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**AUDIT OF
RURAL WATER SUPPLY PROJECT
BURKINA FASO**

Project No. 686-0228

Audit Report No. 7-686-86-7

April 18, 1986

memorandum

DATE: April 18, 1986
REPLY TO: *for Thomas B. Anderson*
ATTN OF: John P. Competello, RIG/A/WA

SUBJECT: Audit of the Rural Water Supply Project in Burkina Faso

TO: Herbert N. Miller, Director, USAID/Burkina Faso

This report presents the results of audit of the Rural Water Supply Project in Burkina Faso. Audit objectives were to determine the project's progress in meeting its objectives, assess management and contractor performance, and evaluate compliance with the project grant agreement and AID regulations.

The majority of project funding was used to construct over 600 wells which contributed to a significant increase in water supply. However, water contamination was not prevented as planned due to problems with the health education program and with implementing construction of sanitary drainage structures. Also, the Government of Burkina Faso did not assume the project's recurring costs as required by the project agreement and there was still doubt that the Government would continue constructing wells after AID funding ceased.

The three audit recommendations aim to (1) resolve problems in the preventive health care component, (2) maintain AID's project investment, and (3) improve USAID's local currency reviews.

Your comments to the draft report questioned the fairness of the presentation of project accomplishments and the clarity of the recommendations. We have considered these comments (included as Appendix 1) and changed the report as we considered appropriate. We have also closed recommendation No. 3 upon issuance of this report. Recommendation No. 1 and part (A) of recommendation No. 2 are open and resolved. Part (B) of recommendation No. 2 remains open and unresolved.

Please advise me within 30 days of any additional actions planned or taken which we should consider in resolving or closing the report's recommendations. Thank you for the courtesies extended to my staff during the audit.



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

EXECUTIVE SUMMARY

On July 31, 1979, AID and the Government of Burkina Faso, formerly Upper Volta, signed a grant agreement for the Rural Water Supply Project (686-0228) to provide the southwestern rural population with a potable water supply system and a community health education program. The Government provided \$1 million in equipment and salaries and AID made available \$13.5 million for technical assistance, commodities, training and operating costs. By June 30, 1985, AID had spent \$12.1 million. Project assistance, expected to end in 1986, was extended to July 1987 so government participants could complete a U.S. training program.

At the request of USAID/Burkina, the Office of the Regional Inspector General for Audit/West Africa made a program results audit of the project, covering activities from July 1979 to August 1985. The audit objectives were to: (1) determine the project's progress in meeting its objectives, (2) assess project management and contractor performance, and (3) evaluate compliance with the project grant agreement and AID regulations.

The audit found that the project's major activity--the construction of 639 wells--contributed to a significant increase in water supply. However, the health education program had not achieved its objective of convincing villagers to adopt health care practices as planned that would prevent water contamination. Only a portion of project wells had sanitary drainage structures, and the number of constructed demonstration latrines and established village health committees was less than planned. The Government did not assume the project's recurring costs as required and there was still doubt that the Government would continue well construction after AID involvement ended. The Government's project management capability was impaired by design, management and contractor performance problems. Also, USAID/Burkina needed to improve internal controls over cash advances.

The health education program had moderate success in convincing villagers to adopt measures as stated in the project agreement to prevent water contamination, primarily because of an ineffective extension program which relied on itinerant health workers. Project officials believed a health worker handbook being prepared would help to improve the program. However, there was a need to assess the impact of inadequate training, insufficient educational materials, and unsuitable sanitary construction designs on the health workers' performance. For the project to achieve its goal of increasing potable water supplies, health workers must stress the importance of sanitation techniques and construction of latrines and drainage structures to the villagers. This report recommends that

USAID/Burkina address problems in the preventive health education program during its end-of-project evaluation.

The Government of Burkina Faso did not assume project recurring costs as required by the grant agreement. Alternative measures had been proposed and some progress made to meet these costs. Also, the Government had not budgeted funds to continue the project after AID funding ceased. There was no assurance, therefore, that AID's investment in the project would be protected and the project continued. This report recommends action to protect AID's investments and encourage project continuance.

Cash advances to the project had not been reconciled between project and USAID/Burkina records since September 1983, and some minor amounts had been misappropriated. USAID identified some of the discrepancies in 1981 but did not promptly resolve them because there was no systematic follow-up procedure. USAID began corrective action after the audit brought the matter to their attention. USAID needed to strengthen procedures to ensure that advances were systematically cleared and discrepancies resolved. This report recommends improvements in local currency review procedures.

AID Handbooks identify improvement of management systems as a priority for institutional development. The project's original design did not include such improvement as a project goal. Although later recognized, AID did not act quickly to correct the design deficiency and to require contractors to design and implement effective systems. It was unlikely that good management systems would be implemented or personnel trained before AID funding ended. This report summarizes the lessons learned from the project's attempts to develop the Government's management capabilities.

Management Comments

USAID expressed concern over the general tone and clarity of recommendations contained in the draft audit report. They believed the report placed too much emphasis on the negative aspects of the project's health component and did not credit the success of the water supply component which accounted for 80 percent of project funds. Also, USAID offered suggestions on the draft report recommendations on which they have begun to implement. For example, USAID will include in the end-of-project evaluation an assessment of the Government's ability to maintain the wells. Actions have already been taken to reconcile the cash advances and recover any unsupported amounts. On the other hand, USAID did not indicate actions planned to better ensure that the Government continue well construction after AID funding ceased.

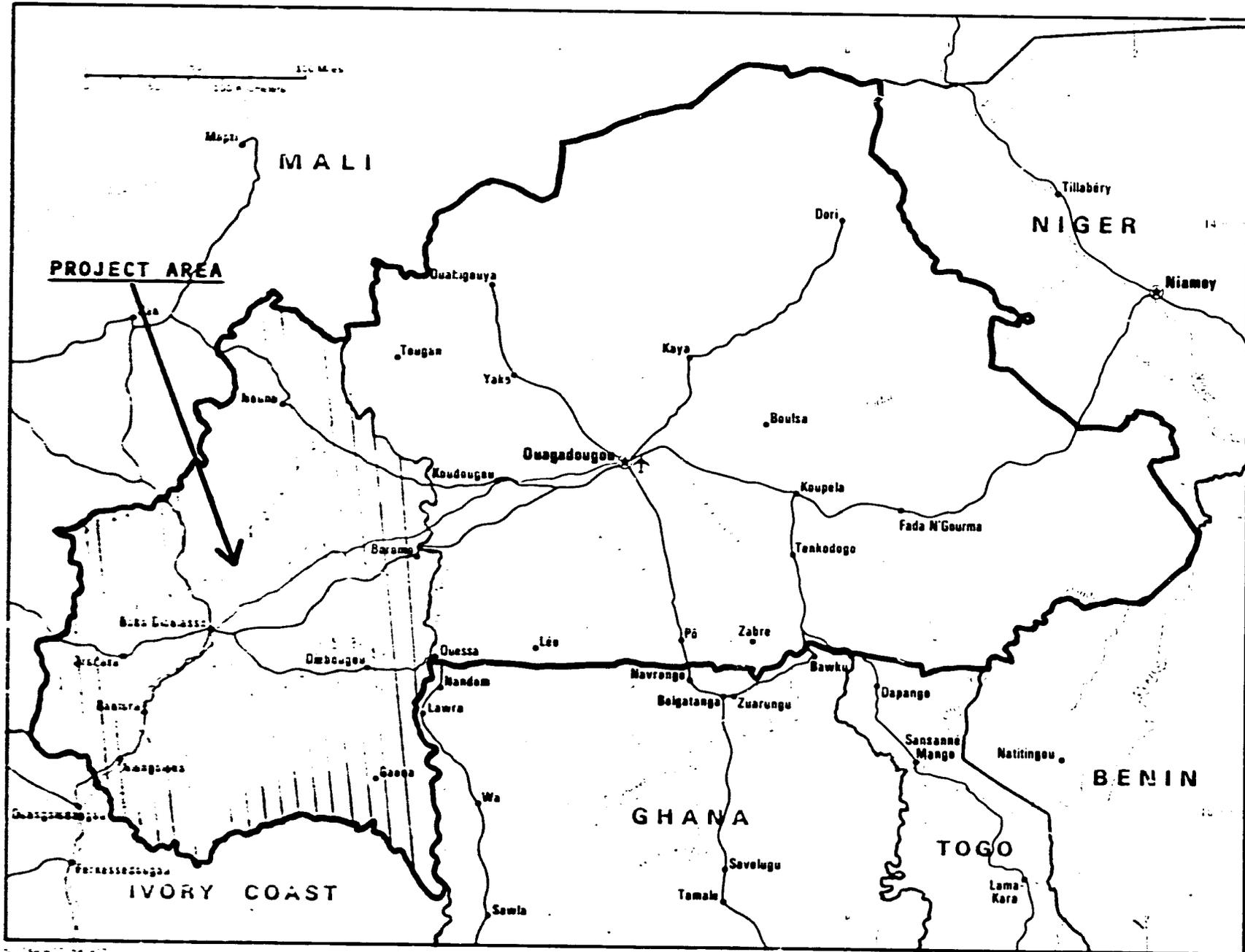
Office of Inspector General Comments

USAID comments were generally responsive to audit issues and were helpful in clarifying recommendations. They have been considered and used to modify the audit report where deemed appropriate.

Based on USAID's corrective actions, we have closed one recommendation upon issuance of this report. Others will be followed-up through the Inspector General's audit recommendation follow-up system. Management comments and the Inspector General response follow each finding section. Management's complete response is included as an appendix to this report.

Office of the Inspector General

Upper Volta



Scale: 1:500,000
 Contour Interval: 100 Feet
 Source: U.S. Geological Survey
 Date: 1968
 This map is a reproduction of the original map published by the U.S. Geological Survey.

- Railroad
- Road
- ✈ Airport

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AUDIT OF
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PART I - INTRODUCTION

A. Background

On July 31, 1979, AID and the Government of Burkina Faso, formerly Upper Volta, signed a grant agreement for the Rural Water Supply Project (686-0228) to provide the southwestern rural population with a potable water supply system and a community health education program. This was one of several water supply projects financed by the Government and international donors to solve what this Sahelian country considered one of its most serious problems. Project implementation was the joint responsibility of the Ministry of Rural Development's Rural Engineering Service and the Ministry of Public Health. A committee comprised of representatives from the two ministries, the Ministry of Plan and USAID/Burkina was to provide overall guidance.

The Government provided \$1 million in equipment and operating costs. AID made \$13.5 million available for technical assistance, commodities, training and operating costs. An AID contract amounting to \$3.6 million was awarded to Dimpex Associates Inc. for technical assistance in hydrogeology, administration, vehicle and machinery maintenance and health education. By June 30, 1985, AID had spent \$12.1 million (see Exhibit 1). Direct assistance for most project activities was to end in 1986, but was extended to July 25, 1987 to allow host country nationals to complete a U.S. training program. The Government transferred \$550,000 of Public Law 480, Title II, Section 206 funds to the project to fund activities to July 1986.



Traditional Well

Traditional well with all the ingredients for contaminated water: drawing buckets stand on dirty ground; ground-level hole permits mud to wash in; water from adjacent animal drinking water seeps into the well.

SERESAGASSO - S.W. Burkina

July 1985



Project Constructed Well

Project wells are drilled or hand-dug, capped with concrete to protect the opening and fitted with a U.S. manufactured hand pump.

BOBO DIOLASSO - S.W. Burkina

July 1985

B. Audit Objectives and Scope

At the request of USAID/Burkina, the Office of the Regional Inspector General for Audit/West Africa made a program results audit of project activities from July 1979 to August 1985. The audit covered AID accrued expenditures of \$12.1 million. In its request, the Mission stated that the project could well be the basis for the major component of its future project portfolio.

The audit objectives were to:

- determine the project's progress in meeting its objectives;
- assess project management and contractor performance; and
- evaluate compliance with the project grant agreement and AID regulations.

The auditors examined project files and interviewed officials of the Government of Burkina Faso and USAID/Burkina both in Ouagadougou, the capital, and at project headquarters in Bobo Dioulasso. The auditors also interviewed technical assistance contractor personnel and visited seven villages in the project zone. The audit was made in accordance with generally accepted government audit standards for program results audits.

A draft of this report was provided to USAID/Burkina in January 1986. USAID comments (Appendix I) were received in February 1986 and were used to update information in the draft report. USAID comments were also used to modify the report as deemed appropriate.

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Part-II - RESULTS OF AUDIT

Audit results showed that the project did not meet its objectives in the preventive health care program. The Government's project management capability was impaired by design, management, and contractor performance problems. Also, USAID/Burkina needed to improve internal controls over cash advances. In several instances, the Government of Burkina Faso did not comply with the terms of the project agreement.

The project contributed to a significant increase in water supply through its major activity--the construction of over 600 wells. However, the health education program was not successful in convincing villagers to adopt health care practices that would prevent contamination of water supplies. For example, only a portion of project wells had sanitary drainage structures and fewer demonstration latrines and village health committees had been established than planned. The Government did not assume the project's recurring costs as the project agreement required, and it was doubtful that the Government would continue well construction after AID involvement ended. Also, USAID did not resolve financial problems in a timely manner.

The report recommends that (1) the end-of-project evaluation address problems in preventive health care activities; (2) measures be established to maintain AID's investments; and (3) improvements be made in local currency review techniques. It also summarizes the lessons learned resulting from the project's attempts to develop the Government's management capabilities.

A. Findings and Recommendations

1. Health Education Program Needed Improvements

The health education program had moderate success meeting its objective of convincing villagers to adopt measures as stated in the project agreement to prevent water contamination, primarily because of an ineffective extension program which relied on itinerant health workers. Project officials believed a health worker handbook being prepared would help to improve the program. However, there was a need to assess the impact of inadequate training, insufficient educational materials, and unsuitable sanitary construction designs on the health workers' performance. For the project to achieve its goals of increasing potable water supplies, health workers must stress the importance of sanitation techniques and construction of latrines and drainage structures to the villagers.

Recommendation No. 1

We recommend that USAID/Burkina include as part of the end-of-project evaluation an assessment of:

- a. the itinerant health workers' ability to demonstrate preventive health measures to the villagers;
- b. the equipment and teaching materials needed to assist health workers in accomplishing their tasks;
- c. the suitability of sanitary construction designs for promotion among villagers, and
- d. the management systems to measure project effectiveness.

Discussion

The project's itinerant health workers were successful in convincing only some villages of the need for preventive health care activities such as the use of latrines and sanitary drainage structures around wells to prevent seepage into and contamination of the water. Most villagers had not given priority to such measures. Only about half of 639 wells developed by the project had sanitary drainage structures and 378 out of an intended 550 demonstration latrines had been completed (see Exhibit 2).



Unprotected Well

Animals often drink from puddles that form around this unprotected project well, increasing the risk of polluted water seeping into the well through the borehole.
HOUNDE - S.W. Burkina

July 1985



Protected Well

This project well has a drainage structure passing through an animal exclusion wall and leading to a drinking trough at a sufficient distance to protect the well from animal wastes.

YABASSO - S.W. Burkina

July 1985

Project designers had recognized the importance of organizing village health committees with appointed village health workers prior to construction of the wells. These committees were to ensure that water quality be preserved. Evaluations conducted in 1984 of the AID project and a similar European Economic Community water supply project confirmed the importance of these committees.

The project used government-trained itinerant health workers to organize and train the village health workers and committees. The itinerant health workers were trained to transfer knowledge to the villages about water quality, preventive health practices and sanitary water structures. These workers were in turn supported by four government-trained and project-financed sanitarians and a U.S. technical assistance contractor whose role was to provide continuing training in public health and to help organize village health committees. The project paid the salaries and transportation support costs of these workers.

In June 1985, 29 itinerant workers completed training and joined the 44 already in place. The original plan was to have

110 workers by October 1982. By February 1986, only 380 out of a planned 550 villages had health committees, each varying in its degree of effectiveness in applying preventive health practices (see Exhibit 2). This was due, in part, to the inability of the health workers to adequately demonstrate preventive health practices. A technical assistance contractor noted that the itinerant health workers did not have enough confidence to speak authoritatively to villagers because of insufficient training; and the effectiveness of the women health workers was impaired by long absences for childbearing and because they were not accepted by some male village decision-makers.

In addition, external factors placed constraints on the effectiveness of the health workers, including:

- insufficient teaching aids to demonstrate points in discussions;
- villagers' reluctance to give priority to the building of drainage structures and latrines; and
- no suitable latrine model to be copied by villagers.

At first, project officials believed that cost factors and the lack of available construction materials were the reasons villagers were not building latrines according to the project's demonstration models. The health education contractor, however, told us the villagers did not consider latrines a priority. According to the contractor, villagers were prepared to fund building construction but unwilling to spend money and time on latrine construction. Only about five villages had taken the initiative to build a significant number of latrines. An AID project evaluation had recommended the development of a low-cost design for latrines but project officials believed they were a safety hazard. Until a policy decision was made, no detailed strategy could be worked out for health workers to promote latrine construction.

Lack of cooperation between the Ministries of Public Health and Rural Development further hindered the organization of health committees. The former arranged for health workers to prepare the villages for well construction and the latter decided when and where wells were dug. However, because these two ministries worked in isolation of each other many wells were dug or drilled regardless of whether a village health committee had been established to organize preventive health care activities. Thus, health workers could not offer wells to villagers as incentives to initiate health care activities. Without incentives the villagers did not give priority to health care because there were no apparent benefits. In this way, itinerant health workers were constrained from the start.

Project and USAID/Burkina officials said they expected an AID-financed handbook for health workers to help overcome some of these problems. Field work on data collection for the handbook started in July 1985. The handbook was still in process in February 1986. The book was to include information on the customs prevalent in target area villages, some graphics to illustrate the dangers of unsanitary water supplies, a list of suppliers of water pump parts and the cost of various repairs.

The health workers' insufficient credibility and operating effectiveness limited progress in the project's health program. USAID/Burkina planned a final evaluation to identify and evaluate problems inhibiting the attainment of project objectives. The evaluation should give particular consideration to factors limiting health workers' effectiveness.

Management Comments

USAID/Burkina agreed with the recommendation and suggested that it also address the need for improved management systems to measure project effectiveness. However, USAID indicated that the audit report placed too much emphasis on the negative aspects of the project's health component at the expense of the project's successes increasing water supply. In addition, they believed the audit report did not give adequate recognition to the health program's accomplishments.

USAID/Burkina acknowledged that the health component did not achieve the expected level of success. They believed the current situation--compared to the almost total lack of sanitary protection for wells at the start of the project--showed good project results.

Office of the Inspector General Comments

Based on USAID's suggestion, we have added part (d) to the recommendation as a means to assess the adequacy of the project's management system to measure project effectiveness. The recommendation is considered open but resolved. The recommendation will be closed upon our receipt and evaluation of the end-of-project evaluation.

2. Action Needed to Protect AID's Project Investment

The Government of Burkina Faso did not assume the project's recurring costs as required by the grant agreement. Alternative measures had been proposed and some progress made to meet these costs. Also, the Government had not budgeted funds to continue the project after AID funding ceased. There was no assurance, therefore, that AID's investment in the project would be protected and the project continued.

Recommendation No. 2

We recommend that USAID/Burkina, as a condition to:

- a. the further allocation of Public Law 480, Title II, Section 206 funds to the project beyond July 1986, assess the Government of Burkina Faso's ability to accomplish the following, and include such provisions in sub-project approval documents: establish village committees for project wells; ensure that village committees provide maintenance funds; train village artisans in pump repair; provide for pump spare parts and major repair facilities; and assume itinerant health workers' salaries and operating costs.
- b. funding any further water supply projects, obtain a Government of Burkina Faso plan to allocate funds to continue well construction in the project zone.

Discussion

Protecting AID's project investment involved the funding of (1) recurrent costs, and (2) continuing well construction after AID funding ended.

Recurrent Costs - The project paper defined recurrent costs as those related to well maintenance (including pumps) and health education. AID was to disburse fiscal year 1982 funds to the project on the condition the Government provided a budget and funding plan for the progressive assumption of recurrent costs during the last two years of the project--(July 1982 to July 1984). The condition was not met due to a lack of funds and, in part, to a change in government policy to make villagers responsible for well maintenance. The Government proposed to finance costs for itinerant health workers after AID funding ceased. These proposals and plans had not been implemented at the time of the audit.

In June 1982, in reply to USAID/Burkina's request for a financing plan for well maintenance, the Government estimated the cost of running two maintenance teams for two years at about \$210,000. The plan noted that USAID funds of about

\$160,000 were already available for this purpose without specifying who would fund the remaining \$50,000. Although the Government did not propose funding these costs, USAID accepted the plan as meeting the conditions of the project agreement. USAID considered AID funds available due to a favorable dollar to CFA franc exchange rate and because the Government proposed an alternative plan.

This alternative plan proposed that maintenance costs would eventually be borne 100 percent by the benefitting villagers. The basic elements of the plan were to:

- establish village well committees,
- establish pump maintenance funds at the committee level,
- train village artisans for routine maintenance,
- arrange for national stockage of spare parts by dealers, and
- make available regional major repair services chargeable to villagers.

The importance of these elements was later supported in a September 1982 AID program evaluation report ^{1/} and a June 1983 Club du Sahel report on rural water supply in Burkina Faso. Furthermore, a July 1984 report on a similar European Economic Community project indicated that such arrangements appeared to be working. Government policy was therefore in accordance with donor community views that people benefitting from projects should assume recurrent costs.

By September 1985, well committees with maintenance funds had been established in only 80 of the target 550 villages. Plans to establish local representation for the U.S.-manufactured pumps, establishment of regional major repair facilities and training of village artisans were still at the discussion level between the manufacturer and distributor. Therefore, it was uncertain how the project wells would be maintained in the future.

Similarly, the Government estimated the cost of paying salaries and operating costs of itinerant health workers for the last two project years at about \$475,000. The government funding plan proposed that due to favorable exchange rates, AID funds were available to pay these costs until AID funding terminated in 1986. The Ministry of Health planned to assume these costs in August 1986 by integrating all project health employees into its national structure.

^{1/} "Community Water Supply in Developing Countries: Lessons From Experience"

USAID/Burkina accepted the Government plans for recurring costs after AID funding ceased. USAID should monitor implementation of these plans to ensure that AID's project investment is protected.

Future Well Construction - Although the project paper did not state that the Government should continue to construct wells in the project zone after AID funding terminated, USAID/Burkina and Rural Water Department officials agreed that a well construction capability was needed in the project zone. Contractor officials estimated the project would have covered about 20 percent of the total well construction needs for the area.

Government officials said that without external financing they could not hope to maintain the personnel and equipment necessary to meet the total well construction needs in the project zone. They hoped to convince AID to fund a follow-on project, but realized that no finances could be made available until at least 1987. The Government was determined to try to hold the well construction capability together as a unit and had allocated, with AID approval, \$550,000 of Public Law 480, Title II, Section 206 money to the project to cover expenses to July 1986.

The Government also identified 200 relatively wealthy villages as potential customers to pay for wells at a price estimated to cover the costs of the construction organization beyond July 1986. Government officials agreed with the audit team that this strategy was vulnerable to private sector competition and that equipment breakdowns could cause unit costs to exceed selling prices. Also, they were not certain whether the commercial plan would meet funding needs. Therefore, they decided to request the allocation of further Public Law 480 funds to assure operations from September 1986 to July 1987. However, no detailed operating budget had been devised to justify the funding request.

The Government of Burkina Faso needs to formulate a plan to fund well construction activities in the project zone beyond July 1986. USAID/Burkina should require such a plan as a prerequisite to authorizing further AID funding for water supply projects.

Management Comments

USAID/Burkina agreed with the intent of part (a) of the recommendation but suggested a change in wording to facilitate closure action. Regarding part (b) they questioned whether the recommendation intended to prohibit USAID/Burkina from engaging in any future water supply well construction projects.

USAID/Burkina stated that they have encouraged the structure, organization, and people who will remain with the project after AID funding terminates to address the problems presented in the recommendation. They emphasized that corrective actions were taking place. For example, committees and maintenance funds for the first year were prerequisite for well drilling. The village artisans had been trained in repair of the project pump, and would be trained in repair of other pumps within the next year. The pump manufacturer representative had ordered spare parts and was in the process of negotiating a three-year contract to supervise the village artisans. With these actions USAID did not believe it was necessary to establish a major repair facility for the pumps.

USAID believes a pump maintenance system would be functional within three months. They expect the Government of Burkina Faso to assume the itinerant health workers' salaries and operating costs.

Office of Inspector General Comments

Part (a) of the recommendation was reworded. It is considered open but resolved and will be closed when the USAID assessment concludes and appropriate provisions are included in the PL 480 Title II, Section 206 sub-project approval documents.

Part (b) of the recommendation is considered open and unresolved because there has not yet been agreement on corrective action. As a point of clarification the recommendation was not intended to prohibit USAID from engaging in any future water supply well construction projects. However, USAID should apply some leverage to have the Government of Burkina Faso give priority to continuing well construction in the area where AID already had a sizeable investment.

3. Control Procedures for Local Currency Costs Needed Improvement

Cash advances to the project had not been fully reconciled between project and USAID/Burkina records since September 1983 and some minor amounts had been misappropriated. USAID identified some of the discrepancies in 1981 but did not promptly resolve them because there was no systematic follow-up procedure. USAID began corrective action after the audit brought the matter to their attention. USAID needed to strengthen its procedures to ensure that advances were systematically cleared and discrepancies resolved.

Recommendation No. 3

We recommend that USAID/Burkina:

- a. account for cash advance differences amounting to \$24,394 between Government of Burkina Faso and USAID/Burkina records;
- b. modify financial review procedures to include a systematic clearance of problems noted in financial analysts' reports from previous site visits; and
- c. establish a formal review program, approved by the controller, for use by the financial analysts.

Discussion

As of June 30, 1985, USAID had funded local currency costs for the project amounting to about \$4.2 million or 34 percent of total project costs. These funds were used to pay salaries and vehicle, equipment and office operating expenses.

Section 121(d) of the Foreign Assistance Act required the Sahelian missions to ensure that the host governments properly account for AID funds. Accordingly, the USAID/Burkina Office of Financial Management introduced to the project a standard accounting system, developed by another AID-financed project in the Sahel, for local currency funds. They also established a program whereby USAID financial analysts would (1) make regular site visits to the projects, (2) review the validity of local currency expenditures, and (3) provide written reports of their visits.

Although a detailed audit review of vouchers supporting \$1.7 million of local currency expenditures did not disclose any questionable items, a reconciliation of the advance balances revealed differences totaling \$24,394 between project and mission records (see Exhibit 3). An examination of financial review reports revealed that project advances had not been

completely reconciled with USAID/Burkina records since September 1983 and that some reconciling items dating from 1981 had been identified in financial analysts' reports but never resolved. Subsequent reports did not show the status of these discrepancies nor did they indicate what procedures, such as a reconciliation of advances, were used by the financial analysts in the verification of local currency costs. The audit team reported these discrepancies to USAID/Burkina in August 1985.

Subsequently, the USAID/Burkina controller sent two financial analysts to the project site who produced detailed reports identifying all reconciling items. In a memorandum to our office, the controller described plans to clear most of these items. Left unresolved were misappropriations of funds totaling about \$3,200. It was doubtful this sum would be recovered since both persons responsible had been imprisoned by the Government of Burkina Faso. USAID still needed to modify its financial review procedures in order to ensure a systematic clearance of disclosed problems, and to establish a financial analyst review program.

Management Comments

USAID/Burkina Faso concurred with the recommendation and took corrective actions. Specifically, they reconciled the cash advance balances between USAID and Government records. In addition, bills of collection amounting to almost \$3,200 were issued to the Government.

USAID noted that prior USAID management did not follow-up on financial analyst findings. However, they assured us that this had changed. They stated that all financial analyst trip reports which disclosed findings were discussed in the project review meetings. Also, the controller had taken a direct interest in resolving findings in a timely manner.

USAID established a more formal approach to the financial analyst reviews. The financial analyst was required to include in his trip report a section on the scope of review undertaken and a summary of past problems noted. Such reports would be reviewed prior to initiating further reviews to determine past problems and areas not previously reviewed. In addition, the financial analyst was required to submit a monthly status report of all project financial problems and the actions being taken to resolve these problems.

Office of Inspector General Comments

Based on the corrective actions, the recommendation is considered closed upon issuance of this report.

4. Institution Building Hampered by Design Faults Leading to Management and Contractor Performance Problems - Lessons Learned

The original project design did not include improvement of management systems as one of the project goals. Project management did not correct the design deficiency until the project was almost over, and then, they did not require technical assistance contractors to promptly design and implement effective systems. As a result, it was unlikely the systems would be implemented and personnel trained in those systems before AID funding terminates. The lessons learned from these problems can serve to improve the design of any future water supply project in Burkina Faso. Since it was uncertain at the time of the audit whether such a project would be funded by AID, no formal recommendations have been made.

Discussion

The project design did not specify the establishment of management and administrative systems as a project goal. This deficiency was aggravated by management and contractor performance problems. As a result, in August 1985, five months before the technical assistance contract was due to end and five years after it began, the project did not have:

- a fully operational administrative-accounting system,
- trained host country nationals to take over expatriate positions, and
- an operational garage inventory control system.

Project Design - AID Handbook 3 recommended that project designs determine whether the project needed management techniques to ensure efficient implementation. This was in accordance with AID's policy for promoting institutional development, including improvement of management systems.

Neither the 1979 rural water supply project paper nor the original grant agreement described in detail the types of management and administrative systems to be introduced to the project.

From the start of the project, USAID/Burkina sought to introduce management systems to the project by recommending technical assistance in the appropriate areas. However, Government officials were reluctant to agree to proposed technical assistance plans since they were not included in project objectives. As a result, Government project officials operated in the beginning without guidance on management matters and technical assistance contractors were not assigned responsibility for such guidance.

In March 1984, the AID Water and Sanitation for Health (WASH) Project made recommendations to improve project management. Based on these recommendations, in March 1985, the project grant agreement was revised to provide:

- personnel trained in the understanding of goals, objectives, methodology, multi-disciplinary relationships and planning of rural water supply systems;
- a Technical Coordination Unit fully operational and capable of integrating health and hydraulic activities;
- an operational administrative-accounting system with two administrative accountants capable of using AID's Sahel-wide accounting system;
- the replacement of expatriate positions by Government personnel returning from long-term training; and
- Government personnel trained in equipment repair and maintenance, garage and parts management, well development and pump installation and maintenance.

At the completion of the audit, the project was still attempting to implement management and inventory control systems through the use of short-term consultants. In their comments to the draft report, USAID/Burkina stated that these systems had been fully implemented and were functioning.

Management Problems - The development of project management systems was further hampered by the Government's failure to convene a National Supervisory Committee to give overall guidance to the project as required in the project agreement. As a result, the Ministry of Rural Development, implementing the well component, and the Ministry of Public Health, implementing the health component, were initially working almost in isolation from each other, each through its own project director. A 1982 evaluation report had identified the weak cooperation between the two as the most serious constraint to project progress and had recommended changes. The 1984 WASH report found that project management consistently ignored evaluation recommendations which led to inefficient use of contractor personnel and reinforced noncollaborative attitudes between the two components.

The failure of the Government and USAID/Burkina to agree on and implement a plan for efficient use of technical assistance contractors was also due to the frequent changes of project personnel. For example, the Ministries of Rural Development and Public Health each had three different host country project directors and there had been three different USAID/Burkina project officers. The WASH report noted that the first of

these project officers had neither the experience nor the technical qualifications to manage such a complex project. Therefore, the report concluded that the project officer made limited impact in influencing the host country national directors to improve management.

With the appointment of two new host country directors in 1983 and 1984, attitudes began to change and attempts at collaboration were made. It was not until March 1985, however, that the technical assistance contractor was allowed to field a chief of party with the authority to act as a counterpart to the two directors and show them how to plan project activities in an effective and efficient manner. Both directors admitted they had not understood the usefulness of such a position until the arrival of the present chief of party.

The project experienced the following other management problems:

- Delays in selecting candidates and in arranging courses in the United States for four host country nationals meant that none of these would return before the technical assistance contractors were due to depart in January 1986.
- The contractor master mechanic doubted that the local mechanics would continue his preventive maintenance schedule once he left. He said careless attitudes among mechanics and operators led to a leaking hose on the drilling rig going unnoticed, resulting in seizing of the main engine and a six-month wait for a replacement.

Technical Assistance Performance - The WASH report noted that technical assistance contractors were at too low a level in the project to provide management guidance to project managers at the host government level. It also noted that the contractors performed poorly in preparing technical documents and developing host government management techniques, thus contributing to the slow advance of institution building.

The contract did not include specific goals and milestones for institutional development. It was therefore difficult for USAID/Burkina and host government management to hold contractors responsible for their performance.

Lessons Learned

Direct AID assistance to the project will effectively end in January 1986 when local currency advances have been spent. The use of Public Law 480 funds to continue operations, however, allows USAID/Burkina the opportunity to continue involvement with the project and there are plans for the Office of Financial Management to monitor the use of these funds. USAID/Burkina can, therefore, benefit from the lessons learned,

not only from the past five years, but also from the period in 1986 during which host country officials will be managing operations with little outside help.

If USAID/Burkina intends to propose a new water supply project to begin in fiscal year 1987, project designers will be able to incorporate measures to avoid the recurrence of past problems. In particular, the following matters should be considered.

In planning any future water supply project, USAID/Burkina should monitor the Government of Burkina Faso's performance in

- employing participants, who were trained in the United States by the Rural Water Supply Project, in jobs related to the skills learned;
- ensuring the continued operation of the management information system developed by the project; and
- operating a comprehensive maintenance program for project vehicles and equipment.

The project identification document for any such future project should give in detail plans for the Government: to identify and make available candidates for training in time for them to return well before the planned project assistance completion date; and to formulate in conjunction with USAID/Burkina a comprehensive program and timetable for the use of technical assistance contractors.

The project identification document should also recommend that for any future technical assistance contracts, USAID/Burkina request the relevant AID Contracting Officer to include detailed contractor goals and objectives with quantifiable indicators of performance in the statement of work.

B. Compliance and Internal Control

Compliance

The only material instances of non-compliance with relevant regulations and agreements disclosed by the audit were the failure of the Government of Burkina Faso to comply with the condition precedent to disbursement of fiscal year 1982 funds as described in Finding 2 and its failure to convene a National Supervisory Committee as described in Finding 4. Actions to be taken to offset the effect of this have been included in the recommendations and lessons learned.

Other than the conditions cited, nothing came to our attention that would indicate that untested items were not in compliance with applicable laws and regulations.

Internal Control

The audit revealed weaknesses in accounting control procedures as described in Finding 3 concerning the USAID/Burkina Office of Financial Management procedures for reviewing local currency costs.

As noted in Finding 4, weaknesses in USAID's administrative controls were found in failing to ensure early collaboration of the two Ministries involved in the project and to plan efficient use of technical assistance contractors.

**AUDIT OF
RURAL WATER SUPPLY PROJECT
BURKINA FASO**

PART III - EXHIBITS AND APPENDICES

Rural Water Supply Project - Burkina FasoFinancial Status as of June 30, 1985
(\$000)

<u>Expense Category</u>	<u>Obligated</u>	<u>Disbursed/ Accrued</u>
Technical Assistance	\$3,625	\$3,461
Commodities	4,105	4,028
Operating Costs	4,439	4,151
Participant Training	224	170
Construction	331	331
Contingencies	756	0
	<u>\$13,480</u>	<u>\$12,141</u>

Rural Water Supply Project - Burkina Faso
Comparison of Project Goals to Achievements

	<u>Goals per</u>		<u>Achieved by 6/30/85</u>
	<u>1979 Agreement</u>	<u>1985 Amendment</u>	
Villages Supplied	550	550	498
Wells dug	150	289	297
Wells drilled	320	347	264
Wells deepened	<u>150</u>	<u>7</u>	<u>78</u>
Total	<u>620</u>	<u>643</u>	<u>639</u>
Pumps installed	620	643	388
Drainage structures	620	643	320 <u>1/</u> estimated
Well maintenance program	550	50+ plan for others	80
Demonstration latrines	550	50	378 <u>1/</u>
Trained nationals to replace expatriate contractors	4	4	0
Itinerant Health Workers	110	not quantified	73
Village Health Committees	550	not quantified	380 <u>1/</u>

1/ Updated by Mission comments February 1986.

RURAL WATER SUPPLY PROJECT - BURKINA FASOSummary of Local Currency Discrepancies

	<u>CFAP</u>	<u>U.S. \$ 1/</u>
<u>Wells Component - June 30, 1985</u>		
1. Overstatement of claims by Project to USAID:		
Expenses rejected by USAID January 1985	2,000,000	5,000
Less January 1984 adjustments not recorded by USAID	<u>717,045</u>	<u>1,793</u>
Net overstatement reported	<u>1,282,955</u>	<u>3,207</u>
2. Unjustified expenditures:		
Properly documented subsequently	2,154,681	5,387
Defalcations	729,750	1,824
Bank errors corrected subsequently	149,997	375
Unjustified bank reconciliation difference (defalcation)	<u>207,951</u>	<u>520</u>
	<u>3,242,379</u>	<u>8,106</u>
<u>Health Component - December 31, 1984</u>		
1. Overstatement of claims:		
Rejected expenses subsequently documented	2,776,665	6,941
Unpaid interest	1,481,686	3,704
Bank errors (defalcations)	<u>304,640</u>	<u>762</u>
	<u>4,562,991</u>	<u>11,407</u>
2. Unreconciled difference between Project and USAID records	<u>669,517</u>	<u>1,674</u>
Total differences between project and USAID records	<u>9,757,842</u>	<u>\$24,394</u>

1/ Exchange rate used: \$1=CFAP 400

ACTION: RIG-2 INFO: DCM

VZCZCTAA553FSC807
 OO RUTADS
 DE RUEHC #1060/01 052134Z
 ZNR UUUUU ZZH
 O 211332Z FEB 86
 FM AMEMBASSY OUAGADOUGOU
 TO RUTATS/AMEMBASSY DAKAR IMMEDIATE 0457
 RUEHC/SECSTATE WASHDC IMMEDIATE 0055
 BT
 UNCLAS SECTION 01 OF 05 OUAGADOUGOU 01060

LOC: 145
 24 FEB 86
 CN: 58739
 CHRG: AID
 DIST: RIG

AIDAC

DAKAR FOR RIG/A/DAKAR; AID/W FOR AFR/SA AND
 RIG/A/WASHINGTON

E.O. 12356: N/A

SUBJECT: BURKINA/RURAL WATER SUPPLY PROJECT (686-0228)
 - DRAFT AUDIT REPORT -- MISSION COMMENTS

REFS: (A) DAKAR '86 01305; (B) '86 OUAGA 00702; (C) '86
 STATE 24205 AND (D) ANKLEWICH/GILL MEMO OF 12-10-85

1. GENERAL COMMENTS:

A. WHILE USAID/BURKINA IS PLEASED TO HAVE FURTHER EVIDENCE OF THE SUCCESS OF THE RURAL WATER SUPPLY PROJECT, WE ARE INDEED DISAPPOINTED THAT SUCH IS TREATED IN ONLY ONE PHRASE OF THE DRAFT REPORT WHICH IS ALLUDED TO BY QUOTE THE AUDIT FOUND THAT THE PROJECT CONTRIBUTED TO INCREASED WATER SUPPLY UNQUOTE. WE WOULD EXPECT LAUDATORY COMMENTS IN AUDIT REPORTS BE MINIMAL, HOWEVER THE OVERALL TONE OF THE REPORT DOES LITTLE TO PROJECT A FAIR PICTURE OF THE PROJECT ACCOMPLISHMENTS. TO EXEMPLIFY THIS, WE POINT OUT THAT OF THE 13.48 MILLION DOLLARS INVESTED IN THIS PROJECT, OVER 80 PERCENT, OR APPROXIMATELY 11 MILLION DOLLARS CAN BE DIRECTLY ATTRIBUTED TO INCREASING WATER SUPPLY IN THE SOUTHWEST OF BURKINA FASO, YET THE MAJOR THRUST OF THE DRAFT AUDIT REPORT IS DIRECTED TO THE PROBLEMS ASSOCIATED WITH THE HEALTH COMPONENT, OR IN ESSENCE TOWARD ONLY 20 PERCENT OF THE PROJECT ACTIVITY. THE REPORT WAS ALSO ALMOST SILENT ON THOSE QUOTE LIMITED RESULTS UNQUOTE OF THE HEALTH COMPONENT, WHICH ARE PROBABLY THIS PROJECTS MOST HARD EARNED AND VALUABLE SUCCESSES FOR THE FUTURE OF PRIMARY HEALTH CARE IN BURKINA. IN SUM THE REPORT TENDS TO SIGNIFICANTLY HIGHLIGHT THOSE FEW PROBLEM AREAS AT THE EXPENSE OF PORTRAYING AN EQUALLY UNFAIR COMPOSITE OF THE BALANCE OF THE PROJECT OR THE SUCCESSES ASSOCIATED THEREWITH.

B. ALTHOUGH ADMITTEDLY THE HEALTH COMPONENT DID NOT ACHIEVE A COMPLETE AND MODERN PRIMARY HEALTH CARE SYSTEM IN ONE OF THE MOST UNDERDEVELOPED AREAS OF THE WORLD IN FIVE YEARS AS WAS ENVISIONED, THE SUCCESSES ACHIEVED IN THE REALM OF VILLAGE SANITATION AND COMMUNITY

DEVELOPMENT ARE READILY VISIBLE. AT THE BEGINNING OF THE PROJECT, EXISTING WELLS AND EVEN INITIAL PROJECT WELLS WERE ALMOST ABSENT OF SANITARY PROTECTION. TODAY ALMOST HALF OF THE PROJECT WELLS HAVE SOME SORT OF PROTECTION WITH MORE AND MORE CURRENTLY BEING PROTECTED THROUGH THE EFFORTS OF THE PROJECTS ITINERANT HEALTH WORKERS AND THE VILLAGERS THEMSELVES. THE REFERENCE TO THE CONSTRUCTION OF 53 VILLAGE LATRINES AS STATED IN THE AUDIT REPORT WAS APPARENTLY OBTAINED FROM REPORTS THAT AD BEEN INTRODUCED BY THE CONTRACTOR IN THE SPRING OF 1985. WHILE IN FACT OUR LATEST AND MOST ACCURATE FIGURES INDICATE THAT SOME 378 DEMONSTRATION LATRINES HAVE BEEN CONSTRUCTED, A SIGNIFICANT DIFFERENCE OVER THAT NOTED IN THE AUDIT REPORT, AS IS THE 780 VILLAGE HEALTH COMMITTEES CURRENTLY ESTABLISHED THAT ALSO IS NOT MENTIONED.

C. WE NOTED THE ABSENCE OF INCLUSION IN THE DRAFT AUDIT REPORT OF ACTIONS TAKEN TO RESOLVE MANY OF THE ISSUES RAISED, TO CITE SEVERAL EXAMPLES. BASICALLY ALL OF THE ACTIONS SUGGESTED IN RECOMMENDATION NO. 2 WERE BEING UNDERTAKEN AT THE TIME OF THE AUDIT. FINANCIAL AMOUNTS NOTED WERE RECONCILED. (THIS ITSELF IS NOTED AT THE BOTTOM OF EXHIBIT 3 OF THE DRAFT REPORT YET NO MENTION IS MADE IN THE TEXT OF THE REPORT.) IN GENERAL, WE FEEL STRONGLY THAT THE DRAFT REPORT COULD BE MORE REALISTIC IN ITS PRESENTATION BY INCLUSION OF AN OVERALL PROJECT PICTURE RATHER THAN DISCARDING THIS PRECEPT TO SIGNIFICANTLY HIGHLIGHT ONLY THE NEGATIVE ASPECTS. WHILE USAID/BF IS AWARE OF THE INTRICACIES OF THE PROJECT AND DOES HAVE A COMPLETE PICTURE, THE READER OF THE DRAFT REPORT IN ITS PRESENT CONTEXT CAN ONLY CONCLUDE THE ENTIRE PROJECT WAS A FAILURE, WHEN IN FACT SUCH WAS FAR FROM THE ACTUAL CASE. LIKE DO NOT FEEL THE REPORT NARRATIVE OVERALL GIVES THE READER A VALID PICTURE OF THE TOTAL PROJECT IN THAT THE PROBLEM AREAS ARE OVEREMPHASIZED WITH LITTLE NOTE OF ACCOMPLISHMENTS, DESPITE THE FACT THAT THE AUDIT REPORT ITSELF STATES THAT THIS IS A PROGRAM RESULTS AUDIT. FINALLY, ONE CANNOT HELP BUT OBSERVE THE EMPHASIS PLACED ON THE FINANCIAL DETAIL OF SOME \$24,394 AND THE VOLUMINOUS NARRATIVE WITHIN THE REPORT ADDRESSING THE FINANCIAL ISSUES WHILE SIMULTANEOUSLY WEIGHING ITS

SIGNIFICANCE IN RELATION TO THE TOTAL PROJECT INPUT OF SOME \$13,500,000.00.

WE WOULD OF NECESSITY QUESTION THE MATERIALITY OF SUCH INPUT AND AGAIN EMPHASIZE THE SIGNIFICANCE IN TERMS OF PORTRAYING A REALISTIC PROGRAM RESULTS PROJECT PICTURE TO THE READER.

2. COMMENTS ON SPECIFIC RECOMMENDATIONS:

A. RECOMMENDATION NO. 1

USAID/BURKINA REQUIRE THE SCHEDULED END OF PROJECT EVALUATION TO ASSESS (A) THE ITINERANT HEALTH WORKERS ABILITY TO ADEQUATELY DEMONSTRATE PREVENTIVE HEALTH MEASURES TO THE VILLAGERS; (B) THE EQUIPMENT AND TEACHING MATERIALS NEEDED TO ASSIST HEALTH WORKERS ACCOMPLISH THEIR TASKS; AND (C) THE SUITABILITY OF SANITARY CONSTRUCTION DESIGNS FOR PROMOTION AMONG VILLAGERS.

WHILE WE HAVE NO PROBLEM IN PRINCIPAL WITH THIS RECOMMENDATION WE WOULD SUGGEST THAT PERHAPS THAT QUOTE REQUIRE UNQUOTE COULD BE MITIGATED TO THE EXTENT THAT QUOTE USAID/BURKINA SHOULD INCLUDE AS PART OF THE END OF PROJECT EVALUATION ASSESSMENT OF...(A) UNQUOTE, THUS ENABLING USAID/BURKINA TO ACT WITHIN ITS AUTHORITY AND RESPONSIBILITIES TO THE EXTENT WE ARE ABLE. WE ALSO BELIEVE THAT AN ADDITIONAL COMPONENT (D) OUGHT TO BE ADDED AS FOLLOWS (QUOTE) THE MANAGEMENT SYSTEMS IN USE BY THE PROJECT PERSONNEL NOW TO JUDGE THEIR EFFECTIVENESS. (UNQUOTE)

B. RECOMMENDATION NO. 2

USAID/BURKINA, AS A CONDITION TO:

- (A). FURTHER ALLOCATION OF PUBLIC LAW 480, TITLE II, SECTION 206 FUNDS TO THE PROJECT BEYOND JULY 1986, AND ENSURE THE GOVERNMENT OF BURKINA FASO TO:
- - ESTABLISH VILLAGE COMMITTEES FOR ALL PROJECT WELLS;
 - - ENSURE THAT VILLAGES COMMITTEES PROVIDE MAINTENANCE FUNDS;
 - - TRAIN VILLAGE ARTISANS IN PUMP REPAIR;
 - - PROVIDE FOR PUMP SPARE PARTS AND MAJOR REPAIR FACILITIES; AND
 - - ASSUME ITINERANT HEALTH WORKERS SALARIES AND OPERATING COSTS.

(B). FUNDING ANY FURTHER WATER SUPPLY PROJECTS, REQUIRE THE GOVERNMENT OF BURKINA FASO TO PRESENT A FORMAL PLAN TO ALLOCATE SUFFICIENT FUNDS TO CONTINUE WELL CONSTRUCTION AFTER JULY 1986.

WE HAVE THE SAME PROBLEM HERE AS WITH RECOMMENDATION NO. 1, IN THAT THE USAID/BF CAN ONLY ACT WITHIN THE SCOPE OF THEIR AUTHORITY AND RESPONSIBILITY, AND QUITE CLEARLY WE CANNOT INSURE THAT THE ITEMS UNDER (A) WILL BE DONE, NOR FOR THAT MATTER CAN THE GOVERNMENT OF BURKINA. THERE MAY BE VALID REASONS IN THE FUTURE FOR NOT ESTABLISHING COMMITTEES FOR QUOTE ALL PROJECT WELLS UNQUOTE. MAINTENANCE FUNDS MAY BE SUPPLIED FROM ANOTHER SOURCE IN THE FUTURE, PUMP REPAIR MAY BE UNDERTAKEN UNDER A VARYING PROCEDURE, ETC, ETC. WHILE WE AGREE THAT THE INTENT OF THE RECOMMENDATION IS VALID, WE WOULD ENCOURAGE PRESENTATION IN A MANNER THAT ENABLES THE MISSION TO FULFILL CLEARANCE ACTION.

WE WOULD SUGGEST THAT AS AN ALTERNATE TO THE RECOMMENDATION IN ITS PRESENT FORM THAT PERHAPS WORKING TO THE EFFECT THAT QUOTE USAID/BURKINA, AS A CONDITION TO:

- THE FURTHER ALLOCATION OF PUBLIC LAW 480, TITLE II SECTION 206 FUNDS TO THE PROJECT BEYOND JULY 1986, ASSESS THE GOVERNMENT OF BURKINA FASO'S ABILITY TO ACCOMPLISH THE FOLLOWING, AND TO THE EXTENT PRACTICAL INCLUDE SUCH AGREEMENT THERETO IN

SUB-PROJECT APPROVAL DOCUMENTS.

WE ARE SOMEWHAT CONFUSED BY THE INTENT OF PART (B) OF RECOMMENDATION NO. 2 WHICH IF DIGESTED IN WHOLE, PROHIBITS USAID/BF FROM ENGAGING IN ANY FUTURE WATER SUPPLY WELL CONSTRUCTION PROJECTS. WE DO NOT BELIEVE THAT THIS WAS THE INTENT OF THE AUDIT RECOMMENDATION.

RECOMMENDATION NO. 3.

WE RECOMMEND THAT USAID/BURKINA (A) ACCOUNT FOR CASH ADVANCE DIFFERENCES AMOUNTING TO \$24,394 BETWEEN GOVERNMENT OF BURKINA FASO AND USAID/BURKINA RECORDS; (B) MODIFY FINANCIAL REVIEW PROCEDURES TO INCLUDE A SYSTEMATIC CLEARANCE OF PROBLEMS NOTED IN FINANCIAL ANALYSTS REPORTS FROM PREVIOUS SITE VISITS; AND (C) ESTABLISH A FORMAL REVIEW PROGRAM, APPROVED BY THE CONTROLLER, FOR USE BY THE FINANCIAL ANALYSTS.

WE AGAIN REFER TO EXHIBIT 3 ATTACHED TO THE DRAFT AUDIT REPORT AND REITERATE THAT THE LAST LINE OF THAT EXHIBIT NOTED ALL ITEMS EXCEPT DEFALCATIONS REPORTED THEREIN WERE CORRECTED BY SEPTEMBER 1985. ONE WOULD NATURALLY EXPECT SOME MENTION OF THIS ACTION WITHIN THE REPORT NARRATIVE IF IN FACT SUCH REMAINS AS A VALID RECOMMENDATION. IN ANY EVENT ALL ITEMS HAVE BEEN RECONCILED AS WELL AS BILL FOR COLLECTIONS ISSUED TO THE GOVERNMENT OF BURKINA IN RESOLUTION OF THE AMOUNTS NOTED AS DEFALCATIONS. COPIES OF ALL PERTINENT DOCUMENTATION RELATING TO THIS ITEM HAVE TODAY BEEN FORWARDED TO RIG/A/WA. IN RELATION TO PART (B) OF RECOMMENDATION NO. 3, WE WISH TO POINT OUT THAT NO MODIFICATION TO FINANCIAL REVIEW PROCEDURES APPEARS WARRANTED. ALL FINANCIAL ANALYST PROJECT PROBLEMS ARE DISCLOSED IN TRIP REPORT AND APPEAR IN THE QUARTERLY PROJECT STATUS REVIEW REPORTS. ALTHOUGH THIS REPORT HAS IN FACT EXISTED FOR SOME TIME, IT IS APPARENT THAT PAST MANAGEMENT IGNORED MANY OF THE FINANCIAL ANALYST FINDINGS FOR THE SAKE OF THE THEN POLITICAL RELATIONSHIP WHICH EXISTED. THIS IS NOT THE CASE AT PRESENT. ALL FINANCIAL ANALYST TRIP REPORTS WHICH DISCLOSE ADVERSE PROJECT CONCERNS ARE NOTED WITHIN PROJECT REVIEW MEETINGS AS WELL AS BY A DIRECT CONTROLLER INTEREST IN RESOLVING SAME ON AN EXPEDITIOUS BASIS. IT SEEMS THAT ALTHOUGH MECHANISMS WERE IN FACT IN PLACE TO ASSURE CLEARANCE OF SUCH PROBLEMS, THAT THE MECHANISMS WERE NOT PREVIOUSLY UTILIZED TO THE EXTENT DEEMED NECESSARY. WE WOULD ASSURE RIG/A/WA THAT SUCH ADHERENCE IS NOW UNDERTAKEN AND A SECOND SYSTEM OF CLEARING PROJECT PROBLEMS WOULD ONLY BE DUPLICATIVE OF WHAT WE CONSIDER A SOUND SYSTEM IF PROPERLY UTILIZED.

IN TERMS OF ADDRESSING ITEM (C) OF RECOMMENDATION NO. 2 WE AGREE A MORE FORMAL APPROACH TO FINANCIAL ANALYST REVIEWS BE UNDERTAKEN, HOWEVER WE DO NOT FEEL ANOTHER PIECE OF PAPER IS THE ANSWER. ACCORDINGLY, ALL FINANCIAL ANALYST TRIP REPORTS WILL NOW CONTAIN A SECTION RELATING TO THE SCOPE OF REVIEW UNDERTAKEN, AND

SUCH WILL BE REVIEWED PRIOR TO INITIATING FURTHER REVIEWS TO DETERMINE WHERE PROBLEMS EXIST, OR AREAS THAT WERE NOT REVIEWED PREVIOUSLY. ADDITIONALLY, THIS WILL INFORM PROJECT PERSONNEL AND REVIEW COMMITTEES OF WHAT HAS BEEN UNDERTAKEN TO DATE IN TERMS OF FINANCIAL REVIEWS AND THE SPECIFIC SCOPE OF SUCH REVIEW. A COPY OF THE CONTROLLER MEMO TO THE MISSION FINANCIAL ANALYST HAS BEEN FORWARDED TO RIG/WA IN RESOLUTION OF THIS SEGMENT OF RECOMMENDATION NO. 3.

ADDITIONAL COMMENTS:

D. AS THE AUDITORS CAN TESTIFY, FROM THEIR REVIEW OF RURAL WATER SUPPLY PROJECTS OF OTHER DONORS, THE SUBJECT PROJECT IS THE ONLY REPEAT ONLY PROJECT WHICH HAS EVEN ATTEMPTED TO INTEGRATE THE ACTIVITIES OF THE MINISTRIES OF HEALTH AND WATER. IT HAS BEEN HERALDED AS A PILOT PROJECT SINCE ITS INCEPTION. SUCH AN INTEGRATION HAS NOT BEEN EASY, BUT THERE HAVE BEEN SUCCESSES. THOUGH JUST A BEGINNING, THE TECHNICAL COORDINATING UNIT, COMBINED PROJECT STAFF MEETINGS, THE COMBINED ADMINISTRATIVE OFFICE, AND THE COORDINATED EFFORTS OF SEVERAL DIFFERENT MINISTERIAL AND DONOR ENTITIES IN THE PRODUCTION OF THE VILLAGE HEALTH WORKERS' HANDBOOK, HAS

DEMONSTRATED TO THE PROJECT PERSONNEL (FROM HLF DIRECTORS TO THE FIELD WORKERS), THE BENEFITS OF WORKING TOGETHER.

WE WISH TO POINT OUT THAT MOST OF THE PROBLEM AREAS NOTED IN THE DRAFT AUDIT REPORT WERE ALREADY NOTED IN TWO PREVIOUS EVALUATIONS AND EFFORTS HAVE AND ARE CURRENTLY BEING UNDERTAKEN TO OVERCOME THEM. IN THIS RESPECT WE HAVE ENCOURAGED THE STRUCTURE, ORGANIZATION, AND PEOPLE WHICH WILL REMAIN AFTER THE PROJECT TO ADDRESS THESE PROBLEMS.

BEGINNING WITH THE LAST CAMPAIGN, COMMITTEES AND MAINTENANCE FUNDS FOR THE FIRST YEAR ARE NOW A PREREQUISITE FOR THE DRILLING OF A WELL. VILLAGE ARTISANS ARE NOW TRAINED IN PUMP REPAIR OF THE PROJECT PUMP, AND WILL BE TRAINED IN REPAIR OF OTHER PUMPS WITHIN THE NEXT YEAR. FASO YAAR, THE REPRESENTATIVE OF ROBBINS AND MYERS HAS MADE THEIR FIRST ORDER OF PARTS, AND IS IN PROCESS OF NEGOTIATING A CONTRACT FOR A THREE YEAR TRANSITION PERIOD OF INTENSE SUPERVISION OF THE RURAL ARTISANS TO MAKE THE SYSTEM AS SELF-SUFFICIENT AS POSSIBLE. ALSO, THE ITINERANT HEALTH WORKERS (IHW) SALARIES MAY ALSO BE ASSUMED BY THE GOB SOONER THAN EXPECTED, HOWEVER, IS STILL AN ISSUE AT THIS TIME. A MAJOR QUESTION FOR THE EVALUATION IS WHETHER IHW'S ARE THE MOST EFFICIENT METHOD OF ACCOMPLISHING PREVENTIVE HEALTH EDUCATION IN THE VILLAGES. DURING THE PREPARATION OF THE HEALTH WORKERS HANDBOOK, THE DEBATE ON THIS ISSUE WAS BROUGHT TO THE NATIONAL LEVEL. IT IS NOW ONE OF THE MAJOR CONCERNS OF USAID'S STRENGTHENING HEALTH PLANNING PROJECT WHOSE PERSONNEL PARTICIPATED IN THE PREPARATION OF THE HANDBOOK.

IN TERMS OF ADDRESSING OTHER SIGNIFICANT POINTS, WE WOULD BE REMISS IN NOT BRINGING ATTENTION TO THE CONCERN THAT MISSION MANAGEMENT PLACED ON RESOLVING THE QUESTION OF PUMP MAINTENANCE, AND ALTHOUGH SUCH A PROGRAM ADMITTEDLY STARTED LATE IN THE PROJECT, A MAINTENANCE SYSTEM IS NOW PRYDOMINATELY IN PLACE AND WILL BE COMPLETELY FUNCTIONAL WITHIN THREE MONTHS. THE PROJECT OFFICER IS OF THE OPINION THAT SUCH SYSTEM RIVALS ANY COMPARABLE SYSTEM OF PUMP MAINTENANCE IN THE SAHEL FOR POTENTIAL OF FUTURE SUCCESS. VILLAGE ARTISANS HAVE DEMONSTRATED THAT THEY CAN HANDLE ANY POSSIBLE REPAIR OF THE MOYNO HAND PUMP, THEREFORE, THE REGIONAL MAJOR REPAIR SERVICES ARE NOT REQUIRED AS PREVIOUSLY ENVISIONED, BUT RATHER FASO YAAR HAS NOW AGREED TO SUPERVISE, ASSIST, AND TRAIN THE VILLAGE ARTISANS IN THE REPAIR AND MAINTENANCE OF OTHER PUMPS IN USE FOR A THREE YEAR PERIOD. FURTHER A ONE YEAR GUARANTEE GIVEN BY ROBBINS AND MYERS THROUGH FASO YAAR ON ALL NEW PUMPS WILL MITIGATE ASSOCIATED COSTS OF REPAIRS.

WE WISH TO ALSO GIVE DUE CREDIT TO THE HANDBOOK DEVELOPED FOR VILLAGE ITINERANT HEALTH WORKERS WHICH WAS MENTIONED IN PASSING ON PAGE 12 OF THE DRAFT AUDIT

REPORT. OF PARTICULAR NOTE IS THE EMPHASIS PLACED ON A QUOTE HOW TO UNQUOTE HANDBOOK RATHER THAN A THEORETICAL APPROACH AND SUCH WAS DESIGNED PRINCIPALLY FROM THE EXPERIENCE OF THE PEOPLE FOR WHICH IT IS INTENDED. THE HANDBOOK, ALTHOUGH NOT PUBLISHED AT THIS DATE IS ALREADY BEING EXTENDED AND AMPLIFIED FOR OTHER GROUPS BY A UNICEF PROJECT, THUS WE FEEL THAT EVENTUALLY THE ITINERANT HEALTH WORKER WILL MAKE A SIGNIFICANT CONTRIBUTION TOWARD IMPROVED VILLAGE WATER SANITATION EFFORTS.

IN ADDRESSING THE AUDIT COMMENTS RELATING TO THE LACK OF A MANAGEMENT AND INVENTORY CONTROL SYSTEM UNDER THE PROJECT, WE POINT OUT THAT ALTHOUGH SUCH WAS THE CASE DURING THE COURSE OF THE AUDIT, SUCH SYSTEMS HAVE NOW IN FACT BEEN FULLY IMPLEMENTED AND ARE FUNCTIONING.

SUMMARY COMMENTS:

THERE ARE THREE DISTINCT AREAS OF THE DRAFT AUDIT REPORT WHICH WE FEEL COULD BE IMPROVED UPON IN THE FINAL REPORT. FIRST, AND OF UTMOST CONCERN TO THE MISSION IS THAT THE RECOMMENDATIONS BE STATED CLEARLY AND CONCISE AND INCLUDE ONLY SUCH LANGUAGE AS TO ENABLE THE MISSION

TO TAKE ACTION IN RESOLUTION THEREOF, SECONDLY, WE WOULD ASK THAT A REASONABLE CLEAR PICTURE OF THE PROJECT, INCLUDING ITS SUCCESSES AND FAILURES, AS WELL AS MISSION EFFORTS TO RESOLVE PROBLEM AREAS, BE PRESENTED TO THE READER, AND THIRDLY THAT THE RECOMMENDATIONS MAKE SENSE AND ARE NOT SIMPLY A MAKE WORK EXERCISE BUT RATHER AN ACTION THAT WILL IMPROVE UPON EXISTING CONDITIONS.

WE HAVE NOTED HEREIN, OUR SUGGESTIONS IN RELATION TO INCLUSION OF LANGUAGE THAT MAY CLARIFY THE INTENT OF SOME RECOMMENDATIONS (RECOMMENDATION NO. 2 (B)) AND SUGGESTIONS TO IMPROVE THE MISSIONS ABILITY TO RESOLVE IN A REALISTIC MANNER OTHER SUCH RECOMMENDATIONS (RECOMMENDATION NOS. 1 AND 2 (A)), AND FINALLY HAVE INCLUDED OUR COMMENTS RELATING TO MODIFICATION OF RECOMMENDATION NO. 3 AS IT RELATES TO INSTALLATION OF DUPLICATIVE SYSTEMS. HOPEFULLY, THE COMMENTS AND SUGGESTIONS RENDERED WILL BE ACCEPTED IN THE SAME CONSTRUCTIVE FASHION AS THEY ARE GIVEN, AND THAT SUCH ARE INCORPORATED BY RIG/A/WA IN THE ISSUANCE OF THE FINAL AUDIT REPORT. NEHER
BT

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