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**AUDIT REPORT OF  
AID ASSISTANCE TO TOGO**

**Audit Report No. 7-693-86-9**

**May 27, 1986**

# memorandum

DATE: May 27, 1986

REPLY TO  
ATTN OF: John P. Competello, RIG/A/WA *J.P. Competello*

SUBJECT: Audit Report of AID Assistance to Togo - Audit Report No. 7-693-86-9

TO: Myron Golden, AID Representative, Togo  
Laurance W. Bond, Director, REDSO/WCA

This report presents the results of audit of AID assistance to Togo. Please advise us within 30 days of any additional information relating to action planned or taken to implement the recommendation. We appreciate the cooperation and courtesy extended our staff during the audit.

## Background

Located on the West Coast of Africa (see Exhibit 1), Togo is one of the least developed countries, having a per capita gross national product of about \$380 annually. Begun in the late 1970s, AID bilateral assistance aimed to increase the income of rural populations through development in agriculture and health. To increase program impact, AID stressed close collaboration with other donors. By 1986, AID assistance to Togo totaled \$65.8 million including P.L. 480. Since fiscal year 1981, assistance has averaged about \$5.8 million yearly including an annual P.L. 480 program of about \$2.2 million. USAID/Togo managed seven bilateral and regional projects authorized at about \$28 million (see Exhibit 2). As of December 1985, obligations were about \$23 million and disbursements about \$14 million.

AID was planning to increase assistance to Togo. Three new projects totaling \$29 million would focus on policy reform and sector goals. An African Economic Policy Reform Program (about \$8 million) would assist the Government of Togo (GOT) in implementing reforms to liberalize food export policy--a key factor in encouraging agricultural production. Two sector projects--Health Sector Planning and Support (\$9 million) and Agriculture Sector Strengthening (\$12 million)--would continue successful elements of current projects and enhance the GOT planning capability.

USAID/Togo was administered by five direct hire and 12 local employees. The Regional Economic Development Services Office, West and Central Africa (REDSO/WCA) Abidjan, Ivory Coast, supported USAID/Togo with project design, evaluation and financial and accounting services.



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## Audit Objectives and Scope

The Office of the Regional Inspector General for Audit/West Africa made a program results audit of AID's assistance to Togo. The audit objective was to determine if AID's assistance was having an impact on the GOT's efforts to meet development goals. Specifically, the audit was to determine if AID projects were achieving their desired level of results, and assess USAID/Togo management. The audit covered active projects in the USAID portfolio as of March 1986.

The USAID/Togo country strategy and the GOT development strategy were reviewed. The project management system was tested including design, implementation, evaluation, audit, field visits, progress reports, and REDSO/WCA support. USAID, GOT, project and REDSO/WCA officials were interviewed and appropriate files examined. Detailed project audits were not performed nor were tests made to determine compliance with policies and procedures on the use of AID monies. The audit was completed in March 1986 and was made in accordance with generally accepted government auditing standards.

## Results of Audit

The overall impact of AID assistance to Togo could not be determined. Although USAID/Togo management was effective, there was no system to adequately measure project impact on five of seven projects included in the audit.

AID strategy was generally consistent with Togo's development plans and projects were responsive to the strategy. USAID/Togo effectively coordinated its projects with other donors and the GOT. In the early 1980s, USAID/Togo reduced its project portfolio to better concentrate management efforts and used public accounting firms to improve the financial integrity of projects. USAID/Togo also used REDSO/WCA management services. As a result, project management including financial controls had improved.

In the last several years, USAID/Togo committed about \$9 million to extend some projects, although there wasn't adequate information on whether the projects were experiencing success in reaching their goals of improving agricultural productivity and the health of the rural population. Results were measured by outputs such as number of animal traction teams fielded or wells drilled. While such data was useful to gauge progress in implementing projects, it did not measure the effectiveness of AID project funds nor the impact AID assistance had on Togo's development.

In other words, the data did not answer the question: does AID assistance make a difference? For example, was acreage under

cultivation increasing as a result of animal traction? Was guinea worm disease better controlled as a result of rural water wells and other interventions? Although project designs included measuring impact, management did not ensure that impact was measured during implementation. USAID/Togo was planning further assistance of \$29 million, in part to continue successful elements of current projects. In order to make better informed decisions about future projects and ensure effective use of the \$29 million, USAID/Togo needed to measure the effectiveness of current projects.

#### Recommendation No. 1

We recommend the AID Representative, Togo, assisted by the Director, Regional Economic Development Services Office, West and Central Africa, establish a system to periodically measure the impact AID assistance has on Togo. The system should measure project effectiveness in achieving sector and project objectives and periodically verify that adequate data to analyze project impact has been obtained.

#### Discussion

In order to make better informed assistance decisions, management needs to know the impact projects are having. In 1981, the AID Administrator required Bureaus to determine at least twice a year if projects were progressing satisfactorily or whether they should be redesigned or closed and excess funds deobligated. In March 1986, the Assistant Administrator for Africa reminded the Missions of the importance of measuring project results. He asked Missions to better document a project's progress, particularly its benefits, during project implementation. He was concerned that there were only a few project success stories in Africa and suggested that, if successes could not be demonstrated, perhaps there was a need to reallocate funds to achieve maximum demonstrable impact.

Project designers in Togo had established specific and measurable objectives for most projects. If measured, the results could have given insight into the effectiveness of AID projects, and provided a better basis on which to make funding decisions. Instead, as the following examples illustrate (see Exhibit 3 for additional examples), USAID/Togo funded project extensions without knowing their developmental impact.

#### Togo Animal Traction Development (Project Number 693-0218):

AID wanted to increase the income and productivity of farmers in Togo. Progress towards this goal would be indicated by increased crop yields and land under cultivation by animal traction farmers. After eight years and over \$5 million of investment, USAID/Togo knew how many animal traction teams had been fielded (see photo) but did not know if animal traction had resulted in increased yields and/or land cultivated by farmers.



### Animal Traction

AID is spending \$5.2 million to promote the use of Animal Traction in Togo to increase crop production and thus provide opportunities for farmers to augment their income.

For example, results on the Phase I project (1978-1983) to test animal traction for possible replication nationally had not been measured. Phase II (1983-1986) and III (1986-1988) authorized \$5.2 million to continue animal traction. However, as of March 1986, the project's impact on agricultural production had not been measured. Nevertheless, USAID/Togo was planning a \$12 million Agriculture Sector Strengthening project in fiscal year 1988 which would build and continue the animal traction project. Measurements of project effectiveness can significantly influence decisions to continue project funding. If as a result of animal traction, cultivated land increased but yield decreased, causes would have to be identified and future project activities would have to be reassessed. However, if both yield and acreage increased significantly, the reasons for this success would help focus future funding decisions in Togo.

In February 1986, USAID/Togo officials said that project personnel were gathering data on animal traction yields and land cultivation. This information would be used to evaluate current and future project effectiveness.

Rural Water Supply and Sanitation (Project Number 693-0210):  
AID wanted to improve the health conditions of villagers and increase their potential for productive activity. Progress on the 1980 project authorized at \$11.7 million was to be measured by reduced incidences of disease and less time spent hauling water for domestic uses. As of March 1986, progress had not been measured. Although baseline studies were performed, USAID/Togo officials said no plans had been made or funds set aside to conduct the necessary follow-up studies to measure the project's impact. Plans had been made for a one-year follow-up study on control of guinea worm disease (see photo) but had not been completed because water pumps (see photo next page) had not been installed in the villages selected for study.



Guinea Worm

A disease combatted by AID's \$11.7 million Rural Water Supply and Sanitation Project. An estimated 15 percent of Togo's population has the disease resulting in 40 million lost workdays among the labor force.



#### Water Well in Rural Togo

Over 1000 wells were financed by AID's \$11.7 million Rural Water Supply and Sanitation Project. However, pumps had not been installed as planned in villages where project impact on control of Guinea worm disease was to be studied.

Even though information on the project's impact was not obtained, USAID/Togo increased the project budget in 1983 by \$3.9 million to expand construction from 400 to 1050 wells. By not evaluating whether the wells already constructed were helping to improve the health of the villagers, USAID/Togo was not in a good position to decide that more wells should have been constructed or existing wells should have been better maintained and utilized. By December 1985, 20 percent of the wells were not operational. Although responsible for pump maintenance, villagers could not always raise adequate repair funds. USAID officials were exploring alternatives. In spite of these problems and the lack of impact data, USAID/Togo expected to use some of the \$9 million in new Health Sector funds to continue project activities.

#### Management Comments

USAID/Togo concurred with the recommendation and agreed with REDSO/WCA to jointly develop a system to measure project effectiveness and to periodically verify that adequate data to analyze project impact has been obtained. The system will be internalized in each ongoing and planned project and will

become operational in the first quarter of fiscal year 1987. USAID/Togo pointed out that the report failed to mention two projects that effectively monitor project impact. The complete text of USAID/Togo comments is included as Appendix 1.

#### Office of the Inspector General Comments

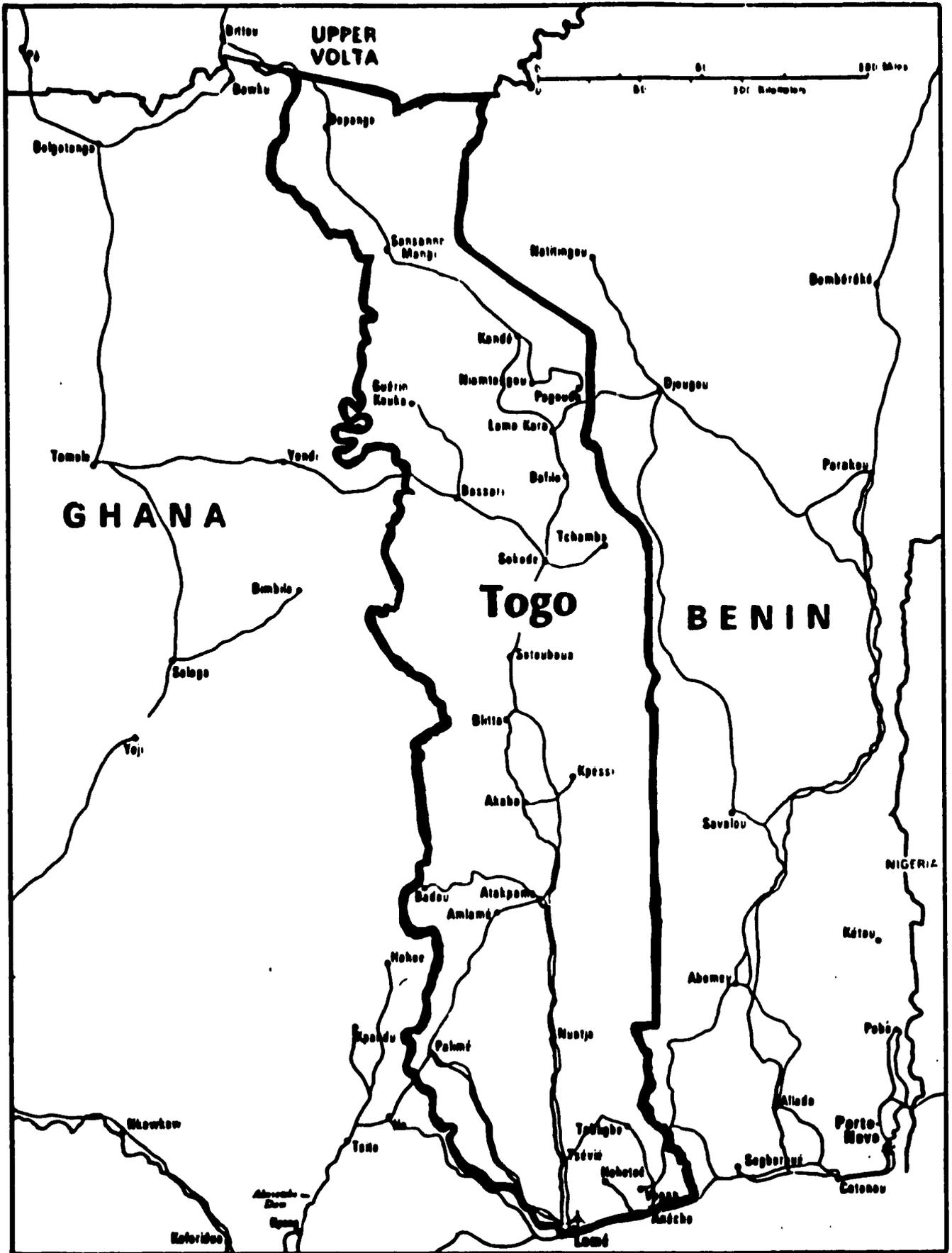
The recommendation is considered resolved and will be closed when the planned management system is operational. USAID/Togo comments responded to and helped clarify concerns raised in the report. The two projects cited by USAID/Togo as noteworthy do in fact have effective systems to measure project results. For example, the Zio River Economic Development Project established an impressive system and comprehensive plan to measure and report on project results. If the system and plan provide data and analyses as anticipated, USAID/Togo should be in a good position to make funding decisions regarding the project.

#### Compliance and Internal Control

The lack of an effective system to ensure the adequate measurement and assessment of program impact is a material internal control weakness subjecting the program to an unnecessary level of vulnerability. With the exception of this finding, nothing came to our attention that would indicate noncompliance with applicable laws and regulations or material weaknesses in administrative controls.

**AUDIT REPORT OF  
AID ASSISTANCE TO TOGO**

**Exhibits and Appendices**



882748 9 77 (04/88)  
Lambert Conformal Projection  
Standard parallels 0° and 30°  
Scale 1:2,700,000

— Railroad  
— Road  
✈ Airport

AID PROJECTS IN  
TOGO AS OF DECEMBER 31, 1985  
 (Authorized Amount)

Rural Water Supply and Sanitation	\$11,739,000
Animal Traction	5,230,000
Zio River Agricultural Production/Economic Development	3,500,000
Opportunities Industrialization Center	3,236,000
Credit Union Development	2,150,000
Togo Family Health Center <sup>a/</sup>	1,278,000
Combatting Childhood Communicable Diseases	<u>1,140,000</u>
Total	<u>\$28,273,000</u>

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<sup>a/</sup> Completed as of 12/30/85 but the grant to a private voluntary organization at the Center was still active.

Additional Examples: Projects Where  
Goal Achievement Had not Been Measured

Combatting Childhood Communicable Diseases. The project was to reduce mortality and morbidity resulting from communicable diseases and diarrhea in children less than five years old. Several problems were noted that raised questions about the adequacy of project impact assessment. For example, the best time to determine project impact on mortality (1992) would fall well beyond project termination (1988). Additionally, available baseline data on morbidity had not been analyzed, according to USAID/Togo officials.

Health Center. The project was to improve the health of Togolese people, measured by decreased prenatal and child mortality rates, decreased incidence of preventable communicable diseases, improved nutritional status of mothers and children ages 0-5, and increased acceptance of modern family planning methods. Although project plans provided for baseline studies, none were made and the project was terminated in December 1985 without adequate data to measure project achievement.

Opportunities Industrialization Center. The project was to increase food production capability of Togo's rural sector. However, a planned comprehensive follow-up and documentation system had not been developed to assess the impact of training on small farmer agricultural production and farm management capabilities.

ACTION: RIG-2 INFO: DCM

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PF RUTADS  
DL RUEHPC #2564 1351686  
ZNR UUUUU ZZH  
P 151603Z MAY 86  
FM AMEMBASSY LOME  
TO RUTADS/AMEMBASSY DAKAR PRIORITY 2992  
INFO RUEHAB/AMEMBASSY ABIDJAN 3412  
BT  
UNCLAS LOMI 02564

LOC: 233  
15 MAY 86  
CN: 07103  
CHRG: AID  
DIST: RIG

AIDAC DAKAR FOR RIG/A/WAC; ABIDJAN FOR REDSO/WCA

E.O. 12356: N/A  
SUBJECT: DRAFT MEMORANDUM AUDIT REPORT. AID  
-- ASSISTANCE TO TOGO

1. USAID/TOGO HAS REVIEWED SUBJECT REPORT AND ACCEPTS RECOMMENDATION AS PRESENTED IN DRAFT. USAID, ASSISTED BY REDSO/WCA WILL PROCEED TO ESTABLISH A SYSTEM TO PERIODICALLY MEASURE THE IMPACT AID ASSISTANCE HAS ON TOGO. THE SYSTEM WILL ATTEMPT TO MEASURE PROJECT EFFECTIVENESS IN ACHIEVING SECTOR AND PROJECT OBJECTIVES AND PERIODICALLY VERIFY THAT ADEQUATE DATA TO ANALYZE PROJECT IMPACT HAS BEEN OBTAINED.

2. ONE COULD DEBATE THE DEGREE TO WHICH PROJECT EXAMPLES UTILIZED IN DRAFT REPORT HAVE OR DO NOT HAVE MONITORING OR EVALUATION MECHANISMS WHICH CONTRIBUTE TO IMPACT ASSESSMENT AND VERIFICATION OF GOAL ACHIEVEMENT. MISSION CHOOSES NOT TO ADDRESS CITED EXAMPLES AND PREFERS TO ADDRESS GENERAL THRUST OF RECOMMENDATION WHICH, WHEN IMPLEMENTED, WILL ENHANCE OUR CAPACITY TO ASSESS SECTOR IMPACT. MISSION WOULD ADD, HOWEVER, THAT IT HAS TWO PROJECTS, ZIO RIVER ECONOMIC DEVELOPMENT PROJECT (693-0226) AND DEVELOPMENT OF TOGO CREDIT UNION ASSOCIATIONS (693-0224) WHICH HAVE SYSTEMS INCLUDED WITHIN THEM TO MONITOR PROJECT IMPACT. EXTENSIVE SECTORAL BASELINE DATA HAS BEEN ACCUMULATED IN THESE PROJECTS AND CONTINUAL TRACKING OF KEY INDICATORS HAS ENABLED ONGOING ASSESSMENTS OF GOAL ACHIEVEMENT AND IMPACT IN BOTH QUANTITATIVE AND QUALITATIVE TERMS. THESE IMPORTANT PROJECTS WERE NOT MENTIONED IN SUBJECT REPORT.

3. USAID QUESTIONS STATEMENT IN COMPLIANCE AND INTERNAL CONTROL SECTION OF SUBJECT REPORT THAT QUOTE THE LACK OF AN EFFECTIVE SYSTEM TO ASSURE THE ADEQUATE MEASUREMENT AND ASSESSMENT OF PROGRAM IMPACT IS A MATERIAL INTERNAL CONTROL WEAKNESS WHICH SUBJECTS THE PROGRAM TO AN UNNECESSARILY HIGH LEVEL OF VULNERABILITY UNQUOTE. IF WE ACCEPT THAT DEVELOPMENT PROJECT ACTIVITIES WILL ALWAYS BE SUBJECT TO UNFORESEEN AND EXOGENOUS FACTORS WHICH MAY AFFECT SECTORAL IMPACT, THEN THE VALUE OF AN IMPACT ASSESSMENT SYSTEM IS TO PROVIDE INFORMATION ESSENTIAL TO MAKING MID-COURSE CORRECTIONS OR TO

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DETERMINE WHETHER AN ACTIVITY SHOULD BE CONTINUED. WHILE WE AGREE THAT IMPACT ASSESSMENT IN A SECTORAL SENSE CAN BE STRENGTHENED, WE FEEL THAT OUR CURRENT SYSTEM OF PROJECT MONITORING AND EVALUATION, WHICH MEASURES INPUT AND OUTPUT OBJECTIVES AT LEAST, SERVES TO MINIMIZE PROJECT VULNERABILITY. WE PROPOSE THAT THE PHRASE QUOTE AN UNNECESSARILY HIGH LEVEL OF VULNERABILITY UNQUOTE BE SUBSTITUTED WITH QUOTE AN UNNECESSARY LEVEL OF VULNERABILITY UNQUOTE.

4. USAID HAS DISCUSSED THE NEED FOR A SYSTEM TO MEASURE PROJECT IMPACT WITH REDSO/WCA, AND WE HAVE AGREED TO JOINTLY DEVELOP SUCH A SYSTEM NOT LATER THAN SEPTEMBER 30, 1986. IT IS AGREED THAT THE SYSTEM WILL BE INTERNALIZED IN EACH ONGOING AND PLANNED AID/TOGO PROJECT ACTIVITY. THE SYSTEM WILL BECOME OPERATIONAL IN THE FIRST QUARTER OF FY 1987. MISSION WILL ADVISE RIG/A/WAC ON PROGRESS IN DEVELOPING AND IMPLEMENTATION OF THE SYSTEM. ROBERTS  
BT

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