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AUDIT OF
PROJECT-RELATED PARTICIPANT TRAINING
FOR USAID/EGYPT

Audit Report No. 6-263-87-2
October 30, 1986

UNITED STATES GOVERNMENT

memorandum

DATE: October 30, 1986

REPLY TO ATTN OF: Joseph R. Ferri, RIG/A/Cairo

SUBJECT: Audit Of Project-Related Participant Training For USAID/Egypt

TO: Mr. Arthur Handly, Director USAID/Egypt (A)

This report presents the results of audit of Project-Related Participant Training For USAID/Egypt. The objectives of this economy and efficiency audit were to: assess the adequacy of the design and planning efforts for the participant training components of projects; evaluate the adequacy of USAID/Egypt's oversight of the training implemented by contractors; and determine the effectiveness of USAID/Egypt's follow-up and evaluation procedures for returned participants.

The audit showed that USAID/Egypt had not adequately designed and planned participant training under projects; proper management oversight was lacking; and effective follow-up and evaluation procedures for returned participant trainees had not been established.

Required detailed participant training plans were either not prepared or were not prepared adequately or expeditiously for effective implementation of training components. Mission and host country contractors did not fulfill the requirements of their contracts with regard to managing project-related participant training. Besides, the Mission lacked a formal mechanism to systematically follow up on returned participants and to evaluate the effectiveness and impact of completed training.

Three recommendations were made. We recommended that USAID/Egypt not approve projects with participant training components without comprehensive pre-project assessments of training requirements; and require detailed training plans before beginning training. Further, we recommended realignment of project officer priorities and compliance with AID directives and policies regarding oversight responsibilities for participant training managed by

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contractors. Lastly, we recommended that USAID/Egypt make required follow-ups and evaluations, and establish a workable follow-up and evaluation system. In general, USAID/Egypt agreed with the thrust of the first two recommendations and initiated some corrective actions. The last recommendation was not specifically addressed in the Mission's comments.

Excerpts from the comments received are included at the end of each findings section along with Office of Inspector General comments. The full text is included as Appendix 1 to the report.

We appreciate the courtesies extended to the audit staff throughout the assignment by members of the Office of the Associate Director For Human Resources and Development Cooperation. Please provide us within 30 days any additional information related to actions planned or taken to implement the recommendations.

EXECUTIVE SUMMARY

Participant training is considered one of AID's most essential contributions to international development and to the long-term foreign policy objectives of the United States. The Agency has spent about $135 million each year recently to train thousands of foreign participants. Sixty-seven percent of USAID/Egypt's active projects had participant training components in 1986 for which obligations totaled more than $90 million.

The Office of the Inspector General made an economy and efficiency audit of Project-Related Participant Training For USAID/Egypt. The objectives were to: assess the adequacy of the design and planning efforts for the participant training components of projects; evaluate the adequacy of oversight of training implemented by contractors; and, determine the effectiveness of follow-up and evaluation procedures for returned participants.

The audit showed that USAID/Egypt had not adequately designed and planned participant training under projects; proper management oversight was lacking; and effective follow-up and evaluation procedures for returned participant trainees had not been established. These findings were based on an examination of 5 out of 61 projects with training components. In view of the structural weaknesses disclosed, the findings are probably indicative of most USAID/Egypt projects that have a participant training component.

Required detailed participant training plans were either not prepared or were not prepared adequately or expeditiously for effective implementation of training components. Mission and host-country contractors did not fulfill the requirements of their contracts with regard to managing project-related participant training. Finally, the Mission lacked a formal mechanism to systematically follow up on returned participants and to evaluate the effectiveness and impact of completed training.

AID Handbook 10 and a USAID/Egypt Mission Order require that training needs and the availability of training candidates necessary to accomplish project objectives be adequately assessed during the project design stage. However, required detailed participant training plans were either not prepared or were not prepared adequately or expeditiously for effective implementation of training components. These

requirements were not met mainly because USAID/Egypt approved projects despite the lack of detailed assessments and plans. As a result, training was delayed, costs were excessive, and funds were spent on training that was not used or did not significantly contribute to project goals and objectives. We recommended that USAID/Egypt not approve participant training components for projects unless comprehensive pre-project assessments of training requirements are made; and require detailed training plans before beginning training. USAID/Egypt agreed with the thrust of this recommendation and began taking corrective actions.

Mission and host-country contractors did not fulfill the requirements of their contracts with regard to managing project-related participant training. Project officials were not involved with contractors to the extent necessary to ensure effective implementation of training components in accordance with AID directives and policies mainly due to other project priorities. Better project officer involvement could have prevented participant training implementation problems, and poorly coordinated and programmed training which contributed to unfulfilled training objectives, inordinately high training costs, and less than optimal training results. We recommended realignment of project officer priorities and compliance with AID directives and policies regarding oversight responsibilities for participant training managed by contractors. USAID/Egypt initiated corrective action in this area.

USAID/Egypt has not made required follow-ups and evaluations of participants who returned from training. Although the Mission Order regulating participant training delineates specific responsibilities for follow-up and evaluation, these requirements generally have not been followed and a formal system for follow-up and evaluation has not been developed. The reasons for not accomplishing follow-up were attributed to past unsuccessful efforts, a lack of staff resources, and a lack of emphasis on follow-up and evaluation requirements. Without an organized follow-up and evaluation effort, the Mission lacks the capacity to systematically verify that participants have returned to Egypt, and the means to measure the impact of participant training in achieving project goals and objectives. We recommended that USAID/Egypt make required follow-ups and evaluations, and establish a workable follow-up and evaluation system. The Mission did not specifically address this recommendation in its written response.

Office of the Inspector General

AUDIT OF

PROJECT-RELATED PARTICIPANT TRAINING

FOR USAID/EGYPT

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AUDIT OF PROJECT-RELATED PARTICIPANT TRAINING FOR USAID/EGYPT

PART I - INTRODUCTION

A. Background

Participant training is considered one of AID's most essential contributions to international development, and the Agency has spent about $135 million each year recently to train thousands of foreign participants. Although the actual costs of training Egyptian participants have not been developed by the Mission, 41 of 61 projects, or 67 percent of the USAID active projects, had participant training components in 1986. USAID/Egypt obligations for training under those projects totaled more than $90 million. 1/

The term "participant training" refers to training accorded foreign nationals sponsored by AID to be trained outside their country. The term as used in this report excludes training given inside Egypt.

There are two types of training projects: general and project-related. General training projects provide short-term and long-term training in key development areas to developing country leaders, mid-level managers, and specialists. Project-related training provides training in specific sectors such as agriculture or health. The training is considered necessary to achieve the specific development objectives of the project.

Participant training may be initiated: (a) by the Mission dealing directly with the host government and AID/Washington for implementation in the United States; (b) through a contractor that initiates and manages the training for AID; or (c) by the host government under AID funding. The majority of USAID/Egypt participant training is managed through USAID-negotiated or host-country contractors.

1/ Since project accounting records do not separate in-country training from participant training, the above figure includes training obligations for both in-country and participant training. However, participant training is considered a major segment of the training provided.

B. Audit Objectives And Scope

The objectives of this economy and efficiency audit were to: (a) assess the adequacy of the design and planning efforts for the participant training components of projects; (b) evaluate the adequacy of USAID/Egypt's oversight of the training implemented by contractors; and (c) determine the effectiveness of USAID/Egypt's follow-up and evaluation procedures for returned participants.

Participant training within projects is usually only one segment of an overall large project. Selection of projects for the audit, therefore, was based on the significance of the number of participants sent for training and/or the planned dollar expenditures for a participant training component.

Five projects were selected for detailed review (See Exhibit 1). These projects budgeted about $7.7 million for the participant training element. The results of past RIG/A/Cairo audit reports that reported on training project deficiencies also were considered in preparing this report.

The review was made between February and May 1986. The work was done at USAID/Egypt offices and at USAID/Egypt contractor and host-government project field locations. To accomplish the objectives, project files and reports were reviewed, and officials of USAID/Egypt, project contractors and the Egyptian government were interviewed. The audit was made in accordance with generally accepted government auditing standards.

AUDIT OF PROJECT-RELATED PARTICIPANT TRAINING FOR USAID/EGYPT

PART II - RESULTS OF AUDIT

The audit showed that USAID/Egypt had not adequately designed and planned participant training under projects; proper management oversight was lacking; and effective follow-up and evaluation procedures for returned participant trainees had not been established.

Required detailed participant training plans were either not prepared or were not prepared adequately or expeditiously for effective implementation of training components. Mission and host-country contractors did not fulfill the requirements of their contracts with regard to managing project-related participant training. Finally, the Mission lacked a formal mechanism to systematically follow up on returned participants and to evaluate the effectiveness and impact of completed training.

Three recommendations were made. We recommended increased USAID/Egypt emphasis to improve project design and planning for project-related participants, more involvement by project officials in the implementation of training, and better USAID/Egypt efforts to assure systematic follow-ups and evaluations of returned participants. In general, USAID/Egypt agreed with the thrust of the first two recommendations and initiated some corrective actions. The last recommendation was not specifically addressed in the Mission's comments.

A. Findings And Recommendations

1. Project Training Components Were Not Properly Designed Or Planned

AID Handbook 10 and a USAID/Egypt Mission Order require that training needs and the availability of training candidates necessary to accomplish project objectives be adequately assessed during the project design stage. However, required detailed participant training plans were either not prepared or were not prepared adequately or expeditiously for effective implementation of training components. These requirements were not met mainly because USAID/Egypt approved projects despite the lack of detailed assessments and plans. As a result, training was delayed, costs were excessive, and funds were spent on training that was not used or did not significantly contribute to project goals and objectives.

Recommendation No. 1

We recommend that USAID/Egypt:

a. not approve participant training components for projects unless comprehensive pre-project assessments of training requirements are made and sufficient numbers of eligible candidates are identified to accomplish project objectives; and

b. require detailed training plans before beginning participant training.

Discussion

AID Handbook 10 and the USAID/Egypt Mission Order on Participant Training both require an assessment of the human capacity to achieve project objectives during the design and implementation phases of projects. In the early stages of developing the concept of a new project, the requirements for training must also be assessed. Important factors to be considered are the number and types of skilled personnel required, sources of training, and the availability of qualified candidates. Moreover, AID policy requires all participant training programs to be supported by needs assessments and economic analyses. Further, the USAID/Egypt Mission Order for participant training requires the preparation of participant training plans by the project officer or contractor for each project that has human

resources development as a component of the project. To the extent possible, training plans should include projections covering the life of the project, with provisions for periodic review and updating. As a minimum, the plan should include the following:

(1) A description of the organization for which training is being proposed, including its staff structure;

(2) A description of current actions being taken by the organization to meet staff development needs; and

(3) Identification in priority order of the nature and scope of training required under the AID-assisted project or program.

The Mission Project Committee was supposed to review and approve project training plans as a part of its responsibility for both contract and directly administered participant training components under these projects.

The audit showed that USAID/Egypt project managers did not comply with the Mission's training plan requirements. Moreover, training requirements and the availability of training candidates were not adequately considered during the project design phase. Nevertheless, the Project Committee approved the training component as part of the overall project. As a consequence, training was implemented without established training plans or undertaken on the basis of inadequately prepared and untimely developed plans. Only one of the five projects reviewed--the Mineral, Petroleum, and Groundwater Assessment Project (Project No. 263-0105)--included an assessment and training plan that appeared to fulfill the minimum requirements of the USAID/Egypt Mission Order for Participant Training.

In practice, training implementation was often delayed because projects lacked available qualified candidates, training component expenditures were higher than expected, and funds were spent for training that was not used or did not significantly contribute to project goals and objectives.

The following examples demonstrate these conditions:

-- The Major Cereals Improvement Project (Project No. 263-0070) contains a participant training component estimated to cost about $2.1 million. AID-financed training was intended to develop new expertise in agricultural

technology, and to increase existing scientific research capabilities. However, the implementation of most training was delayed for years. Several of the trainees returned to Egypt after the project was nearly completed and thus could not be used for project purposes, nor were they able to interact with U.S. technical assistance staff working on the project. Twelve long-term participants were not expected to complete their training in the United States until after the project was completed in August 1986.

The delay in beginning the training was primarily attributable to the lack of an initial assessment regarding the availability of language-qualified candidates. Project records showed that a major constraint to both short-term and long-term training was a lack of candidates with sufficient proficiency in English. Successful training implementation was further hindered by start-up problems with the technical assistance contractor. The contractor did not prepare a training-needs assessment and plan until 2 years after the project began.

-- Under the Vocational Training for Productivity Project (Project No. 263-0090.2), the GOE contracted to train 107 participants at an estimated cost of $915,930. The training was designed to supplement the project by providing short-term observational training to GOE industrial training directors and managers, and to provide a better understanding of how successful training programs work in the United States. The project paper training plan identified the types and training categories required to accomplish training. There was, however, no assessment of the availability of candidates that were qualified in the English language. Further, although the contractor prepared a plan for the project, it did not analyze the anticipated costs of the training, and the qualifications of the potential training candidates.

The absence of a more detailed analysis of project requirements significantly affected training implementation, and necessitated the alteration of course instruction. This condition contributed to training cost overruns, and a failure to accomplish training goals. At project midpoint, only 53 participants had been trained at a cost of $763,000, using 83 percent of the amount budgeted to train 107 participants. Even after a proposed $200,000 supplemental budget increase, only 78 participants were scheduled for training. The average cost per student was $14,295 whereas at the outset the average cost was about $8,554, a 67

percent increase in the average cost per student. Since the shortfall in trained participants primarily affects needed trainers in the Egyptian vocational education system, there could be a significant adverse effect on overall project goals.

-- The Irrigation Management System Project (Project No. 263-0132) includes a participant training component estimated at about $3.2 million. The proposed training was intended to strengthen the manpower pool and manpower development system of the Ministry of Irrigation (MOI). Although the training was considered essential in meeting the program's goals and objectives, a project training plan was not developed. Five years after project approval, only about $652,000, or about 20 percent of the budget, had been spent for participant training. While project officials recognized the need for a detailed participant training plan, other project implementation requirements had taken precedence. However, because there was no actual plan for using the funds set aside for training, the actual purpose of training provided is not exactly known.

Project documents indicate that, at least initially, most training was intended to be long-term training for engineers who exhibited exceptional levels of performance and maturity. To date, most training provided has been short-term and primarily of an observational nature, and based on annual course submissions and candidates recommended by the MOI. Consequently, the training provided may not reflect the project's real training needs.

In 1985, a contractor was hired to implement the remaining participant training. However, the contractor was slow in getting started and as of August 1986 had yet to have an approved training plan. Time constraints and an apparent lack of language-qualified candidates may further impede implementation, reducing the likelihood that the budgeted training funds can be efficiently and effectively spent.

-- The Small Farmer Production Project (Project No. 263-0079) budgeted $516,000 for short-term observational participant training. The training was implemented by a host-country contractor. The contractor scheduled a series of tours and courses during 1982-84 for about 140 farm management specialists, bank managers, veterinarians and VIPs. The training, however, was undertaken without an adequate analysis of overall project training requirements, or without a training plan that determined the most

essential training to accomplish the project's objectives. As a consequence, there is no definitive measurement of how the training impacted on project objectives.

The issues of inadequate project training assessments and planning for participant training are further addressed in two recently completed RIG/A/Cairo project audits. The "Audit Of AID's Agricultural Mechanization Project," completed in August 1985 (Audit Report No. 6-263-85-6), indicated that project designers did not assess the capability of academic candidates to meet the English language requirements. As a result, only 6 of 25 planned long-term academic candidates had entered training in the 5 years since project inception, and only $446 thousand of the project's planned training allocation of more than $2 million had been disbursed. Also, a September 1986 RIG/A/Cairo audit report on the "Production Credit Project" showed that the GOE delayed the development of a required plan to implement a $1-million technical assistance, training, and study project component. Consequently, the first phase of participant training was not initiated until 30 months after project authorization, when project implementation was to have been completed under the original grant agreement. At the completion of fieldwork on that assignment in January 1986, only $134,000 had been disbursed under this component.

To sum up, project officials did not adequately assess training requirements and the availability of candidates for training during the design phase of projects. Moreover, in the projects reviewed, training was implemented without required detailed training plans. In order to enhance the prospects for success in project training components, USAID/Egypt should not approve project papers without a proper assessment of training requirements and availability of training candidates, and should not authorize training implementation without an approved participant training plan.

Management Comments

USAID/Egypt emphasized that the audit covered a period in which approximately 20 percent of all AID participant trainees came from Egypt. During that period, the Mission had only one American and two Egyptian training officers and three support staff members. Previously, the Training Office was staffed by three Americans and six Egyptians.

The Mission believes that within the framework of enforced cuts in Training Office personnel, which places a finite limit to the assistance that can be given to project managers, USAID/Egypt has made progress in the areas covered by the audit report recommendations. Nevertheless, it said improvements can and should be continued to be made. Specifically, the Mission said it will:

- Establish the Training Unit as a separate entity responsible to the Associate Director For Human Resources and Development Cooperation and charged with oversight responsibilities for participant training for both of its own training projects and also for the project training requirements of other Mission projects. This will facilitate the Training Office working directly with other substantive offices in the Mission and will give the Training Officer increased status and access to the other Office Directors.

- Require a sign-off from the Training Office on training plans in project papers or on the provision to generate a training plan included in the project paper.

Office Of Inspector General Comments

Establishing the Training Unit as a separate entity with responsibility for overseeing project training should strengthen the Mission's review process. After the Unit has operated for a time, we should be able to tell whether planning requirements for participant training are being met as contemplated by the recommendation.

2. Participant Training Oversight By Contractors Was Inadequate

Mission and host-country contractors did not fulfill the requirements of their contracts with regard to managing project-related participant training. Project officials were not involved with contractors to the extent necessary to ensure effective implementation of training components in accordance with AID directives and policies mainly due to other project priorities. Better project officer involvement could have prevented participant training implementation problems, and poorly coordinated and programmed training which contributed to unfulfilled training objectives, inordinately high training costs, and less than optimal training results.

Recommendation No. 2

We recommend that USAID/Egypt realign project officer priorities and comply with the AID directives and policies regarding oversight responsibilities for participant training managed by contractors. These responsibilities include: (1) participation in the development of contractor training implementation plans; (2) ensuring that training is synchronized with other project components; (3) monitoring of candidate selection and placement; and (4) coordination with host-country officials and contractors to assure that participant training implementation is properly managed.

Discussion

Most participant training included in projects is managed by USAID/Egypt contractors or host-country contractors. Functional responsibility for training implementation rests with the contractor. However, Handbook 3 and the Project Officers' Guidebook require project officers to coordinate and monitor contractor participant training, and the substantive and technical performance of the contractor. Even though the Mission may not be a party to contracts executed by host countries, it nonetheless remains responsible for assuring the proper and prudent use of U.S. funds. The project officer is also required to maintain close and continuous liaison with the host-country representative and contractor, and to monitor adherence to agreed upon contracting procedures.

In all five of the projects reviewed, participant training was managed by USAID/Egypt and host country contractors. However, project officers had not coordinated or monitored

participant training as required. This lack of adequate oversight and involvement contributed to excessive training costs, training delays, poorly programmed training, and less than optimal training results. The need for more involvement can be seen in the following:

-- In December 1982, a contractor was employed by the GOE to train 107 participants in the Vocational Training for Production Project at an estimated cost of $915,930. As previously described, the project's participant training component was beset by implementation problems that contributed to training cost overruns and a failure to meet training goals. Inadequate and improper programming and placement by the contractor, and the GOE's apparent lack of understanding of contract provisions and AID regulations, contributed to training problems.

Although project managers periodically met with the contractor and GOE officials concerning the project, including participant training, project officials did not become actively involved in monitoring contractual activities until late 1984. It was during this period that project management found that the contractor had already spent about $763,000, about 83 percent of that budget, to train only about half the participants specified under the contract. Better monitoring and more active involvement by project managers could have prevented training cost overruns and unfulfilled training objectives.

-- A host-country technical assistance contractor managed the Small Farmer Production Project's $516,000 training component. From 1982 to 1984, project participants received short-term training, mainly of an observational nature, at a cost of about $475,000. Due to other project priorities, the project officer was not actively involved with the training portion of the contract, and depended on the contractor's judgment to implement the training.

As previously mentioned, this training was implemented without a systematic training plan or analysis, and the overall benefits of the training could not be readily determined. Also, because the contractor's project management had been changed, current project officials lacked familiarity with the training, and could not knowledgeably discuss its impact. Nevertheless, the training was reported to be effective by project evaluators. The contractor's files, however, showed that some of the programmed visits were less than successful and appeared to have little beneficial value to the project's goals. For

example, several tours required English translators and this occasionally reduced tour effectiveness and led to misinterpretations of the training objectives. Other tours were scheduled during the wrong season of the year, or at locations that did not have a useful application to small farmers. Also, at least for some participants, there was an apparent preoccupation on how much per diem could be saved rather than on achieving a learning experience.

-- The training component of the Major Cereals Improvement Project was managed through a host-country contract with the Ministry of Agriculture. Because the training component was small in comparison with overall project objectives, $2.1 million out of a total budget of $52,340,000, project management initially did not focus on the implementation of participant training. However, as previously mentioned, training was hindered by the lack of available English-speaking candidates and contractor start-up problems. Lack of knowledge by the Ministry of AID rules and regulations for implementing participant training also contributed to implementation problems. According to correspondence between the Ministry's Project Director General and USAID/Egypt management, it was not until 2 years after the project started that the Ministry was made aware of participant training rules and regulations, which resulted in fragmented and poor training coordination.

In summary, project officers have not been adequately involved with implementing the training managed by contractors. Better coordination and monitoring could have prevented implementation problems and unfulfilled training objectives. USAID/Egypt needs to better fulfill oversight responsibilities by requiring improved project office participation in the planning and implementation of contractor-managed participant training.

Management Comments

USAID/Egypt reported that in late 1984 a consultant was hired to look at the problem of contractor-managed participant training. The consultant contacted all major contractors who had significant training elements and held meetings to brief them on the requirements of Handbook 10 and the Mission's participant training procedures. USAID/Egypt agreed to "...try more systematically to ensure that contractors responsible for participant training are better briefed, know and are following the regulations as set down in Handbook 10 for Participant Training."

Office Of Inspector General Comments

USAID/Egypt has initiated some corrective actions. As with Recommendation No. 1, the establishment of the Training Unit as a separate entity should facilitate the Mission's further actions to meet Agency requirements in providing participant training through the use of contractors. However, the Mission's comments give no specific indication that the underlying cause of many of the problems, the failure of project officers to actively monitor training activities, will be addressed.

3. Follow-Up And Evaluation Of Returned Participants Was Not Done

USAID/Egypt has not made required follow-ups and evaluations of participants who returned from training. Although the Mission Order regulating participant training delineates specific responsibilities for follow-up and evaluation, these requirements generally have not been followed and a formal system for follow-up and evaluation has not been developed. The reasons for not accomplishing follow-up were attributed to past unsuccessful efforts, a lack of staff resources, and a lack of emphasis on follow-up and evaluation requirements. Without an organized follow-up and evaluation effort, the Mission lacks the capacity to systematically verify that participants have returned to Egypt, and the means to measure the impact of participant training in achieving project goals and objectives.

Recommendation No. 3

We recommend that the USAID/Egypt:

a. make required follow-ups and evaluations of all returned participants; and

b. establish a follow-up and evaluation system to assure that participants have returned to their workplace after training, and that training was beneficial and effectively used.

Discussion

Appropriated funds used to finance training of host-country citizens are a recognized and important contribution toward achieving long-term U.S. Government foreign policy objectives. Handbook 10 requires Missions to maintain follow-up systems for participant training to ensure its impact on development activities and to evaluate the effectiveness of the training in meeting desired objectives.

USAID/Egypt follow-up and evaluation responsibilities described in the Mission Order on participant training require verification of the participant's return and an initial interview to review program content, appropriateness and adequacy, and the administrative and procedural aspects of the program. Depending upon the type of implementation method (AID/Washington or contractor managed), the follow-up

requirements should be accomplished either by the training officer and/or project office or by contractors with reports to the project officer and training office.

Also, until a recent Mission Order change, the USAID/Egypt training office was required to develop an ongoing follow-up and evaluation schedule for returned participants. The Mission, however, has not developed an organized and ongoing follow-up and evaluation system, routinely verified participant returns, or conducted interviews to review content of the program and the benefits and utilization of training.

The USAID/Egypt training office lacked a system of tracking all returned participants, and had only verified the return of about 25 percent of the trained participants directly managed through AID/Washington. Although contractor-managed participants represent the largest segment of trained participants, the training office does not usually get involved in or receive reports regarding follow-up and evaluation efforts for contractor-managed returned participants. None of the contractor-managed projects followed systematic procedures for verifying the return of participants, evaluating course content, or assessing whether the contemplated benefits to the project actually occurred. As a result, USAID/Egypt did not know if all participants had returned to their work place and were working in the areas they had been trained for.

According to the training officer, an effective follow-up system had not been developed at USAID/Egypt because the training office lacked the necessary technical resources. Moreover, past follow-up efforts did not work because of poor cooperation and coordination between USAID/Egypt's Training Office, project officers, contractors, and host country officials. The training officer believed that his office should be the central repository for participant training follow-up and evaluation results, but that these activities should be project-specific and done by technically qualified project personnel.

There was a lack of evidence, however, that the training office had emphasized this position to project officials and contractors. Review of the five projects showed that project officials and contractors managing participant training had not been routinely making required follow-ups on returned participants. The failure to follow up was primarily attributed to insufficient staff resources, and in one case

a lack of awareness that systematic follow-up was required. Only one of the five projects had prepared an evaluation specifically to determine participant training utilization. This evaluation, which was prepared in 1985 by the contractor for the Small Farmer Production Project, was not conveyed to the project officer or the training office, as required.

Although the Mission lacks a reliable information base showing the costs incurred for participant training, estimated program costs are significant and worthy of follow-up. The costs for 1,457 participants who received training in 1985 were about $22 million. Further, USAID/Egypt participant trainees accounted for about 20 percent of AID's overall participant training program.

Without a formalized follow-up and evaluation system for participant training, USAID/Egypt did not have an effective mechanism to determine whether participants had returned to their workplace and had successfully implemented skills acquired through training. Moreover, there was no reliable means to measure the impact of training, and to determine whether training expenditures have been cost effective. The need for follow-up can be further exemplified by a contractor-prepared evaluation of participants who returned from training between 1975 and 1983. The report, entitled "Characteristics and Utility of USAID Participant Training Programs for Egyptians", concluded that while the majority of training participants found that the experience was enjoyable and useful, only about 43 percent fully used their newly acquired skills in their work. With a systematic follow-up and evaluation, better skill utilization may have been accomplished within these programs.

In addition, it is well established that many trained Egyptians seek higher paying jobs in other countries and are reluctant to return to Egypt. On the Major Cereals project, for example, two participants failed to return and project officials reported their disappearance in the United States to the U.S. Department of Immigration and Naturalization.

Participant training is considered to be a vital element of foreign assistance in USAID/Egypt. USAID/Egypt has only made limited follow-ups on returned participant trainees, and lacks an ongoing follow-up and evaluation system to determine whether training participants have returned and implemented skills acquired through the training. USAID/Egypt needs to develop and fully implement a viable participant training follow-up and evaluation system.

Management Comments

USAID/Egypt did not specifically address Recommendation No. 3 in its written comments. The Mission did say, in response to all three recommendations, that it would consider adding a position for a senior professional to help fulfill the additional oversight and assistance roles if the workload necessitates.

Office Of Inspector General Comments

Although the USAID/Egypt did not specifically address the recommendation, the Mission's comments indicate agreement in principle with the report findings and that improvements are needed and will be made.

B. Compliance And Internal Control

Compliance

In the areas audited, there was an inadequate level of compliance with AID guidelines, as detailed in the various sections of this report. Nothing else came to our attention that indicated noncompliance in areas not tested.

Internal Controls

Internal controls and system records for participants departing for training had improved, but USAID/Egypt lacked a systematic method to assure the accuracy and completeness of participant information submitted by contractor-managed participants. Also, USAID/Egypt lacked a formal mechanism to systematically verify the dates of return and arrival of participants to their workplaces after training completion. In sum, internal controls were lacking in virtually all major areas of project-related participant training.

AUDIT OF

PROJECT-RELATED PARTICIPANT TRAINING

FOR USAID/EGYPT

PART III - EXHIBITS AND APPENDICES

EXHIBIT 1

PROJECTS SELECTED FOR DETAILED REVIEW

Project Name	Planned Participant Training Expenditures
Irrigation Management Systems Project (Project No. 263-0132)	$3,247,000
Major Cereals Improvement Project (Project No. 263-0070)	2,119,516
Vocational Training For Productivity Project (Project No. 263-0090.2)	915,930
Small Farmer Production Project (Project No. 263-0079)	516,000
Mineral, Petroleum and Groundwater Assessment Project (Project No. 263-0105)	873,000
Total	$7,671,446

UNITED STATES AGENCY for INTERNATIONAL DEVELOPMENT

CAIRO, EGYPT

October 26, 1986

MEMORANDUM

TO: Joseph Ferri, RIG/A/Cairo

FROM: William Miller, AD/FM

SUBJECT: Draft Audit Report
Project-Related Participant Training for USAID/Egypt

The mission's response to the three recommendations of the subject draft audit report is enclosed.

Clearance: HJamshed, DC-FM/FA:

UNITED STATES GOVERNMENT

memorandum

DATE: October 19, 1986

REPLY TO ATTN OF: B.Wilder, HRDC/AD BW

SUBJECT: General Response to Audit Finding Concerning Project Funded Training

TO: Joseph Ferri, RIG/A/Cairo

THRU: Thomas Johnstone, FM/FA

The Training Office in the Cairo Mission was originally placed within the Program Planning and Policy Directorate. It was almost solely concerned with the mechanics of processing participants. Essentially the role of the office was to provide this service to project managers. The office was staffed by three USDH's and six FSN's.

In early calendar year 1982 the office was moved to the Human Resources and Development Cooperation Directorate and combined with the Education Office. The intent was to try to begin to play a more substantive role in the planning, monitoring and follow-up of participant training. A start has been made and has continued in spite of the fact that enforced cuts in American personnel since the transfer has reduced the number of USDH personnel in the training section from three to one. This cut must be considered in light of the fact that, as the audit report points out, during the period in question approximately 20% of all AID participants were coming from Egypt.

In spite of this, progress has been made in the area in which audit recommendations were made. For example:

1. Medical clearance procedures have been tightened to better identify health problems that will surface in the United States. In particular, preexisting conditions are now being identified and the participant must agree to not claim reimbursement for medical expenses in these areas. This restriction does not apply to life threatening situations.

2. The English Language program has been expanded and the procedure for testing has been moved under the control of the Training Office itself. This was necessary to protect the integrity of the English examinations being given. Actions in this area are an attempt to address the problem raised in the audit of insufficient English skills for participants to study in the States.

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3. The Training Office designed and instituted a computerized data system for all participants. This system was the first to exist any place in AID either in the field or in Washington. The computerized data system for the first time gave us systemic access to the information on the 7,216 participants that have been sent to the United States since the Mission reopened in the early 70's. AID/W has since instituted a computerized information bank and we are in the process of working out a system where the two can be linked.

4. Part of the above system of course is a record of the last known addresses of the participants. On a sample basis the Training Office has been sending follow-up letters to people on the list. Letters were first sent in January 1986. Returns are presently coming in and are being processed. A sample is attached.

5. The next addition to the information system will be to design a tickler system that will trigger inquiries to Washington at appropriate times. For instance: when reports are due from the educational institution being attended, or when the participant leaves the United States it would trigger action, after reasonable time if he has not come in, for us to try and contact him directly. Approximately 40% of all participants honor our request and come to us for an "exit" interview.

6. Some offices and directorates have designated individuals to monitor their training activities. For example: the Health/Population office in HRDC has a person designated to take care of the training activities in those offices. The Waste Water Project has a full time American designated as a training person to monitor both in-country and participant training. The National Agricultural Research Project will have one full-time contractor person designated to take care of the Participant Training aspects of the project.

7. In late 1984 a consultant was brought out to the Mission to look at the problem of Contractor Managed Participant Training. This consultant contacted all major contractors who have significant training elements and held meetings to brief on the requirements of Handbook 10 and our participant training procedures. This is not to maintain that the system is perfect but to merely to establish that efforts have been made and will continue.

   Of the five projects looked at in depth, three were in Agriculture. One was in Education and one was in Science and Technology. The audit maintains that

the management of the project training in the Science and Technology project was adequate. It further states that though the education project had significant problems and still has areas that need correcting, the problems are being addressed and are somewhat under control. The three projects that had the greatest problems were all in the Agriculture Directorate. I doubt if these three projects are representative of all the projects with significant training elements throughout the Mission. However, one cannot categorically defend that position unless one looked at all of the other 56 projects that have training elements. This we do not have the manpower to do.

I would like to repeat again that the audit examines a period during which approximately 20% of all of AID's participants were originating from Egypt. This was being done with one US Direct Hire person, two FSN training officers and three Support Staff. There is a finite limit to the assistance that can be given to the project manager.

The above having been said, and in recognition that improvements can and should be continued to be made, the Mission will:

1. Establish the Training Unit as a separate entity responsible to the AD/HRDC charged with oversight responsibilities for participant training for both of its own training projects and also for the project training requirements of other Mission projects. This will facilitate the Training Office working directly with other substantive offices in the Mission. It recognizes that training is one of the major activities of the mission (and the Agency). It will give the Training Officer increased status and access to the other Office Directors.

2. We will require a sign off from the Training Office on training plans in project papers or on the provision to generate a training plan included in the project paper. This will be a formal recognition that the training plan must be examined by someone responsible in that area, much as there must be a environmental checkoff

3. We will try more systematically to ensure that contractors responsible for participant training are better briefed, know and are following the regulations as set down in Handbook 10 for Participant Training. We will make use of the recently established Contractor Liaison Group for this purpose.

4. We will propose the adding of a heading in the Q sheet that will require a conscious attention during the project portfolio review to participant training issues associated with the project.

5. If the workload necessitates, we will consider adding a position for a senior professional, either a Foreign Service National or a Personnel Service Contractor to help fulfill the additional oversight and assistance roles dictated by the above actions.

LIST OF RECOMMENDATIONS

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Recommendation No. 1 4

We recommend that USAID/Egypt:

a. not approve participant training components for projects unless comprehensive pre-project assessments of training requirements are made and sufficient numbers of eligible candidates are identified to accomplish project objectives; and

b. require detailed training plans before beginning participant training.

Recommendation No. 2 10

We recommend that USAID/Egypt realign project officer priorities and comply with the AID directives and policies regarding oversight responsibilities for participant training managed by contractors. These responsibilities include: (1) participation in the development of contractor training implementation plans; (2) ensuring that training is synchronized with other project components; (3) monitoring of candidate selection and placement; and (4) coordination with host-country officials and contractors to assure that participant training implementation is properly managed.

Recommendation No. 3 14

We recommend that the USAID/Egypt:

a. make required follow-ups and evaluations of all returned participants; and

b. establish a follow-up and evaluation system to assure that participants have returned to their workplace after training, and that training was beneficial and effectively used.

APPENDIX 3

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