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Date: March 5, 1974

FROM : Area Auditor General, Latin America
Guatemala Branch Office

SUBJECT: Memorandum Report of Audit No. 1-520-74-73
Education Development and School Improvement
Projects Nos. 520-11-690-198 and 520-22-640-192 - 015

I. PURPOSE AND SCOPE

The Area Auditor General/Latin America has performed an accelerated review of USAID/Guatemala (USAID/G) Project No. 520-11-690-198, Education Development, and Project No. 520-22-640-192, School Improvement. Our review was made for the primary purpose of evaluating the effectiveness of actions taken by USAID/G to implement seven recommendations contained in Audit Report No. 1-520-73-38, Education Program, USAID/Guatemala, dated October 19, 1972.

Our scope of work included a review of project files, site observations, and discussions with project personnel at USAID/G and the Ministry of Education (MOE) to the extent we considered necessary to satisfy the objectives of our review.

II. BACKGROUND

Between 1961 and 1967, USAID/G provided Guatemala's Education Sector with grant assistance of nearly \$3 million for the construction of 3,123 classrooms under a tripartite arrangement with the Government of Guatemala (GOG) and municipalities. Under a five year plan for school development beginning after 1967, USAID/G obligated \$8.6 million under AID Project No. 520-22-640-192 (Loan No. 520-L-015) for the Primary School System Improvement Program. The plan for improving rural primary education includes construction of new school facilities and qualitative improvements through curriculum revision, textbooks, teaching aids, and teacher training. To administer the activities in all areas of primary education the GOG established the MOE Supervisory Agency for the Improvement and Extension of the Primary Education Program (PEMEP). PEMEP, with assistance from USAID/G developed a program for the construction of two rural normal schools, 50 regional primary schools, and smaller primary schools and classrooms, and has also developed a plan to revise primary school curriculum and upgrade teacher qualifications.

III. RESULTS OF AUDIT

USAID/G had initiated action on all seven conditions that were included in our prior audit report. Of the seven conditions requiring improvements, we noted that corrective action was satisfactory in six instances and, in one instance, additional action was still required in order to improve the condition.

The details of the condition requiring corrective action are included in Audit Report No. 1-520-73-38 under the heading (i) Program Management (Finding No. B-1). A synopsis of the above reported condition follows:

A. Program Management

"The joint MOE and USAID Evaluation Committee was not functioning effectively, consequently, this has prevented the primary educational program from benefiting fully from a continuous evaluation of program progress. Had the Evaluation Committee functioned effectively, it could have identified many of the problem areas, and it could have recommended corrective action. For example, PEMEP management did not seem to give sufficient attention to the site acquisition problem and its effect in slowing construction progress. The Evaluation Committee could have provided assistance to PEMEP management by identifying this problem area in its early stages and proposing corrective action."

In April 1973, USAID/G replied to the above condition and indicated that a letter from the USAID/G Director, dated April 1973 was sent to the GOG Minister of Education requesting the GOG to meet with USAID/G to name members to the Evaluation Committee and outline their duties and responsibilities. USAID/G indicated that another AID loan is going to be made to GOG and the loan will include a condition precedent requiring the establishment of an effective Evaluation Committee.

During our current review in February 1974, we noted that no meetings or activities of the Evaluations Committee have taken place, and the GOG has not named representatives to the Evaluation Committee.

We acknowledge that USAID/G has taken action to encourage the GOG to participate in the Evaluation Committee. However, in view of the GOG's reluctance to participate, we believe USAID/G should continue to seek alternatives which may get the GOG to participate in the Evaluation Committee. Because of USAID/G's attention in this area, we are not making a recommendation.

IV. GENERAL COMMENTS

A. Exit Conference

An exit conference was held on February 27, 1974 with USAID/G management personnel to discuss the contents of this report.

EXHIBIT A

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