205,700 \$	
	<u>70,043,000</u>	<u>0</u>	<u>70,043,000</u>	<u>238,200 \$</u>	
TOTAL	<u><u>81,961,000</u></u>	<u><u>0</u></u>	<u><u>81,961,000</u></u>	<u><u>278,700 \$</u></u>	

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

COUNTRY: MALI

NOTES TO EXHIBIT F

Note F1 – Authority responsible for the in-kind contribution statement

The MALI in-kind contribution statement was prepared according to information received from the Food and Oil Crops Research Division (SRCVO) of the Institute of Rural Economy (IER).

SRCVO conducts SAFGRAD experiments in ten (10) research stations in Mali.

Note F2 – National programmes vs SAFGRAD programmes

SRCVO assessed the MALI contribution to SAFGRAD activities to be equal to the total of the costs of their national programmes because the results of their work are regularly reported to SAFGRAD at seminars, workshops, etc. thus benefiting to all SAFGRAD members.

We have agreed to their opinion and accepted their figures to be the SAFGRAD contribution as we did not have sufficient information to support a devaluation of the contribution declared.

Exhibit G

**OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698/0452**

COUNTRY: NIGER (Note G1)

**STATEMENT OF THE COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT
for the 5-year period ended September 30, 1991**

	CONTRIBUTION AS DECLARED (in CFA)	CORRECTIONS (in CFA)	REVISED CONTRIBUTION (in CFA)	REVISED CONTRIBUTION (in US \$)	REF. TO NOTES
ADMINISTRATIVE EXPENSES					
Office space	9,000,000	-1,170,000	7,830,000	26,620 \$	
Office equipment	2,134,800	-277,520	1,857,280	6,310 \$	
Office utilities	1,560,000	-202,800	1,357,200	4,620 \$	
Office stationery and supplies	800,000	-104,000	696,000	2,370 \$	
	<u>13,494,800</u>	<u>-1,754,320</u>	<u>11,740,480</u>	<u>39,920 \$</u>	
RESEARCH STATION FACILITIES					
Farm lands	6,968,100	1,312,650	8,280,750	28,160 \$	
Farm utilities	9,125,000	-1,186,250	7,938,750	27,000 \$	
Transportation	10,500,000	-1,365,000	9,135,000	31,070 \$	
Farm labour	7,271,300	-945,260	6,326,040	21,520 \$	
Field research staff emoluments	13,341,300	-1,734,360	11,606,940	39,470 \$	
	<u>47,205,700</u>	<u>-3,918,220</u>	<u>43,287,480</u>	<u>147,220 \$</u>	
LABORATORY FACILITIES					
Chemicals and supplies	709,200	-92,200	617,000	2,090 \$	
	<u>709,200</u>	<u>-92,200</u>	<u>617,000</u>	<u>2,090 \$</u>	
TOTAL	<u><u>61,409,700</u></u>	<u><u>-5,764,740</u></u>	<u><u>55,644,960</u></u>	<u><u>189,230 \$</u></u>	

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

COUNTRY: NIGER

NOTES TO EXHIBIT G

Note G1 – Authority responsible for the in-kind contribution statement

The NIGER in-kind contribution statement was prepared according to information received from the National Institute of Agricultural Research of Niger (INRAN) under the authority of the Ministry of Agriculture and Environment.

INRAN is based in Niamey. It has an annual budget of \$1.7 million with 68% for salary and employee compensation.

Nineteen (19) researchers and staff have spent an equivalent of 2.4 person/year working on SAFGRAD activities in fourteen (14) research stations and sub-stations, on 10 ha of land on a total of 940 ha.

Exhibit H

OAU/SAFGRAD COORDINATION OFFICE Semi-Arid Food Grain Research and Development (SAFGRAD II) USAID PROJECT 698/0452

COUNTRY: NIGERA (Note H1)

STATEMENT OF THE COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT for the 5-year period ended September 30, 1991

	CONTRIBUTION AS DECLARED (in Nairas)	CORRECTIONS (in Nairas)	REVISED CONTRIBUTION (in Nairas)	REVISED CONTRIBUTION (in US \$)	REF. TO NOTES
ADMINISTRATIVE EXPENSES					
Office space	219,620	-28,551	191,069	27,290 \$	
Office equipment	46,000	-5,960	40,020	5,710 \$	
Office utilities	55,000	-7,150	47,850	6,840 \$	
Office stationery and supplies	55,000	-7,150	47,850	6,840 \$	
Administrative staff emoluments	109,705	-14,261	95,444	13,640 \$	
	<u>485,325</u>	<u>-53,092</u>	<u>422,233</u>	<u>60,320 \$</u>	
RESEARCH STATION FACILITIES					
Farm lands	307,500	-298,500	9,000	1,280 \$	
Farm utilities	82,000	-10,560	71,340	10,190 \$	
Agricultural and farm materials	743,125	-96,606	646,519	92,310 \$	
Transportation	250,000	-32,500	217,500	31,060 \$	
Farm labour	275,000	-35,750	239,250	34,160 \$	
Field research staff emoluments	584,210	-75,948	508,262	72,580 \$	
	<u>2,241,835</u>	<u>-549,964</u>	<u>1,691,871</u>	<u>241,580 \$</u>	
LABORATORY FACILITIES					
Laboratory equipment and space	150,000	-19,500	130,500	18,630 \$	
Chemicals and supplies	200,000	-26,000	174,000	24,850 \$	
Laboratory utilities	40,000	-5,200	34,800	4,970 \$	
Laboratory staff emoluments	167,670	-21,798	145,872	20,830 \$	
	<u>557,670</u>	<u>-72,498</u>	<u>485,172</u>	<u>69,280 \$</u>	
TOTAL	<u><u>3,284,830</u></u>	<u><u>-685,554</u></u>	<u><u>2,599,276</u></u>	<u><u>371,180 \$</u></u>	

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

COUNTRY: NIGERIA

NOTES TO EXHIBIT H

Note H1 – Authority responsible for the in-kind contribution statement

The NIGERIA in-kind contribution statement was prepared according to information received from the Institute for Agricultural Research (IAR) of Ahmadu Bello University under the Federal Ministry of Science and Technology.

IAR is based in Zaria on the University Campus, 1000 km north of LAGOS. IAR's 1991 budget was for \$664,000 including 84% for salary and employee compensation.

SAFGRAD trials are performed on the campus and on several other regional research sites. IAR is particularly involved in SAFGRAD as it was the initial site of the first SAFGRAD project. Twenty-one (21) ha of land was used for SAFGRAD activities by twenty-five (25) researchers and staff for an equivalent of 7.2 person/year.

Exhibit I

**OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698/0452**

ORGANIZATION OF AFRICAN UNITY (OAU)

**STATEMENT OF THE COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT
for the 5-year period ended September 30, 1991**

	OAU/STRC NIGERIA	OAU/IBAR NAIROBI	CORRECTIONS	REVISED CONTRIBUTION	REF. TO NOTES
	CONTRIBUTION AS DECLARED (in US\$)	CONTRIBUTION AS DECLARED (in US\$)			
ADMINISTRATIVE EXPENSES					
Office space	17,030 \$	28,688 \$	13,319 \$	59,037 \$	
Office equipment	0 \$	0 \$	0 \$	0 \$	
Office utilities	2,472 \$	0 \$	-135 \$	2,337 \$	
Office stationery and supplies	749 \$	0 \$	-43 \$	706 \$	
Administrative staff emoluments	162,350 \$	0 \$	-9,877 \$	152,473 \$	12
Communications	7,821 \$	0 \$	-385 \$	7,436 \$	
Cash contribution	0 \$	0 \$	200,000 \$	200,000 \$	13
	<u>190,422 \$</u>	<u>28,688 \$</u>	<u>202,879 \$</u>	<u>421,989 \$</u>	

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

ORGANIZATION: ORGANIZATION OF AFRICAN UNITY (OAU)

NOTES TO EXHIBIT I

Note 11 – Authority responsible for the in-kind contribution statement

The OAU in-kind contribution statement was prepared according to information received from the Scientific, Technical and Research Commission (STRC) of the Organization of African Unity (OAU). STRC represents OAU for the execution of SAFGRAD. The SAFGRAD Coordination Office works under STRC.

The statement of OAU in-kind contribution also includes the value of offices provided free of charge by OAU in Nairobi to SAFGRAD/ICRISAT from October 1986 to December 1990. SAFGRAD/ICRISAT rent their own offices since January 1991,

Note 12 – Administrative staff emoluments

RIG/DAKAR in their 1990 audit report revealed that OAU in-kind contribution as established at that time "included \$400,000 of headquarter staff costs for which no documentary evidence was furnished".

Consequently, we examined in detail this item of OAU statement. After review, we found that the statement of the in-kind contribution includes only salaries and employee compensation paid to OAU/STRC staff directly involved in SAFGRAD management and control. This item does not include salaries and employee compensation for headquarter personnel.

Note 13 – Cash contribution

This item is the sum of cash received at the SAFGRAD Coordination Office, during the period under review, to cover office operating costs.

Exhibit J

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698/0452

COUNTRY: TOGO (Note J1)

STATEMENT OF THE COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT
for the 5-year period ended September 30, 1991

	CONTRIBUTION AS DECLARED (in CFA)	CORRECTIONS (in CFA)	REVISED CONTRIBUTION (in CFA)	REVISED CONTRIBUTION (in US \$)	REF. TO NOTES
ADMINISTRATIVE EXPENSES					
Office equipment	3,851,439	0	3,851,439	12,930 \$	
Office utilities	764,248	0	764,248	2,520 \$	
Office stationery and supplies	92,000	0	92,000	310 \$	
	<u>4,707,687</u>	<u>0</u>	<u>4,707,687</u>	<u>15,760 \$</u>	
RESEARCH STATION FACILITIES					
Farm lands	0	3,549,600	3,549,600	12,080 \$	
Agricultural and farm materials	732,390	0	732,390	2,350 \$	
Farm labour	9,892,964	0	9,892,964	33,060 \$	
Field research staff emoluments	18,039,228	0	18,039,228	61,270 \$	
	<u>28,664,582</u>	<u>3,549,600</u>	<u>32,214,182</u>	<u>108,760 \$</u>	
TOTAL	<u>33,372,269</u>	<u>3,549,600</u>	<u>36,921,869</u>	<u>124,520 \$</u>	

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

COUNTRY: TOGO

NOTES TO EXHIBIT J

Note J1 – Authority responsible for the in-kind contribution statement

The TOGO in-kind contribution statement was prepared according to information received from the Accelerated Crop Production Officer (ACPO) based in Kara TOGO. The ACPO operation is jointly financed by the Cooperation and Aid Fund (FAC) of FRANCE and the Government of TOGO. It is a component of the SAFGRAD project.

SAFGRAD activities are performed in the Kara region – 600 km north of LOME – and also in Dapaong north of Kara. One agronomist, a French expatriate, along with local researchers and staff conduct in-station and on-farm trials in these two areas.

The in-kind contribution includes expenses paid for by the Government of TOGO and the value of the 16 ha of farm land provided also by the Government.

Exhibit K

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698/0452

MEDIUM AND SHORT-TERM TRAINING (Note K1)

STATEMENT OF THE COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT
for the 5-year period ended September 30, 1991

	<u>CONTRIBUTION</u> <u>(in US \$)</u>	<u>REF.</u> <u>TO</u> <u>NOTES</u>
SHORT TERM TRAINING (Seminars, workshops, meetings, monitoring tours)		
Field research staff emoluments	149,800 \$	
MEDIUM TERM TRAINING (Training courses for technicians)		
Field research staff emoluments	<u>18,700 \$</u>	
TOTAL	<u><u>168,500 \$</u></u>	

OAU/SAFGRAD COORDINATION OFFICE
Semi-Arid Food Grain Research and Development (SAFGRAD II)
USAID PROJECT 698-0452

MEDIUM AND SHORT-TERM TRAINING

NOTES TO EXHIBIT K

Note K1 – Authority responsible for the in-kind contribution statement

The statement of the in-kind contribution for training was prepared according to information received from the SAFGRAD Coordination Office for the West and Central African region and from SAFGRAD/ICRISAT for the Eastern African region.

Note K2 – Salary and employee compensation

This item includes the amount of salary paid by their government to researchers and technicians who participated in SAFGRAD seminars, workshops, monitoring tours, meetings, etc. during the period under review. It also includes the salary paid to technicians during 5-month training courses held during three (3) years.

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Department of Rural Economy and Agriculture (DREA)

African Union Specialized Technical Office on Research and Development

1992-03

OAU AND HOST COUNTRY IN-KIND CONTRIBUTION TO THE PROJECT

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