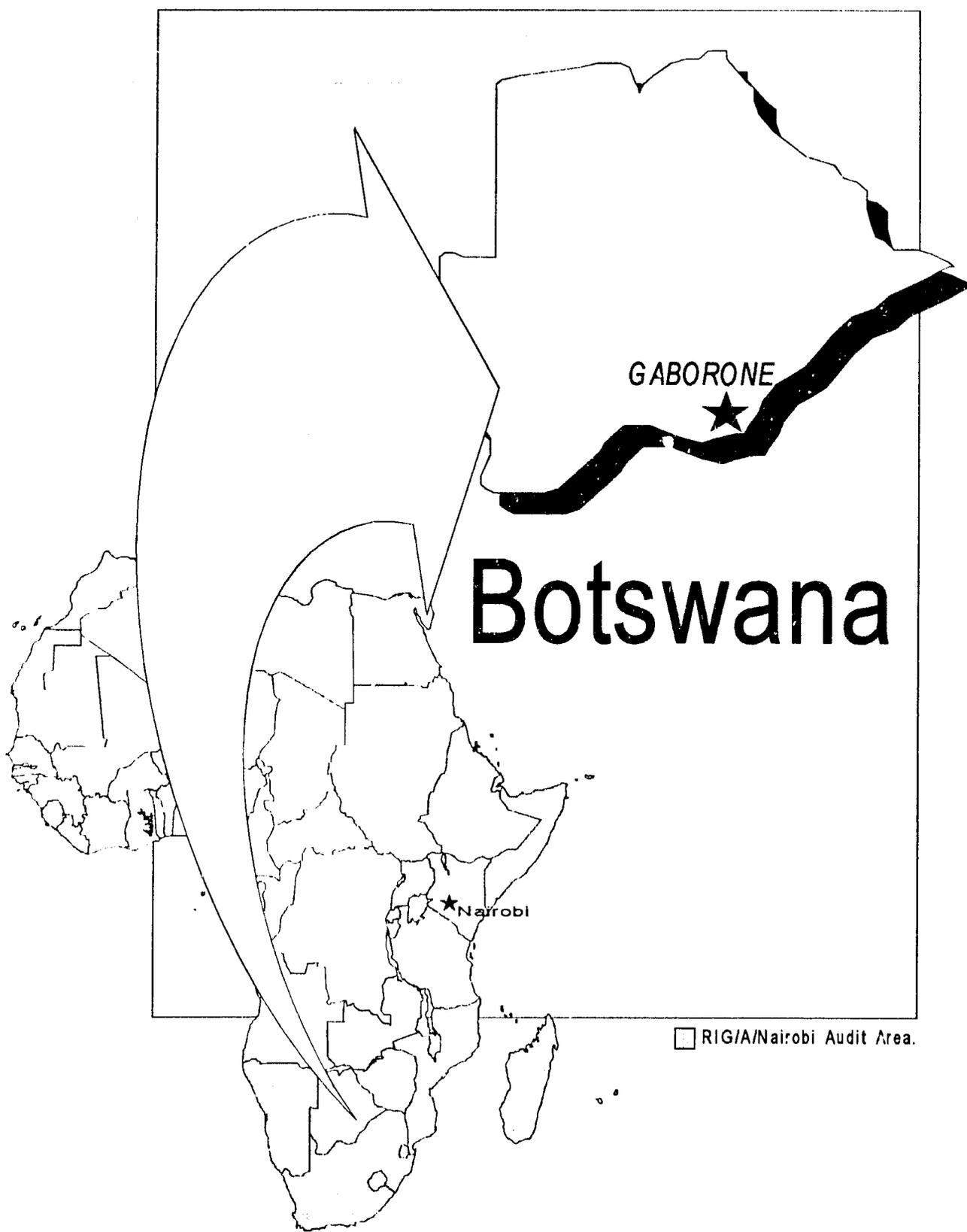

Audit of
USAID/Botswana's Management of
Project Benefit Sustainability

Report No. 3-633-95-014
August 11, 1995



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GABORONE

Botswana

Nairobi

□ RIG/A/Nairobi Audit Area.



August 11, 1995

MEMORANDUM

U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

To: Mission Director, USAID/Botswana, Howard R. Handler
From: RIG/A/Nairobi, Everette B. Orr *Everette B. Orr*
Subject: RIG/A/Nairobi's Audit of USAID/Botswana's
Management of Project Benefit Sustainability

This memorandum is our report on our audit of USAID/Botswana's management of project benefit sustainability, Audit Report No. 3-633-95-014, dated August 11, 1995. Your comments to our draft report are included as Appendix II of this report.

I wish to again express my appreciation for the cooperation and many courtesies extended to the audit team during this audit.

Background

This audit is one of several similar audits initiated by the USAID Office of the Inspector General to address the issue of whether project benefits achieved as a result of USAID project assistance continue to flow after USAID funding stops. The USAID Regional Inspector General for Audit in Singapore is leading this worldwide effort and will issue a capping report to USAID management summarizing the results of these audits.

Project benefit sustainability has been the subject of many studies during the past decade. USAID's Center for Development Information and Evaluation recently reported statistics from four studies of project benefit sustainability conducted between 1988 and 1994. In these studies, only 11 to 48 percent of the projects reviewed were likely to be sustained.¹

¹ USAID Center for Development Information and Evaluation, Sustaining the Vision: Lessons for USAID's Move Toward Sustainability and Sustainable Development, a draft paper, 1994, p. 10.

Concern over such statistics and encouragement from USAID/Washington prompted the Inspector General to initiate a series of mission-specific audits to provide additional insight into project-level management, note any noncompliance with existing procedures, and recommend actions to enhance benefit sustainability.

Audit Findings

Did the intended benefits of USAID/Botswana-financed activities continue after USAID funding ceased?

Our review of two closed projects, the Primary Education Improvement Project II (PEIP II) and the Junior Secondary Education Improvement Project (JSEIP), showed that the intended benefits of USAID/Botswana-supported activities did continue after USAID funding ceased.² Our opinion is based on favorable statistics collected after project completion and interviews with Government of Botswana (Government) officials. The favorable trend is due, in part, to the fact that both projects were designed to meet identified national development needs. As a result, there was national commitment to make institutional changes and provide funding during project implementation and after project completion.

In addition, the Mission developed an extremely collaborative method of project implementation with the Government that fostered local ownership of project activities. USAID and the Government have been credited with providing sufficient time and resources, through sequential projects in the education sector, to ensure that local capacities were developed and reforms were fully institutionalized. Finally, the Mission had a strong evaluation system which it used to revise project designs and implementation plans, thereby enhancing post-project sustainability.

Our review of one active project, the Botswana Population Sector Assistance Project (BOTSPA),³ suggested the Mission was taking appropriate actions to

² Both PEIP II and JSEIP focused on upgrading the qualifications of primary and junior secondary school teachers and improving the quality and relevance of the material being taught. (See Appendix IV.)

³ BOTSPA focused on improving the quality of health services for family planning and the treatment of sexually transmitted diseases, preventing the transmission of the Human Immunodeficiency Virus, and strengthening nongovernmental organizations involved in reproductive health services. (See Appendix IV).

ensure the project's benefits continue after its 1996 completion date. Specifically, the Mission was working to develop Government support for (1) improving health care services by providing in-service training to government nurses and family welfare educators and (2) condom social marketing. Both components require post-project financing. Although we believed the Mission was doing the right things to ensure the sustainability of project activities and achievements, it was too early to be certain of their success.

Statistics Show Education Project Benefits Continued After USAID Funding Ceased

The Mission and the Government routinely collect performance data pertinent to primary and junior secondary education in Botswana. Some of these performance indicators are particularly useful in tracking benefits achieved through PEIP II and JSEIP. The table in Appendix III shows the status of such indicators in 1992, following project completion, and again in 1993 and 1994. These statistics show that, with the exception of education programs at the University of Botswana, the benefits achieved through PEIP II and JSEIP continued after project completion. The decreases in University graduates resulted from tightening of admission policies which temporarily reduced student intake.

Mission and Government officials attributed the successful implementation and sustainability of PEIP II and JSEIP to, among other things, the sequential nature of PEIP I, PEIP II, and JSEIP, which provided sufficient time for interventions in basic education to be accepted and practiced by a critical mass of teachers as a normal part of the education system. In addition, they noted these projects were designed to pursue objectives supporting the Government's goals for basic education, which were complemented and reinforced by the country's need for a better educated work force.

Mission officials also noted that Botswana has been unique in the developing world because it was both willing and able to commit substantial resources toward the successful implementation and continuation of donor-assisted projects. In addition, Government officials said there was a strong sense of local ownership about these jointly-funded and managed projects which instilled a sense of pride in participation. In this regard, officials noted that, unlike many developing countries, Botswana enjoyed a nearly perfect return rate of graduates sent to the United States or third countries for project-related training.

Mission Considered Project Benefit Sustainability

Besides determining whether project benefits continued after USAID funding stopped, we sought to learn whether USAID/Botswana had "managed for sustainability" by **explicitly** considering the sustainability of project benefits during project design, monitoring, evaluation, and closeout. We found the Mission had considered project benefit sustainability during the first three project phases, but was unable to locate closeout reports for the two closed projects reviewed.

Project Design

USAID/Botswana addressed the sustainability of intended project benefits in project design documents, typically in financial and economic analyses.

Because USAID interventions are usually expected to have long-term benefits and impacts, project designers should consider the benefits to be sustained after donor funding ends and lay the foundation for their continuation during project implementation.⁴ The foundation can be laid by, among other things, mobilizing local support; integrating the project into existing organizations; setting up mechanisms to handle recurrent costs; and institutionalizing processes for replacing, training, and upgrading personnel.

Instructions on project design were previously contained in USAID Handbook 3. Superseding guidance reinforces the Agency's longstanding concern that projects produce sustainable benefits and promote sustainable development. The Agency's Interim Directive for Project Development, dated October 12, 1994, advises project designers to prepare appropriate technical analyses, including a Financial Plan which will, as appropriate, identify any recurrent costs needed during and after project implementation and show how the responsible organizations or groups will cover these costs.

By coincidence, both of the closed projects reviewed during the audit involved improvements to Botswana's national basic education program and addressed identified national educational goals. The Government was willing and able to provide its share of project costs and to provide post-project financing.

⁴ Daniel Gustafson, Derick Brinkerhoff, and Marcus Ingle, "Enhancing the Sustainability of A.I.D. Development Impacts: An Overview of the ANE/IDMC Draft Guidance," A.I.D. Evaluation News, July-August 1990.

Project papers for both PEIP II and JSEIP explicitly discussed the Government's ability and plans to assume post-project financing. For example, the PEIP II Project Paper of March 1986 noted, in a section entitled "Cost Estimates and Financial Plan", that implementation costs of PEIP II were included in the National Development Plan and the Government's proposed recurrent education budget appeared adequate to maintain the activity. The JSEIP Project Paper of March 1985 noted in Annex F.3, "Financial and Economic Analysis", that the Government had agreed to increase the budget of the Ministry of Education to finance the expansion of secondary education, particularly junior secondary and vocation training. It stated further that the Government had already factored the cost of the in-service and pre-service teacher training, curriculum development, and educational administrative costs into the Ministry's budget through 1991.

BCTSPA's redesigned project paper acknowledged the need for post-project financing to continue project activities and benefits. Designers noted that the Government was able to provide such financing—if it chose to do so. The project paper noted the Government's "...track record of investing in and sustaining programs which have demonstrated success." In addition, Annex F, "Economic Analysis," noted that the Government was "clearly" able to meet its financial obligation under this project because revenues had far exceeded expenditures for the last decade. In addition, the Government's willingness to support BOTSPA's activities could be predicted by its practice of committing more than 25 percent of population and HIV/AIDS activities.

Current guidance does not require project designers to specifically plan for post-project benefit sustainability. However, one author, whose paper was included in an USAID study of sustainability,⁵ recommended all analyses (economic, political, environmental, and social) currently required by USAID for project design be folded into a single sustainable development analysis. This new analysis would consider all these variables in light of project duration and level of effort.

Even though USAID/Botswana managers believed the Mission had adequately addressed post-project sustainability in design documentation and had followed existing guidance, they agreed that a separate section or analysis focusing on benefit sustainability would be a useful component of project design documentation. Although we also believe such a section would be useful, we did not make a recommendation related to this issue because

⁵ Diane Russell, "Theoretical Overview and Issues", in USAID's Sustaining the Vision, p.15.

USAID/Botswana closes in September 1995 and will not design any new projects.

Project Monitoring

Documentation in USAID/Botswana files (e.g., Mission, contractor, and Government reports or external reviews and evaluations) shows that Mission officials did consider the sustainability of project benefits as they monitored project implementation.

USAID Handbook 3, Chapter 11, notes that monitoring enables USAID to track and report on project progress being achieved; learn whether methods and procedures being used comply with the terms and conditions of the project agreements and subsidiary documentation; and assess the continuing appropriateness of project design and the need for evaluations.

USAID/Botswana collaborated closely with the Government on project management and monitoring. This practice engendered host-country ownership of projects and their objectives, which was critical to ensuring post-project financing. Project files and interviews with current Government officials showed that the Mission received regular reports and met frequently with Government and contractor officials to monitor PEIP II and JSEIP progress.

In contrast, Mission documentation indicates there was little monitoring of early BOTSPA activities. BOTSPA's midterm evaluation reported the Mission did not have a project manager for BOTSPA for more than two years. Evaluators speculated that greater USAID attention to monitoring—especially to quantifiable indicators or progress—might have communicated strong interest in the effort and created a greater sense of urgency in achieving project objectives.

Monitoring since BOTSPA's redesign improved significantly. Periodic meetings bring together the full-time USAID project officer and Government, contractor, and grantee officials to review progress. Recent implementation reports reflect attention to implementation details. Mission managers said they prepare semiannual implementation reports and annual Assessments of Program Impact with their Government counterparts, through project-specific management committees. As a result, the Mission and the Government have consistently concurred on progress, problem identification, action plans, and the status of host country contributions.

Although the Mission's format for implementation reports did not require project managers to explicitly address benefit sustainability, Mission management believed that, because these reports measured the status of project outputs which are a prerequisite to achieving project benefits, the reports did, at least indirectly, address post-project sustainability.

However, after discussions with the audit team, USAID/Botswana agreed project implementation reports could be more useful if they discussed sustainability issues more directly. Accordingly, the Mission modified its format for semiannual implementation reports to include a subsection entitled "Project Completion and Sustainability of Benefits." Project managers are expected to use this section to plan for and monitor actions necessary to ensure the sustainability of project benefits. Because of the Mission's prompt action, we are not making a recommendation related to monitoring in this report.

Project Evaluation

USAID/Botswana successfully used evaluations to improve the likelihood of project benefit sustainability. The Mission planned and/or arranged for evaluations at critical points during project implementation and used evaluation results to refocus project objectives and/or implementation plans.

USAID Handbook 3 requires evaluations be designed to answer questions concerning the relevance, efficiency, effectiveness, impact, and sustainability of USAID-assisted development activities. A project's final evaluation can be used to determine the impact the project has had on beneficiaries, document whether all required actions were carried out, performance was consistent with expectations, and additional actions are needed to sustain positive effects.

Project documentation shows that USAID/Botswana used a variety of evaluations to identify problems, as well as successes and lessons learned. Identification of lessons learned in the education sector was particularly pertinent given the Mission's decision to fund sequential projects in that sector. The following examples are illustrative.

An interim evaluation of PEIP II, dated January 1989, commented on the project's efforts to ensure host country ownership of project activities and objectives and post-project financing to sustain project gains. The evaluation stated that a key component of the project's success was its bilateral commitment to collaboration and participation. This was shown by a pattern of including those most affected by decisions in policy-setting and decision-making activities, at the national, regional, district, and school levels. This

resulted in a strong sense of ownership on the part of Botswana officials. The Mission did not arrange for a final evaluation of PEIP II. However, the institutional contractor submitted a comprehensive report on end-of-project outputs. The report also discussed lessons learned, sustainability, and agendas for future efforts in the education sector.

The Mission arranged for both a midterm and final evaluation of JSEIP. The midterm evaluation (March 1988) found that all was not going well. The Mission made many changes because of these findings, including revision of project purposes and the institutional contractor's scope of work. A final evaluation (August 1990) reported successes, albeit somewhat qualified. Among other lessons learned, the project's plan to use long-term advisors to train Government counterparts had not succeeded because the counterparts were inexperienced, left because of low government salaries, or took advantage of other training opportunities. Nonetheless, skills development proceeded informally. Evaluators found that many staff members benefitted from one-on-one training, workshops, and other interactions. They wrote it was obvious JSEIP had a "profound positive effect" on the countless education officers, teachers, and others who make up the junior secondary system in Botswana. Performance indicators tracked by the Ministry of Education since project completion show that the improved personnel capacity has continued to produce intended benefits.

BOTSPA's original project paper did not plan for a midterm evaluation. However, a joint review undertaken by USAID and the Government of Botswana in April 1991 identified significant performance problems and signaled the need for a midterm evaluation. Evaluators reviewed the validity of assumptions underlying BOTSPA's original project design and recommended elimination of the project's slow-moving policy formulation component and concentration on expanded and improved health care service delivery. BOTSPA's 1992 redesign called for interim evaluations of specific project components. An interim evaluation of BOTSPA's condom social marketing program, concluded in March 1995, discussed post-project funding, but did not address the need to train local staff to operate the program without continuing external technical assistance. This was unfortunate because adequate local capacity will be a critical factor in obtaining follow-on funds from the Government or another donor. At the time of our audit, the long-term U.S. advisor lacked a thoughtful plan for developing his local staff. Since then, developing a localization plan has become a priority.

A final evaluation of BOTSPA is expected to be conducted six months before the Project Assistance Completion Date. Its findings should help the Government resolve any outstanding issues affecting sustainability.

Project Close-Out

Although project officers are required to prepare Project Assistance Completion Reports within six months of project completion, current USAID/Botswana staff members were unable to locate copies of such reports for either PEIP II or JSEIP and did not know whether such reports had been prepared.

According to USAID Handbook 3, the requirement for Project Assistance Completion Reports applies to all projects, unless waived because a final evaluation is done instead. These reports are to be prepared by the officer who closes out the project and should summarize the final level of inputs and outputs, end-of-project status of performance indicators, an estimate of the sustainability of development of accomplishments, and lessons learned for application to future activities.

Unfortunately, current Mission staff could not find copies of completion reports prepared for PEIP II or JSEIP. Although they were uncertain whether the reports had been prepared, they said it was possible such reports had been misfiled during office-wide efforts to store older documents in preparation for the Mission's upcoming closure. Mission staff believed, even if completion reports had not been prepared, other processes had provided the same information, albeit in a scattered fashion. For example, end-of-project status was established through final evaluations, contractor final reports, and the Mission's annual Assessments of Program Impact. Furthermore, completion reports for PEIP II and JSEIP would not have provided the last word on USAID involvement in Botswana's education sector. Lessons learned had already led to a final education project—the Botswana Education Consolidation Project.

We are not making a recommendation related to project assistance completion reports because the Mission showed that a failure to prepare such reports for PEIP II and JSEIP would have been atypical as completion reports had been prepared for other projects before and after PEIP II and JSEIP were closed.

Management Comments and Our Evaluation

USAID/Botswana agreed with the report's findings and immediately instituted the changes recommended. The full text of the mission's comments can be found in Appendix II.

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APPENDICES

<p style="text-align: center;">SCOPE AND METHODOLOGY</p>

Scope

The Office of the Regional Inspector General for Audit, Nairobi, audited USAID/Botswana's management of project benefit sustainability in accordance with generally accepted government auditing standards. We conducted the audit from March 6 through April 27, 1995. Field work took place in Botswana.

In performing our audit, we obtained documentary and testimonial evidence from the offices of USAID/Botswana; the Government of Botswana's Ministries of Health, Education, and Local Government, Lands, and Housing; and technical assistance grantees. The audit covered all USAID/Botswana-financed projects completed between January 1, 1990, and December 31, 1993. Two projects met this criterion—the Primary Education Improvement Project II (PEIP II) and the Junior Secondary Improvement Project (JSEIP). The audit was also designed to cover projects started more recently, specifically between January 1, 1992, and December 31, 1994. However, no projects started during this period. But, because the Botswana Population Sector Assistance Project (BOTSPA) was substantially redesigned in 1992 and the redesign documentation was essentially what would have been prepared for a new project, we included BOTSPA in this audit.

As of March 31, 1995, obligations for the three projects totaled \$27.9 million and expenditures totaled \$24.6 million.

We did not test the reliability of computer-generated financial data used in the report because (a) the reliability of the data was not crucial to accomplishing the audit objective and (b) the data was used only for background purposes.

We did, however, interview officials responsible for collecting performance data used in the report to understand and evaluate how the data was collected and recorded.

Methodology

The audit had one objective, to determine whether the intended benefits of USAID/Botswana-financed activities continued after USAID funding ceased. To do this, we selected two projects which had been closed long enough that benefits could be measured over several years. We then reviewed project records and interviewed USAID/Botswana and Government officials to identify the benefits that were expected to continue after project completion and to collect information on the status of these benefits at the end of the project and thereafter. We also looked at whether project management played a role in enhancing the sustainability of project benefits. To do this, we looked at whether the Mission had "managed for sustainability" by explicitly considering the sustainability of project benefits during project design, monitoring, evaluation, and closeout. We also added an active project to our review to see whether current Mission practices differed materially from Mission practices during the implementation of the older, closed projects.

We reviewed relevant project documentation, such as project papers, grant agreements, project implementation reports, evaluations, and contractor and grantee reports. We obtained Government reports on education statistics and external analyses of Botswana's educational reforms. We interviewed Mission, Government, contractor, and grantee officials about benefits achieved under PEIP II and JSEIP and issues affecting the sustainability of benefits to be achieved through BOTSPA.

We also visited three education centers, partially funded by USAID, to see whether they were maintained, supplied, and used for intended purposes. We toured the building housing the Curriculum Development Unit of the Ministry of Education (built in part with USAID funds) to observe its use and interview staff about the continuing benefits of consolidating all department functions into a single building. We visited district hospitals and health clinics to interview staff members who had attended a BOTSPA training-of-trainers course to learn their opinions on the training and their future availability to provide training to others, a post-project sustainability issue. Finally, we

APPENDIX I

Scope and Methodology

observed condom promotion activities conducted at a Gaborone bus terminal and discussed post-project financing strategies with the resident advisor of BOTSPA's condom social marketing program.

Memorandum

To: Everett B. Orr, RIG/A Nairobi

Thru: David Noble *[Signature]* CONTROLLER

From: Howard R. Handler, DIR, *[Signature]* USAID/BOTSWANA

Date: 8/3/95

Subject: RIG/A/Nairobi's Audit of USAID/Botswana's
Management of Project Benefit Sustainability

I have reviewed the subject audit report and I believe it accurately reflects the emphasis this Mission has placed on sustainability. The report also illustrates, convincingly, some of the successes that we have had in establishing sustainable activities.

I trust the information contained in the Botswana audit, when incorporated into the final Agency-wide report, will enhance our ability to design and implement sustainable projects and programs. I commend you and your staff for the comprehensive and professional manner in which the audit was conducted. It was a pleasure working with the audit team. The changes they suggested regarding project implementation reports were instituted immediately and the benefits have already been forthcoming.

APPENDIX III
Selected Education Sector Statistics

Status of Selected Education Sector Statistics (1992-1994)			
Performance Indicator	Status of Indicator		
	1992	1993	1994
Percent of primary school students progressing to junior secondary school	77.5%	86.6%	Not Available
Number of Master of Education degrees in primary education awarded by the University of Botswana (UB)	15	11	10
Number of Bachelor of Education degrees awarded by UB	17	14	26
Number of diplomas in primary education awarded by UB	14	7	15
Percent of primary school teachers who have been trained/retrained	85%	91%	94%
Percent of junior secondary school teachers who have been trained/retrained	81%	86%	86%
Percent of primary school teachers who are citizens of Botswana	97.1%	99.8%	Not Available
Percent of junior secondary school teachers who are citizens of Botswana	69%	70%	76%
Percent of students with new curriculum materials	50%	60%	0.65
Percent of teachers trained to use new curriculum materials	60%	70%	75%
Number of educational centers in operation	8	11	11

Sources: USAID/Botswana and Government reports and officials

Primary Education Improvement Project II

The Primary Education Improvement Project II (PEIP II) was carried out from 1986 through 1991. PEIP II built directly upon the work of PEIP I, which was carried out from 1981 through 1985. PEIP I was the first major intervention into Botswana's primary school system since its independence in 1966. The Government of Botswana (Government) placed a high national priority on primary education, particularly on improving the quality of instruction and expanding access to all children. By 1985, 85 percent of all children were enrolled, but the supply of trained teachers had not kept pace.

PEIP I developed a capacity within the University of Botswana to provide pre-service training to primary school teachers through the creation of a four-year Bachelor of Education Degree and a two-year Diploma in Primary Education. In addition, PEIP I strengthened the Government's capacity to provide in-service training for supervisory staff and head teachers. However, despite vigorous efforts under PEIP I, 80 percent of primary teachers had not been trained by 1985.

PEIP II was designed to increase access to and the efficiency and relevance of primary education. It sought to improve teacher education by enlarging and improving the in-service and pre-service training programs established under PEIP I. Among other things, it planned for:

- a Master of Education degree with primary education specialization at the University of Botswana;
- development and use of an improved curriculum at the four primary teacher training colleges;
- a system for providing in-service training of classroom teachers, head teachers, and staff at all existing primary schools and teacher training colleges; and
- construction of education centers, with hostels for students and teachers, and an enlargement of the Primary Education Center at the University of Botswana.

Junior Secondary Education Improvement Project

By the end of 1985, Botswana was close to achieving its goal of universal access to primary education (school years 1-7). However, only 27 percent of primary school graduates progressed to the two-year junior secondary education program (school years 8 and 9). Primary school graduates were too young and unqualified to meet the increasing demands of the country's expanding economy or to replace the large number of non-Botswana citizens employed in the public and private sectors.

The Government's challenge was to finance effective and efficient education programs to reduce the imbalance between labor demand and supply, while also expanding access to post-secondary education and training opportunities. The Junior Secondary Education Improvement Project (JSEIP) was designed to help the Government in expanding the universal basic education program from a seven-year program of primary education to a nine-year program combining primary education and a revised junior secondary program. Previously, the junior secondary program was targeted at students progressing to senior secondary and university education. The new program was more closely aligned with the primary program and addressed the needs of the majority of students who would move directly into the job market.

JSEIP focused on three areas of the expanded basic education program:

- curriculum and instructional materials development;
- teacher development; and
- educational systems planning, management, and supervision.

Botswana Population Sector Assistance Project

The current Botswana Population Sector Assistance Project (BOTSPA) represents a redesign of a project initially authorized in 1988. Based on an evaluation conducted in late 1991, the project was redesigned to change its focus from population policy formulation (which was moving much more slowly than anticipated) to a core set of family planning service delivery activities and to add a component for the prevention of Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS).

Botswana has high rates of population growth, teenage pregnancy, and contraception discontinuance. In addition, sexually transmitted diseases are a major health problem, exacerbating a dramatic increase in HIV/AIDS transmission. BOTSPA was redesigned to address these problems. Its revised purpose is to improve the quality of and availability of family planning and sexually transmitted disease services and expand AIDS prevention measures. The objectives will be achieved primarily by:

- helping the Government to promote, provide, and monitor family planning services and to diagnose, treat, and educate clients regarding sexually transmitted diseases;
 - implementing a private sector condom social marketing program; and
 - strengthening local nongovernmental organization capacity to provide reproductive health services.
-

**Regional Inspector General
for Audit, Nairobi, Kenya**

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