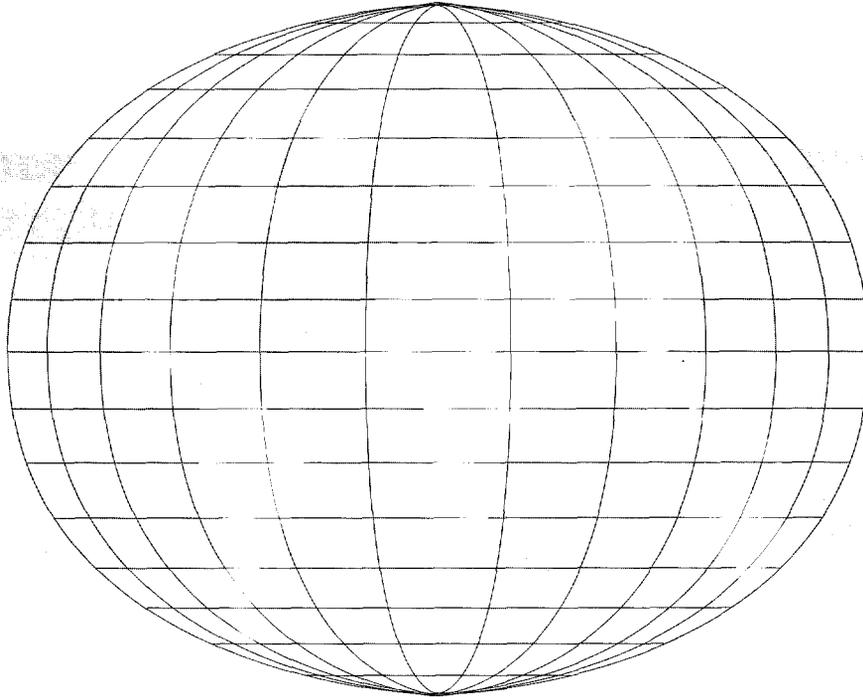


Report of Audit

Audit of REDSO/WCA's P.L. 480 Title II Non-Emergency Food Aid Program in Burkina Faso

**Report No. 7-624-97-001-P
November 29, 1996**



**Regional Inspector General
Dakar**

**OFFICE OF INSPECTOR GENERAL
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

**Regional Inspector General for Audit
Dakar**

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Non-Emergency Food Aid Program
in Burkina Faso**

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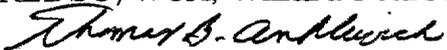
UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
OFFICE OF THE REGIONAL INSPECTOR GENERAL FOR WEST AFRICA

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WEST AFRICA

November 29, 1996

FOR: Director, REDSO/WCA, Willard Pearson

FROM: 
RIG/Dakar, Thomas B. Anklewich

SUBJECT: Audit of REDSO/WCA's P.L. 480 Title II Non-Emergency Food Aid Program in Burkina Faso, Audit Report No. 7-624-97-001-P

This is the final report on the subject audit. We considered your comments to the draft report and have included them as Appendix II. The audit report makes eight recommendations, six of which are addressed to REDSO/WCA. Based upon your comments and actions, REDSO/WCA has taken Final Action on Recommendation No. 3; has made Management Decisions to address Recommendation Nos. 4 and 7; and has not made Management Decisions to address Recommendation Nos. 1, 5 and 6.

Please notify our office within 30 days of the status of actions planned or taken to make Management Decisions on Recommendation Nos. 1, 5 and 6. In accordance with USAID guidance, M/MPI/MIC will be responsible for determining when Final Action has occurred for Recommendation Nos. 4 and 7.

I appreciate the cooperation and courtesy extended to my staff by both REDSO/WCA and CRS/Burkina Faso during the audit.

B

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November 29, 1996

FOR: Director, BHR/FFP, William T. Oliver
FROM: *Thomas B. Anklewich*
RIG/Dakar, Thomas B. Anklewich

SUBJECT: Audit of REDSO/WCA's P.L. 480 Title II Non-Emergency Food Aid Program in Burkina Faso, Audit Report No. 7-624-97-001-P

This is the final report on the subject audit. We considered your comments to the draft report and have included them as Appendix III. The audit report makes eight recommendations, two of which are addressed to BHR/FFP. Based upon your comments and actions, BHR/FFP has made a Management Decision to address Recommendation No. 8, but has not yet made a Management Decision to address Recommendation No. 2.

Please notify our office within 30 days of the status of actions planned or taken to make a Management Decision on Recommendation No. 2. In accordance with USAID guidance, M/MPI/MIC will be responsible for determining when Final Action has occurred for Recommendation No. 8.

I appreciate the cooperation and courtesy that your office extended to us during the audit.

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REDSO/WCA had not determined how to integrate its food aid programs into its strategic objectives; thus, we were unable to determine what progress it had made in achieving its intended results. However, we did note that:	18
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EXECUTIVE SUMMARY

Background

The Agricultural Trade Development and Assistance Act of 1954 (more commonly referred to as Public Law 480), as amended, is the statutory authority for the Title II Food for Peace Program. The intent of the legislation is to promote food security in the developing world through humanitarian and developmental uses of food assistance. Food security is satisfied when a nation's people have sufficient food to meet their dietary needs for a productive and healthy life.

The Regional Inspector General's Office in Dakar, Senegal audited REDSO/WCA's P.L. 480 Title II non-emergency food aid program in Burkina Faso as part of a worldwide audit requested by USAID/Washington's Bureau for Humanitarian Response of USAID's P.L. 480 Title II Programs. The Bureau's basic concern was whether food aid programs in the field were well-managed and adequately staffed. Accordingly, our audit was designed to determine whether: 1) REDSO/WCA and its cooperating sponsors had an adequate management structure to ensure that food aid was targeting the most needy people, 2) REDSO/WCA and its cooperating sponsors had an adequate management structure to ensure that food aid reached its intended beneficiaries, and 3) REDSO/WCA had progressed toward achieving the results of food aid activities as intended in REDSO/WCA and cooperating sponsor planning documents.

Summary of Audit Findings and Recommendations

Is food aid targeted to the most needy?

The audit found that REDSO/WCA and Catholic Relief Services (CRS)/Burkina Faso collectively have an adequate management structure to ensure that food aid is generally targeted to the most needy people for Burkinabe Food-for-Work and Welfare Programs, but not for the related School Feeding Program because the main objective of this program is to increase primary school attendance rates and not to feed the most needy people. Although the School Feeding Program did not focus on reaching the most needy people, CRS/Burkina Faso conducted a study in fiscal year 1995 to rank in order those provinces which would most benefit from a School Feeding Program. However, when we ranked the statistics used for this study, we found that our rankings of the statistics differed from those of the original study. Accordingly, we recommended that CRS/Burkina Faso reassess

the study to determine if it contained errors and to make any necessary corrections.

Our audit also found that graduation criteria had not been developed for the School Feeding Program. For the effective and efficient use of food aid resources, USAID should have criteria not only for when food aid is needed, but also for when it will no longer be needed. Accordingly, we have recommended that any future grant agreement with CRS/Burkina Faso include such criteria.

Is food aid reaching the intended beneficiaries?

REDSO/WCA, together with CRS/Burkina Faso generally has an adequate management structure to ensure that food aid, that is, commodities and monetization funds, reaches intended beneficiaries, except that 1) the management structure did not ensure that a significant amount of food aid was used for its intended purpose in 1995 and 2) internal controls over the movement of commodities could be strengthened.

Specifically, we found that during the latter part of the 1994 - 1995 school year, the Government of Burkina Faso's Ministry of Basic Education and Literacy for the Masses (MEBAM) programmed four-month allocations of commodities to primary schools even though there were not four months left in the school year. As a result, \$378,242 in excess food commodities (i.e. 6.9 percent of the total value of the School Feeding Program) was distributed to primary schools. We were told that the excess rations were given to students to take home over the summer.

We also found that CRS/Burkina Faso could strengthen its commodity controls by receiving copies of final, signed dispatch notes, matching them to the original dispatch notes, and following up on any differences between the two notes. This procedure would allow CRS/Burkina Faso to verify that 1) food programmed for its school feeding activities has reached the targeted primary schools and 2) delivery losses which were incurred during the transport of the food have been accounted for, timely claimed, and reimbursed.

At the beneficiary level, we found inadequately maintained commodity log books, improperly stacked commodities and a lack of separation of duties as the commodity custodians also kept the commodity log books. To correct these weaknesses, CRS/Burkina Faso should remind school feeding controllers to discuss the importance of accurate inventory records, proper food storage, and separate food aid inventory responsibilities with commodity custodians during their visits to primary schools and to send a similar reminder to CRS/Burkina Faso's food-for-work and welfare partners.

Is the food aid program achieving its intended results?

REDSO/WCA, which took over the P.L. 480 Title II Program in Burkina Faso upon the closure of USAID/Burkina Faso on September 30, 1995, had not yet determined how to integrate its food aid activities into its strategic objectives. Accordingly, REDSO/WCA had not developed any performance goals and indicators, or collected baseline data which could be used to measure the progress of its P.L. 480 Title II Program in Burkina Faso. Further, due to a combination of weaknesses involving CRS/Burkina Faso's 1) goals and performance indicators, 2) baseline data, and 3) performance monitoring system, it was not clear what progress the program had made towards achieving the results intended in CRS/Burkina Faso's planning documents.

REDSO/WCA was in the initial stages of developing a regional USAID strategy for West and Central Africa. Accordingly, we did not recommend that REDSO/WCA develop such a strategy for its food aid programs. However, we did recommend that REDSO/WCA work with CRS/Burkina Faso to 1) correct the weaknesses in CRS/Burkina Faso's performance objectives and indicators, and 2) develop a performance monitoring plan to collect baseline and annual reporting data.

Finally, we noted that a study on the School Feeding Program's long-term sustainability was originally proposed to be performed during the 1994 - 1996 food aid program. However, the study was cancelled when USAID announced the food aid program in Burkina Faso would be ending as of September 30, 1996. Since the program was scheduled to close, we believe CRS/Burkina Faso should have performed the study and begun to implement any recommendations from the study to try to make the School Feeding Program sustainable by the time the program ended. As such, if USAID decides to continue supporting CRS/Burkina Faso's School Feeding Program, then it should require that a sustainability study on the program be performed.

Management Comments and Our Evaluation

In response to our draft report, REDSO/WCA and BHR/FFP provided written comments which are included in their entirety as Appendices II and III. REDSO/WCA and BHR/FFP concurred with four of the report's recommendations, but we could not determine if REDSO/WCA and BHR/FFP concurred with the report's four other recommendations. Both REDSO/WCA and BHR/FFP thought that actions to address some of the recommendations were included in CRS/Burkina Faso's May 1996 Development Activity Proposal (DAP). This DAP was provided to us after our exit conference.

In its comments to the draft report, REDSO/WCA explained that CRS/Burkina Faso had determined that a revised ranking of Burkina Faso's provinces should

not be made because the original rankings had already been accepted by USAID/Washington and the Government of Burkina Faso. To ensure that food aid is properly targeted, we believe CRS should determine if the study contained errors and should take appropriate action to correct any errors in it. BHR/FFP added that CRS/Burkina Faso's DAP called for the development of a graduation strategy in its retargeting plan. However, we did not find any clear description of this strategy for the School Feeding Program in CRS's May 1996 DAP.

Regarding excess food distributions, REDSO/WCA stated that it decided not to sustain the \$378,242 in questioned costs because the questioned commodity distribution was in line with the spirit of CRS's long-term objective for improving children's health. REDSO/WCA also stated that CRS/Burkina Faso had added an additional copy of the waybill to increase its control of food deliveries. Further, REDSO/WCA reported that CRS/Burkina Faso planned to hold a refresher course in commodity management for the School Feeding Program staff. However, we believe that such a workshop or a commodity management reminder should be issued to CRS/Burkina Faso's Food-for-Work and Welfare partners as well.

Finally, REDSO/WCA stated that CRS/Burkina Faso's new goals and indicators were set forth and approved by BHR/FFP. However, we found that one of CRS/Burkina Faso's performance objectives was not clearly written and that CRS/Burkina Faso had not established interim benchmarks for its performance objectives and indicators. Regarding the need for baseline data and a performance monitoring plan, REDSO/WCA pointed out that CRS's May 1996 DAP spells out the baseline data that is to be collected and describes a Monitoring and Evaluation Plan. Finally, BHR/FFP stated that CRS's May 1996 DAP indicated that CRS was committed to the necessity of developing long-term strategies for replacing imported commodities, but REDSO/WCA was not clear on how the development of this strategy would be undertaken.

Based upon REDSO/WCA and BHR/FFP's comments, Final Action has been taken on Recommendation No. 3 and Management Decisions have been made to address Recommendation Nos. 4, 7 and 8. However, Management Decisions have not yet been made for Recommendation Nos. 1, 2, 5 and 6. For those recommendations for which Management Decisions have been made, evidence indicating that Final Action has been taken should be forwarded to M/MPI. For those recommendations for which Management Decisions have not yet been made, REDSO/WCA and BHR/FFP should notify RIG/Dakar of actions planned to make a Management Decision within 30 days of this report.

Office of the Inspector General

Office of the Inspector General
November 29, 1996

INTRODUCTION

Background

The Agricultural Trade Development and Assistance Act of 1954 (more commonly referred to as Public Law 480), as amended, is the statutory authority for the Title II Food for Peace Program. The intent of the legislation is to promote food security in the developing world through humanitarian and developmental uses of food assistance. Food security is satisfied when a nation's people have sufficient food to meet their dietary needs for a productive and healthy life. This Act assigns responsibility for Title II programs to USAID.

USAID's Regional Economic Development Services Office/West and Central Africa (REDSO/WCA) assumed responsibility for monitoring the P.L. 480 Title II Non-Emergency Program in Burkina Faso when USAID/Burkina Faso closed on September 30, 1995. Burkina Faso is a landlocked Sahelian country that in 1994, was one of only five countries in Africa to have over 40 percent of its children significantly underweight. It is plagued by recurring droughts, which adversely affect its food security.

For fiscal years 1994 - 1996, the amount of food aid received or authorized for Burkina Faso through the Title II program was \$7.77, \$8.54 and \$10.48 million in fiscal years 1994, 1995, and 1996, respectively. The Burkina Faso food aid program is implemented by Catholic Relief Services (CRS) and is focused mainly on school feeding activities and secondarily on food-for-work, general relief/welfare, and maternal child health activities. The table below shows a breakdown of CRS/Burkina Faso's approved fiscal year 1996 program:

1996 Program	Amount	Beneficiaries
School Feeding	\$7,249,800	315,000
Food-for-Work	\$1,216,900	24,500
General Relief/Welfare	\$603,300	12,000
Maternal Child Health	\$288,900	6,000
Monetization ¹	\$1,125,000	N/A
Total	\$10,483,900	357,500

¹ Food commodities are sold (monetized) when they reach Burkina Faso to generate cash for CRS/Burkina Faso's administrative expenses.

It should be noted that CRS/Burkina Faso transferred primary responsibility for managing the school feeding program to the Government of Burkina Faso's Ministry of Basic Education and Mass Literacy (MEBAM) in 1988. This program reaches approximately 72 percent of all students enrolled in primary schools. Since the transfer of responsibility, CRS/Burkina Faso's role has been mainly that of a technical advisor to MEBAM.

REDSO/WCA has assigned one U.S. direct hire Food for Peace Officer to manage its Title II non-emergency food aid program in Burkina Faso.

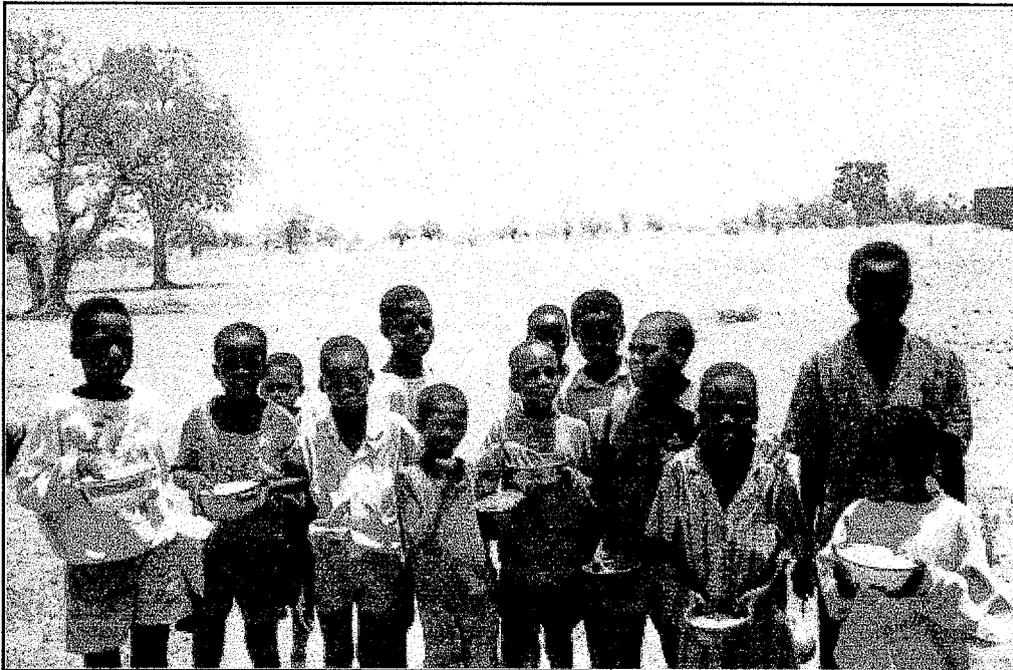
Audit Objectives

We performed this audit as part of the Inspector General's worldwide audit of USAID's P.L. 480 Title II non-emergency food aid programs. It was designed to answer the following audit objectives:

- 1. Did REDSO/WCA, together with its cooperating sponsors, have an adequate management structure to ensure that food aid is targeted to the most needy people?**
- 2. Did REDSO/WCA, together with its cooperating sponsors, have an adequate management structure to ensure that food aid reaches the intended beneficiaries?**
- 3. Has REDSO/WCA progressed toward achieving the results of food aid activities as intended in REDSO/WCA and cooperating sponsor planning documents?**

Appendix I discusses the scope and methodology of this audit. BHR/FFP's and REDSO/WCA's comments on the draft report are included in their entirety as Appendices II and III.

The following photographs are examples of projects supported with Title II food aid in Burkina Faso.



Primary school children benefiting from the School Feeding Program in Solomnore, Burkina Faso (April 1996)



Villagers standing atop a dam being built in Tougue, Burkina Faso in conjunction with a Food-for-Work Program (April 1996)

REPORT OF AUDIT FINDINGS

Did REDSO/WCA, together with its cooperating sponsors, have an adequate management structure to ensure that food aid is targeted to the most needy people?

REDSO/WCA and Catholic Relief Services (CRS)/Burkina Faso collectively have an adequate management structure to ensure that food aid is generally targeted to the most needy people for Burkinabe Food-for-Work and Welfare Programs. However, they do not have such a management structure for the School Feeding Program in Burkina Faso because the main objective of this program is to increase/maintain primary school attendance rates and not to feed the most needy people.

REDSO/WCA's management structure consists of one Food for Peace Officer who has programmatic responsibility for ensuring that CRS/Burkina Faso properly runs USAID's food aid program in Burkina Faso. In our opinion, REDSO/WCA generally managed the CRS/Burkina Faso program in accordance with USAID policies.

CRS/Burkina Faso's management structure consists of a Programming Department which is staffed by four food-for-work and welfare program managers who are supervised by the Assistant Country Director. These managers work with CRS's partners in villages, hospitals, and welfare centers to program food aid for CRS's food-for-work and general relief activities.

Most of the food-for-work programs are located in the northern parts of Burkina Faso which are amongst the country's most food insecure areas. These programs aim to increase agricultural production and reach those people who are willing to provide a day of work in exchange for a cooked meal. CRS/Burkina Faso selects its food-for-work partners on the basis of their capacity to program, account and report on commodities and their capacity to work with the poor at the grassroots level in areas of mutual interest such as agricultural production and natural resources.

In regards to the welfare program, CRS/Burkina Faso provides food aid to hospitals, handicap and welfare centers that are located throughout the country.

These centers reach people who are temporarily or permanently incapacitated and who cannot meet their basic food needs.

Although CRS/Burkina Faso generally ensured that its food-for-work and general relief activities targeted the most needy people, its School Feeding Program was not designed to target needy people. This program, which exists on a nationwide basis, reaches approximately 72 percent of all Burkinabe primary school students. Its main objective is to encourage school age children to attend school by providing them with a meal at lunch. As such, the program is focused on the 34 percent of school-aged children who are enrolled in both public and private primary schools and not on the 66 percent of school-aged children who are not enrolled in school. Thus, the program attempts to achieve a delicate balance between feeding needy people and achieving development goals.

Despite the fact that the School Feeding Program was not specifically designed to reach the most needy students, an analysis we performed using food security data for Burkina Faso's 30 provinces indicated that on average, the most food-insecure provinces had a greater percentage of schools with feeding programs than the least food-insecure provinces.

In an attempt to better focus the School Feeding Program, CRS/Burkina Faso conducted a study of Burkina Faso's 30 provinces in fiscal year 1995 and ranked them in order of need. CRS/Burkina Faso told us it planned to use this study as a basis for phasing out the School Feeding Program in the country's 10 least needy provinces between 1997 and 2001.

The actions taken by CRS/Burkina Faso to ensure that a future School Feeding Program is targeted to the most needy provinces is commendable. However, CRS/Burkina Faso could further improve the targeting of its program by verifying that its study of Burkina Faso's most needy provinces is accurate and by developing regional graduation rates. These rates could be used to graduate provinces from the School Feeding Program which are not as needy as some of Burkina Faso's other provinces. These two issues are discussed below.

CRS/Burkina Faso should verify that its revised rankings of Burkina Faso's provinces is accurate

USAID's Food Aid and Food Security Policy Paper, issued February 27, 1995, states that for all types of food aid programs, USAID will allocate resources and manage programs to increase the impact U.S. food aid has in reducing hunger. To better target its food aid School Feeding Program, CRS/Burkina Faso conducted a study in fiscal year 1995 using food security and educational statistics to rank in order those provinces which would most benefit from a School

Feeding Program. CRS/Burkina Faso planned to use this study as a basis for phasing out the School Feeding Program in 10 of Burkina Faso's 30 provinces. However, when we reviewed this study using statistics CRS/Burkina Faso believed had been used to conduct the study, we found that our rankings of the statistics differed from those of the original study. As such, we found that CRS/Burkina Faso was planning to phase out its School Feeding Program in a province that was more in need of such a program than another province. When asked about the differences between the study's results and our results, CRS/Burkina Faso said that the person who had performed the School Feeding Program study was no longer in Burkina Faso and that the worksheets which documented how the study's rankings had been computed could not be located. Since it appeared that errors may have been made in the School Feeding Program's study, REDSO/WCA should request CRS/Burkina Faso to review and ensure the accuracy of the study before CRS/Burkina Faso uses it as a basis for phasing out the School Feeding Program in 10 of Burkina Faso's provinces.

Recommendation No. 1: We recommend that the Director, REDSO/WCA request CRS/Burkina Faso to reassess its School Feeding Program study to determine if a revised ranking should be made of the Burkina Faso provinces that are most in need of a School Feeding Program.

USAID's Food Aid and Food Security Policy Paper, issued February 27, 1995, acts as a guide for how USAID will use food aid to accomplish its strategies for sustainable development given changes in both domestic and international conditions affecting food aid. This policy paper states that for all types of food aid programs, USAID will allocate resources and manage programs to increase the impact U.S. food aid has in reducing hunger.

In accordance with the above policy paper, CRS/Burkina Faso conducted a study (in fiscal year 1995) which ranked in order those provinces of Burkina Faso which were most in need of a School Feeding Program. CRS/Burkina Faso planned to use the study as a basis for phasing out the School Feeding Program in 10 of Burkina Faso's 30 provinces. The study used a variety of food security and educational statistics such as the amount of local food production between 1990 and 1995, information from USAID's Famine Early Warning System, and school enrollment and literacy rates. Using these and other statistics, individual rankings from 1 to 30 were given to Burkina Faso's 30 provinces (e.g. 1 = highest enrollment rate and 30 = lowest enrollment rate). Each province's individual rankings were then totaled and the summations used to develop a final ranking of the country's provinces.

We reviewed the statistics supporting the study and noted that our rankings differed from those rankings listed in CRS/Burkina Faso's study. For example,

in its ranking of enrollment rates, CRS/Burkina Faso ranked the Boulkiemde province as the fifth highest, but our review indicated it was the third highest. Similarly, in terms of girls' enrollment rates, CRS/Burkina Faso ranked the Boulkiemde province fifth, but we ranked it thirteenth.

In addition to the ranking differences, we noted that the study had used literacy rates from 1985 although rates from 1990 were available. When asked how the study's rankings were developed, CRS/Burkina Faso said that the person who had performed the study was no longer in Burkina Faso and that it could not locate the worksheets which would have documented how the rankings for food security, enrollment rates, and literacy rates had been computed.

Based on the results of our review of the study's rankings, we recalculated the ranking of Burkina Faso's 30 provinces. Our calculations indicated that CRS/Burkina Faso was planning to phase out the School Feeding Program in a province that was more in need of such a program than another province. Specifically, we noted that CRS/Burkina Faso was planning to phase out the School Feeding Program in the Bourgouriba province instead of in the Bazega province. Accordingly, before CRS/Burkina Faso begins to phase out the School Feeding Program in Burkina Faso's 10 least needy provinces, REDSO/WCA should request CRS/Burkina Faso to determine if a revised ranking should be made of the Burkina Faso provinces that are most in need of a School Feeding Program.

Graduation rates should be developed for the School Feeding Program

USAID's Food Aid and Food Security policy paper states that USAID's goal—and that of cooperating sponsors—must be the effective and efficient use of food aid resources. Accordingly, USAID and PVOs should have criteria not only for when food aid is needed, but also for when it will no longer be needed. However, we noted that CRS/Burkina Faso had not been required to develop and thus, had not developed, any such criteria. This criteria is needed because the shock of an abrupt termination of the program would be significant to hundreds of thousands of people. Thus, to allow for any future phasing down of the School Feeding Program and to improve the targeting of future food aid, we recommend that BHR/FFP require grant agreements for any future School Feeding Program in Burkina Faso to include criteria which specifies when food aid is needed and when it will not be needed.

Recommendation No. 2: We recommend that the Director, Bureau for Humanitarian Response/Food for Peace require that the grant agreements for any future School Feeding Program in Burkina Faso be conditional on the inclusion of graduation criteria which specifies when food aid is needed and when it will no longer be needed.

CRS/Burkina Faso has been operating the School Feeding Program in Burkina Faso since 1962. USAID is the program's principle food donor. Since its inception, this program has gradually grown into a nationwide program that serves lunch to over 315,000 students in nearly 1,500 schools. However, as the program expanded, graduation criteria at either the school or regional level was never required and thus not developed. Accordingly, except for a period in 1988 when CRS/Burkina Faso decided to close school feeding programs in Burkina Faso's three largest cities (and when schools were suspended from the program for not having paid their transportation fees), once a school was accepted into the School Feeding Program it has generally remained in the program.

USAID's Food Aid and Food Security policy paper states that USAID's goal—and that of cooperating sponsors—must be the effective and efficient use of food aid resources. Accordingly, USAID and its cooperating sponsors should have criteria (e.g. literacy and malnutrition rates) not only for when food aid is needed, but also for when it will no longer be needed. Such criteria is also needed because the shock of an abrupt termination of the program would be significant to hundreds of thousands of people. To improve the targeting and efficiency of future food aid and to prepare for a phasing down/out of the program as commodity resources become more scarce, we recommend that BHR/FFP require that grant agreements for its School Feeding Program in Burkina Faso include graduation criteria for when food aid is needed and for when it will no longer be needed.

Management Comments and Our Evaluation

REDSO/WCA agreed with Recommendation No. 1 and requested CRS to reassess the School Feeding Program study. CRS told REDSO/WCA that it would have its headquarter's consultant review the original data used for the study and explain the study's methodology so that it is transparent and available to all. However, CRS said that a revised ranking of the provinces should not be made because the differences between the auditors calculations and CRS's calculations were minimal and because the original rankings had already been accepted by USAID/Washington and the Government of Burkina Faso. We disagree.

Although the differences between our calculations and CRS's were small, the effect is not. Specifically, our calculations indicated that CRS/Burkina Faso planned to close schools in a province that was more in need of a School Feeding Program than another province was. The intent of our recommendation was to

have CRS reassess its study to determine if it contained errors and if so, to correct them to ensure that food aid was being efficiently targeted.

CRS stated that it would cause a great deal of problems at the Burkina Faso official level to retarget the schools. We understand that the retargeting of schools may be a sensitive matter. However, before CRS forms a final conclusion on possible school retargeting, it should first determine if its study contained errors. After reassessing the study, it could determine if (and how) any errors could be corrected. Accordingly, we believe that REDSO/WCA has not made a Management Decision to address Recommendation No. 1. Final Action on the recommendation can be considered complete when (1) the School Feeding Program study has been reassessed, (2) a determination has been made on whether errors were made in the provincial rankings of the School Feeding Program study, and (3) management has decided on the appropriate action to correct any errors discovered in the School Feeding Program study.

Regarding Recommendation No. 2, BHR/FFP stated that CRS's Development Activity Proposal (DAP) of March 1996 specifically calls for the development of a graduation strategy in its retargeting plan. It adds that criteria for food security and literacy rates have been established which will determine provincial eligibility. RIG/Dakar does not have a copy of the CRS's March 1996 DAP, but it does have a copy of a subsequent DAP dated May 1996 DAP.

This DAP states that the ten provinces that will be eliminated are those which are relatively more food secure, have higher population literacy rates, and have reached or are near the current MEBAM enrollment target of 40 percent by 1997. However, it does not state the criteria or threshold to be used to determine when a province is "relatively food secure" or when it has a "higher population literacy rate". Further, it doesn't state that the criteria used to phase out the proposed ten regions will be applied on an annual basis to the remaining 20 provinces to determine if any of them should be graduated from the school feeding program.

Accordingly, we believe that BHR/FFP has not yet made a Management Decision to address Recommendation No. 2 and that BHR/FFP should request CRS/Burkina Faso to develop clear graduation criteria for the School Feeding Program.

Did REDSO/WCA, together with its cooperating sponsors, have an adequate management structure to ensure that food aid reaches the intended beneficiaries?

REDSO/WCA, together with CRS/Burkina Faso, generally has an adequate management structure to ensure that food aid, that is, commodities, and monetization funds, reaches intended beneficiaries, except that 1) the management structure did not ensure that a significant amount of food aid was used for its intended purpose in 1995 and 2) internal controls over the movement of commodities could be strengthened at CRS/Burkina Faso and at the beneficiary level. Regarding program income², CRS/Burkina Faso received a waiver from Regulation 11 which requires that all program income be reported.

As previously mentioned, REDSO/WCA assumed responsibility for the P.L. 480 Title II Program in Burkina Faso when USAID/Burkina Faso closed on September 30, 1995. REDSO/WCA has assigned one Food for Peace Officer programmatic responsibility over the CRS/Burkina Faso food aid program. Per REDSO/WCA's Food Aid Management Plan, this officer performs site visits at least twice a year (which was done in fiscal year 1996) to ensure that the Burkinabe food aid program was operating as intended. In addition, REDSO/WCA performs a paper trail review of commodity movements from their arrival in port to their distribution to beneficiaries, conducts site visits to at least five percent of recipient institutions, and reviews financial flows of monetized commodities.

Regarding the management structure in Burkina Faso, CRS/Burkina Faso transferred primary responsibility for managing the School Feeding Program to the Government of Burkina Faso's Ministry of Basic Education and Literacy for the Masses (MEBAM) in 1988. However, CRS/Burkina Faso remained responsible for managing the food-for-work and general relief activities.

Overall, we found that CRS/Burkina Faso was efficient in keeping food commodity losses to a minimum despite the numerous obstacles encountered in transporting commodities from the U.S. to a landlocked country. To illustrate, its transportation losses were only 0.61 percent for fiscal year 1995 monetization commodities that were shipped from the U.S. to Abidjan, Cote d'Ivoire and then trucked from Abidjan to CRS's warehouses in Burkina Faso. Further, we noted that food commodities stored at CRS's warehouse in Burkina Faso were stored properly, fumigated when needed, and rotated out on a first-in first-out basis. In addition, we found that CRS/Burkina Faso ensured that food aid reached its

² Program income includes contributions from parents for the transport of food commodities to primary schools, sales of empty containers, and other local contributions/income needed to operate the feeding program.

intended beneficiaries through at a minimum, annual site visits to its food-for-work and general relief partners by either the related CRS manager or by its in-house internal auditors.

Concerning the management of the School Feeding Program, MEBAM was responsible for programming and shipping food commodities to participating primary schools and ensuring that the food commodities reached the intended students. To carry out its responsibilities, MEBAM has a programming office staffed with approximately 12 people and has 49 controllers who are supposed to visit each school participating in the feeding program twice per year. However, due to constraints including the arrival of food commodities two to three months after primary schools have opened, poor road conditions, and long distances between controllers' offices and primary schools, some controllers may only make one visit to a school per year.

Although we noted that REDSO/WCA, together with CRS/Burkina Faso, generally had an adequate management structure to ensure that food reached the intended beneficiaries, we found that MEBAM significantly over-programmed food commodities to primary schools in 1995 and that commodity controls could be strengthened at CRS/Burkina Faso and at the beneficiary level. These three issues are discussed below.

CRS/Burkina Faso needs to ensure that proper quantities of food commodities are shipped to primary schools

USAID Regulation 11, Section 211.9 states that if a commodity is not used for its intended purpose, the cooperating sponsor shall pay to the United States the value of the misused commodities that could have been prevented by proper exercise of the cooperating sponsor's responsibility. We found that during the latter part of the 1994 - 1995 school year, MEBAM's inexperienced School Feeding Program director made a poor management decision to program four-month allocations of commodities to primary schools even though there were not four months left in the school year. As a result, \$378,242 in excess food commodities was distributed to primary schools. We were told that the excess food rations were given away to students to take home over the summer. As such, these commodities which were supposed to be used to provide a daily meal to school children, were not used for their intended purpose.

Recommendation No. 3: We recommend that the Director, REDSO/WCA determine the allowability of the questioned costs (estimated at \$378,242) for the School Feeding Program's food commodities that were not used for their intended purpose during the 1994 -1995 school year.

Due to BHR/FFP's late approval of CRS/Burkina Faso's first commodity call forward (i.e. request for food) for fiscal years 1994, 1995, and 1996, the School Feeding Program started late in each of these school years. For example, for fiscal year 1995, food commodities did not arrive at CRS/Burkina Faso's warehouses until January 1995 and were generally not distributed to most of Burkina Faso's provinces until February 1995 (i.e. 4 months after the school year started). As a result of the late arrival of food commodities to Burkina Faso, the School Feeding Program's impact has been hindered in 1994, 1995, and 1996.

MEBAM, which normally programmed food on a four-month allocation basis, continued to program a four-month food supply even when there were not four months left in the school year.

Since commodities were received late in fiscal year 1995, there should have been enough food commodities left over to start the fiscal year 1996 School Feeding Program on schedule—if proper commodity allocations were being programmed. That is, if there were only two months left in the 1994 - 1995 school year, then a school should have only received food commodities to last two months. However, we found that MEBAM, which normally programmed food on a four-month allocation basis, continued to program a four-month food supply even when there were not four months left in the school year. This poor programming decision, which was made by MEBAM's inexperienced School Feeding Program director who was in his first year as the program's director, resulted in \$378,242 in excess rations programmed and distributed to primary schools. The \$378,242 represented 6.9 percent of the value of the School Feeding Program's commodities.

It should be noted that the significance of the programming error later increased because truckers did not always expeditiously pick up food commodities from the warehouse. That is, since there was no time limit for when a dispatch note had to be honored, truckers would pick up their deliveries when it was convenient for them to do so. As a result, delays averaging 24 days occurred between the date a dispatch note was issued and the date that the food was actually delivered. These delivery delays, over which MEBAM has since instituted controls, meant that there were an additional \$446,000 in food commodities that remained unused at the end of the school year. Thus, the total amount of excess rations grew to \$824,000 or 15 percent of the School Feeding Program's total commodities.

While performing site visits at primary schools, we asked what happened to the food commodities that had not been consumed by the end of the school year. School Directors told us that the excess rations were given away to students to take home for the summer. CRS/Burkina Faso told us that if the excess food had been stored at the primary schools during the summer months/rainy season, then the food would have been highly susceptible to spoilage and infestation, and thus, may not have lasted until the start of the following school year.

CRS/Burkina Faso's contract with MEBAM for the 1994/95 school year stated that MEBAM was responsible for ensuring that the food commodities were only used to provide a daily meal to school children. Accordingly, the excess food that was given away for the school children to take home for the summer was not used for its intended purpose. Further, CRS/Burkina Faso never informed USAID of the programming error as we believe they should have.

USAID Regulation 11, Section 211.9 states that if a commodity is not used for its intended purpose, the cooperating sponsor shall pay to the United States the value of the misused commodities that could have been prevented by proper exercise of the cooperating sponsor's responsibility. Since we found that proper commodity distributions were made by MEBAM during the latter part of the 1993/94 school year and since MEBAM had been programming food commodities for the School Feeding Program since 1988, we believe that the programming error that occurred in the 1994/95 school year was clearly avoidable. Accordingly, we have questioned the \$378,242 of misused commodities that were related to MEBAM's programming error. However, we have not questioned the \$446,000 in excess commodities which were related to trucking delays because MEBAM did not have control over them.

MEBAM's programming error was detected by a CRS/Burkina Faso internal auditor who brought the matter to CRS/Burkina Faso management's attention in July 1995. The following month CRS/Burkina Faso wrote a letter to the Director of MEBAM's School Feeding Program and informed him that he had exercised bad management by distributing excess food commodities to the primary schools at the end of the 1994/95 school year and told him not to over-program food in the future. Accordingly, we checked to verify whether the same poor management practices were still occurring in fiscal year 1996. We found that although there were isolated instances in March 1996 when MEBAM had programmed excess food rations to primary schools, no such instances were noted in April 1996 and it appeared that the over-programming practice had ceased.

CRS/Burkina Faso needs to improve its commodity controls to ensure that food aid is delivered to the intended beneficiaries

USAID Regulation No. 11, Section 211.5(b)(1) states that cooperating sponsors shall provide adequate supervisory personnel for the efficient operation of the program, including personnel to plan, organize, implement, control, and evaluate programs involving the distribution of commodities. Although CRS's internal auditors performed some checks, CRS/Burkina Faso generally relied upon MEBAM and MEBAM's controllers to ensure that food programmed for its school feeding activities reached the intended beneficiaries. As such, CRS/Burkina Faso had not established a control to ensure that commodity dispatch notes and receiving reports were matched. Such a control would provide CRS/Burkina Faso additional assurance that (1) programmed food commodities reached the intended beneficiaries and (2) delivery losses incurred during the transport of food commodities were reimbursed. We believe that the matching of original dispatch notes to their signed, final copies is a basic internal control measure which CRS/Burkina Faso should implement to strengthen and improve its commodity controls.

Recommendation No. 4: We recommend that the Director REDSO/WCA request CRS/Burkina Faso to:

- 4.1 require the Government of Burkina Faso's Ministry of Basic Education and Mass Literacy to furnish CRS/Burkina Faso with a copy of the signed receiving report for all commodities that leave CRS/Burkina Faso's warehouses; and**
- 4.2 require CRS/Burkina Faso to match up copies of the receiving reports with the original dispatch note to verify that the food aid was properly delivered and that all due transportation losses have been collected.**

CRS/Burkina Faso has entrusted the management of the School Feeding Program, which used approximately 70 percent of CRS/Burkina Faso's non-emergency food commodities in fiscal year 1996, to the Government of Burkina Faso's Ministry of Basic Education and Literacy for the Masses (MEBAM). Although CRS's auditors performed some checks, CRS/Burkina Faso generally relied on MEBAM and MEBAM's controllers to ensure that food commodities reached the intended beneficiaries.

MEBAM ensures the distribution of commodities by delivering signed dispatch notes to truckers who in turn present themselves to CRS/Burkina Faso's warehouses to load commodities for distribution to schools. CRS/Burkina Faso

receives a copy of the initial dispatch note showing the quantities to be distributed, but does not receive a copy of the final dispatch note. This last dispatch note would serve as a receiving report because it bears the signature of the final beneficiary with a mention of the losses incurred by the trucker. Upon receipt of the final dispatch note, MEBAM deducts the losses from the transportation fees owed to the trucker and forwards a check to CRS/Burkina Faso for the losses.

Since CRS/Burkina Faso generally relied upon MEBAM to ensure that food aid reached the intended beneficiaries, it had not established a control to ensure that commodity dispatch notes and signed, final dispatch notes (i.e. receiving reports) were matched. Such a control would provide CRS/Burkina Faso additional assurance that (1) programmed food commodities reached the intended beneficiaries and (2) delivery losses incurred during the transport of food commodities were reimbursed. We believe that the matching of original dispatch notes to their signed, final copies is a basic internal control measure which ensures that commodities are delivered to the intended beneficiaries.

USAID Regulation No. 11 states that cooperating sponsors shall provide adequate supervisory personnel for the efficient operation of the program, including personnel to plan, organize, implement, control, and evaluate programs involving the distribution of commodities. Accordingly, to ensure that its food aid is being properly delivered and that the processing of losses is accurate, CRS/Burkina Faso should request from MEBAM copies of the signed, final receiving reports. This would allow CRS/Burkina Faso to match up the final receiving reports with the related original dispatch note and follow up on any differences between the two notes.

Commodity controls at the beneficiary level need to be strengthened

USAID Regulation 11, Section 211.5(b)(2) states that cooperating sponsors shall provide adequate personnel to make warehouse inspections, physical inventories and end-use checks on food aid. During site visits to primary schools, food-for-work activities and one welfare center, we noted weaknesses in commodity controls including inadequately maintained log books, improperly stacked commodities and a lack of separation of duties as the commodity custodians also kept the commodity log books. The weaknesses were due mostly to the reassignment of headmasters and teachers who serve as school feeding managers which results in programs managed by newly arrived and ill-trained teachers. Strong commodity controls are important at the beneficiary level as they provide assurance that commodities distributed from CRS/Burkina Faso's warehouses are reaching the intended recipients. To help strengthen commodity controls at

the beneficiary level, CRS/Burkina Faso should remind school feeding controllers to discuss the importance of accurate inventory records, proper food storage, and separate food aid inventory responsibilities with commodity custodians (providing demonstrations or training, when needed) during their visits to primary schools and to send a similar reminder to CRS/Burkina Faso's food-for-work and welfare partners.

Recommendation No. 5: We recommend that the Director, REDSO/WCA require CRS/Burkina Faso to remind the Government of Burkina Faso's Ministry for Basic Education and Mass Literacy and CRS/Burkina Faso's Food-for-Work and Welfare partners of the importance of a) keeping complete inventory records which include daily entries for quantities received, quantities distributed, and the balance remaining, b) storing food properly, and c) separating commodity custodian responsibilities.

USAID Regulation 11, Section 211.5(b)(2) states that cooperating sponsors shall provide adequate personnel to make warehouse inspections, physical inventories and end-use checks on food aid. In regards to its School Feeding Program, CRS/Burkina Faso has delegated responsibility for the managing of and accounting for food aid at the primary school level to MEBAM.

During site visits to determine whether food was actually reaching the intended beneficiaries, we checked the controls and inventory records at primary schools, food-for-work partners, and one welfare center. At each of the 9 site visits that we made, we noted that commodity controls could be strengthened. Specifically, we found that commodity logbooks were generally inadequately maintained and at one school, were not being kept at all. We also noted that commodities were not always stored on pallets and were difficult to count, which in some cases made it impossible to reconcile the physical inventory to the figures in the logbooks. Further, we noted that there was generally no separation of duties as the warehouse manager in addition to his custodial duties kept the commodities books. The above weaknesses were due to the frequent reassignment of headmasters and teachers who serve as school feeding managers which results in some feeding programs being managed by newly-arrived and ill-trained teachers.

CRS/Burkina Faso has developed a standard inventory sheet which requires commodity custodians to record the amount of commodities received and the amount of commodities distributed as well as a current inventory balance. However, we did not see any of the custodians we visited using either this form or a similar form containing all of the elements that are listed on the form (e.g. quantities received, quantities distributed, daily inventory balance). Strong commodity controls are important at the beneficiary level as they provide assurance that commodities distributed from CRS/Burkina Faso's warehouses

are reaching the intended recipients. CRS/Burkina Faso should remind school feeding controllers to discuss the importance of accurate inventory records, proper food storage, and separate food aid inventory responsibilities with commodity custodians during their visits to primary schools and to send a similar reminder to CRS/Burkina Faso's food-for-work and welfare partners.

Management Comments and Our Evaluation

REDSO/WCA requested that the \$378,242 in questioned costs from Recommendation No. 3 not be sustained because the intended beneficiaries did receive the food rations that were established for them. In addition, REDSO/WCA stated that the questioned distribution was in line with the spirit of CRS's long-term objective for improving children's health. Further, REDSO/WCA stated that it did not consider the food to have been intentionally "misused" or that CRS should be penalized. Based on REDSO/WCA's determination not to sustain the questioned costs, Final Action has been taken on Recommendation No. 3.

REDSO/WCA accepted both Recommendation Nos. 4 and 5. Regarding Recommendation No. 4, REDSO/WCA stated that it understood that CRS had added an additional copy of the waybill to increase its control of food deliveries and collection of claims and that it will follow up on the recommendation during future visits to CRS/Burkina Faso. Accordingly, REDSO/WCA has made Management Decisions to address Recommendation Nos. 4.1 and 4.2. Final Action on Recommendation No. 4.1 can be considered complete when REDSO/WCA receives written evidence that CRS/Burkina Faso has added an additional copy of the waybill. Final Action can be considered complete for Recommendation No. 4.2 when REDSO/WCA determines that CRS/Burkina Faso is matching up receiving reports to the original dispatch notes.

Concerning Recommendation No. 5, REDSO/WCA stated that CRS/Burkina Faso had agreed to hold a workshop refresher course in commodity management issues for School Feeding Program staff. However, REDSO/WCA did not state whether CRS/Burkina Faso had agreed to hold a workshop or to issue reminders on the need to strengthen the commodity controls of its Food-For-Work or Welfare partners. Accordingly, we believe that REDSO/WCA has not yet made a Management Decision which fully addresses Recommendation No. 5. A Management Decision will be considered made when REDSO/WCA addresses the need for CRS/Burkina Faso to hold workshops for or to issue reminders to its school feeding, food-for-work, and welfare partners of the importance of keeping adequate commodity records. Final Action on the recommendation can be considered complete when REDSO/WCA receives evidence that CRS/Burkina Faso has issued a reminder to its partners and/or evidence that planned workshops have been completed.

Has REDSO/WCA progressed toward achieving the results of food aid activities as intended in Mission and cooperating sponsor planning documents?

We were unable to determine the progress REDSO/WCA has made in achieving the results of its food aid activities because REDSO/WCA had not yet determined how to integrate its food aid activities into its strategic objectives. REDSO/WCA took over the P.L. 480 Title II Program in Burkina Faso when USAID closed its mission in Burkina Faso on September 30, 1995. Accordingly, it had not developed any performance goals and indicators, or collected baseline data which could be used to measure the progress of its P.L. 480 Title II Program in Burkina Faso. Further, due to a combination of weaknesses involving CRS/Burkina Faso's 1) goals and performance indicators, 2) baseline data, and 3) performance monitoring system, it was not clear what progress the program had made towards achieving the results intended in CRS/Burkina Faso's planning documents.

It is USAID's policy to fully integrate most of its food aid resources into missions' development portfolios. In fact, USAID's Interim Guidance for Implementing the Food Aid and Food Security Policy Paper (issued in draft in June 1995) requires missions to determine how their programs will be supported by food aid activities before food aid activities can be approved. However, per USAID's *Final Draft Guidelines for FY 1997 P.L. 480 Title II Development Activity Proposal and Previously Approved Activity Submissions*, even if a proposed food aid program cannot be integrated into a mission's portfolio, the proposed program can still be approved by USAID. In sum, although USAID encourages its missions to do so, missions are not required to integrate their food aid programs into their strategic objectives.

REDSO/WCA was in the initial stages of developing a regional USAID strategy for West and Central Africa, which we were told, would capture the results of USAID's food aid programs in this region. Since REDSO/WCA was working to capture the results of its food aid activities in a regional strategic framework, we are not making a recommendation for it to do so. However, we do recommend that REDSO/WCA work with CRS/Burkina Faso to 1) correct the weaknesses in its performance objectives and indicators, and 2) develop a performance monitoring plan to collect baseline and annual reporting data. In addition, we noted that efforts could be made to increase the sustainability of the School Feeding Program. These issues are discussed below.

CRS/Burkina Faso needs to develop clear, meaningful, and measurable performance indicators

USAID Handbook 9, Chapter 6A1 states that Title II programs should have clear, concise goals and objectives and criteria for measuring program effectiveness. However, we found weaknesses in CRS/Burkina Faso's performance objectives and indicators which led us to question the meaningfulness of these objectives and indicators. For example, we noted that some performance indicators may have been achieved before the 1994 - 1996 feeding program started and that some indicators were not to be measured until the end of the food aid program in fiscal year 1996 instead of in regular intervals throughout the program. The above weaknesses occurred mainly because CRS/Burkina Faso's system for managing for results was still evolving. By not having clear, meaningful and measurable performance indicators with interim benchmarks, CRS/Burkina Faso is in a weak position to report on the impact of its feeding programs. Accordingly, we recommend that REDSO/WCA work with CRS/Burkina Faso to further develop CRS/Burkina Faso's performance monitoring system.

Recommendation No. 6: We recommend that the Director, REDSO/WCA require its Food for Peace Office to work with CRS/Burkina Faso to develop program goals and performance indicators with appropriate benchmarks that are clear, meaningful, and measurable for the School Feeding, Food-for-Work and Welfare Programs.

USAID Handbook 9, Chapter 6A1 states that Title II programs should have clear, concise goals and objectives and criteria for measuring program effectiveness. Further, it states that this criteria will serve as benchmarks against which to measure progress in an Annual Progress Report. However, we found weaknesses in CRS/Burkina Faso's performance goals and indicators which led us to question the meaningfulness of the cooperating sponsor's goals and indicators. We also noted that some performance indicators were not to be measured until the end of the food aid program in fiscal year 1996 instead of at regular intervals throughout the program.

One of the main objectives of the School Feeding Program is to increase/maintain attendance at participating primary schools to a year-long average of 85 percent. However, an evaluation of the School Feeding Program in fiscal year 1994 found that due to the way attendance records are kept in Burkina Faso, attendance rates are nearly always overstated and usually reflect almost 100 percent attendance. Thus, the 85 percent attendance goal, based on official attendance records, may have already been achieved in 1994. In 1995, CRS/Burkina Faso collected a sample of attendance data in one province which revealed an average attendance rate of 96.4 percent. Similarly, sample attendance rates that we collected during our site visits to School Feeding Program schools showed an

average attendance rate of approximately 98 percent. Thus, based on attendance rates reported in the 1994 School Feeding Program evaluation, attendance data collected by CRS/Burkina Faso in 1995, and attendance data collected during our audit in 1996, primary school attendance rates appeared well above the 85 percent attendance goal that was set by CRS/Burkina Faso.

By setting a goal to increase/maintain attendance at 85 percent, CRS/Burkina Faso set a goal, which based on official school attendance records, may have already been achieved before the current School Feeding Program began in 1994.

By setting a goal to increase/maintain attendance at 85 percent, CRS/Burkina Faso set a goal which, based on official school attendance records, may have already been achieved before the current P.L. 480 Program began in 1994 and which may have been achieved whether or not the School Feeding Program existed. Thus, the meaningfulness of the attendance indicator is brought into question. More notably, however, the high official attendance rates bring into question the main purpose of the School Feeding Program which is to increase attendance at primary schools.

It should be noted that an objective of the proposed follow-on program (1997 - 2001) is also to improve attendance. However, unless REDSO/WCA and CRS/Burkina Faso can demonstrate that attendance rates are overstated and determine a baseline attendance rate, it would not be prudent to establish an objective to improve primary school attendance because attendance rates will likely remain in the 90 percent - 100 percent range.

Another major goal of the current School Feeding Program is to have Parent-Teacher Associations (PTA) functioning at 75 percent of the participating primary schools. Theoretically, however, we found that each school that participates in the School Feeding Program has a PTA because it is the school's PTA which helps organize and support the operation of its school's feeding program. Thus, the percentage of primary schools in the School Feeding Program that had PTAs was 100 percent—well above the targeted rate of 75 percent. Accordingly, we question the meaningfulness of this indicator.

In addition to the objectives established for the School Feeding Program, CRS/Burkina Faso also established goals for its Food-for-Work and Welfare Programs. Regarding the Welfare Program, CRS/Burkina Faso established an objective to feed 18,000 socially disadvantaged individuals. However, the value of such an objective is questionable. To illustrate, since CRS/Burkina Faso orders enough food to provide daily meals for 18,000 welfare recipients per year, it can feed, for example, 18,000 people for the first six months of the year and another 18,000 people over the next six months. Thus, in its annual report, CRS/Burkina Faso could report feeding a total of 36,000 beneficiaries which would greatly exceed the targeted 18,000 beneficiaries.

Because of the above flexibility in the Welfare Program's performance indicator, CRS/Burkina Faso was able to state in its 1995 Results Report that it had distributed food to a combined total of 22,379 beneficiaries while only distributing 72 percent of the total amount of commodities ordered to feed 18,000 beneficiaries. Given this flexibility, we question the meaningfulness of the Welfare Program's performance objective and believe that a clearer objective would involve the number of meals CRS/Burkina Faso planned to serve in a given year instead of the number of beneficiaries for whom food was ordered.

In addition to the above concerns with CRS/Burkina Faso's performance objectives and indicators, we noted that some performance objectives and indicators were to be measured at the end of the food aid program in FY 1996 instead of at regular intervals throughout the program. Some examples include the following:

- 1) 50 percent of the PTA leadership positions will be held by school-parents and at least 25 percent will be held by women at the end of FY 1996,
- 2) 75 percent of participating farmers will experience a significant decrease in post-harvest production loss by the end of FY 1996, and
- 3) Community-based agricultural innovation and extension activities will increase among 2,000 additional participating farmers by the end of FY 1996.

To better manage for results, interim targets (e.g. annual) should be established to measure progress towards performance goals and indicators. Progress towards such targets can be used to determine whether a program objective is on schedule to be achieved or whether it should be revised.

The above weaknesses in CRS/Burkina Faso's performance goals and indicators occurred mainly because CRS/Burkina Faso's system for managing for results was still evolving. By not having clear, meaningful and measurable performance

indicators with interim benchmarks, CRS/Burkina Faso is in a weak position to report on the impact of its feeding programs. Accordingly, we recommend that REDSO/WCA work with CRS/Burkina Faso to develop program goals and performance indicators, with appropriate benchmarks, that are clear, meaningful, and measurable for its School Feeding, Food-for-Work, and Welfare Programs.

CRS/Burkina Faso needs to develop a better performance monitoring plan to collect baseline and annual reporting data

USAID Regulation 11 requires cooperating sponsors to maintain information systems for collecting data on the progress and impact of their programs and to periodically report this data to USAID. Our review of CRS/Burkina Faso's management information system found significant weaknesses in CRS/Burkina Faso's information system including a lack of baseline and annual reporting data. As a result, CRS/Burkina Faso can not clearly explain the impact that its School Feeding Program has had (e.g. increased attendance rates from 75 percent to 85 percent). The performance monitoring weaknesses occurred because CRS/Burkina Faso did not place priority on its management information system and thus, did not allocate sufficient staff to collect the needed data. For its FY 1997 - 2001 food aid program, CRS/Burkina Faso proposes to form a specific Monitoring and Evaluation Unit to collect such data. Accordingly, we recommend that REDSO/WCA ensure that CRS/Burkina Faso collects baseline data for each of its performance objectives and indicators and that CRS/Burkina Faso develops a performance monitoring plan to collect annual reporting data.

Recommendation No. 7: We recommend that the Director, REDSO/WCA:

- 7.1 Require CRS/Burkina Faso to collect baseline data for each of its P.L. 480 Title II Non-Emergency Food Aid performance objectives and indicators; and**
- 7.2 Require CRS/Burkina Faso to establish a performance monitoring plan to systematically collect information on the results of each of its P.L. 480 Title II Non-Emergency Food Aid performance goals and indicators.**

USAID Regulation 11 requires cooperating sponsors to maintain information systems for collecting data on the progress and impact of their programs and to periodically report this data to USAID. Our review of CRS/Burkina Faso's management information system found significant weaknesses in CRS/Burkina Faso's information system including a lack of baseline and annual reporting data.

CRS/Burkina Faso set objectives to 1) increase/maintain the attendance of children in rural primary School Feeding Program schools to a year-long average of 85 percent, 2) have Parent Teacher Associations (PTA) functioning in 75 percent of participating primary schools, and 3) have 50 percent of the PTA leadership positions held by school parents with at least 25 percent of the positions filled by women. However, baseline data has not been collected for any of the above objectives. Accordingly, CRS/Burkina Faso is in a difficult situation to explain the impact that its School Feeding Program has had (e.g. increased attendance rates from 75 percent to 85 percent).

Further, although performance objectives were established to increase 1) school attendance, 2) the percentage of women holding PTA leadership positions, and 3) arable land in food-for-work project areas, CRS/Burkina Faso did not develop and implement a detailed performance monitoring plan to ensure that it collected data to measure whether its goals were being achieved. To illustrate, in its 1995 results report, CRS/Burkina Faso stated that a sample of attendance data collected from School Feeding Program schools showed that CRS/Burkina Faso had exceeded the 85 percent attendance goal. However, when we looked at this sample, we found that it only included attendance rates at nine schools (out of nearly 1,500 in the School Feeding Program) in one of Burkina Faso's 30 provinces. This small 1995 sample size demonstrated that CRS/Burkina Faso had not established a comprehensive data collection system to obtain school attendance data by the end of the 1995 fiscal year. In fiscal year 1996, CRS/Burkina Faso was working to develop a data collection plan which would collect data for the 1997 program.

Regarding the percentage of women holding PTA leadership positions, CRS/Burkina Faso also had not established a system to collect data on this indicator. Thus, in its 1995 results report, it was unable to give any statistics on how far it had progressed towards getting 25 percent of the PTA leadership positions filled with women.

The above baseline and data collection weaknesses occurred because CRS/Burkina Faso did not place priority on its management information system and thus, did not allocate sufficient staff to collect the needed data. To address the weaknesses, CRS/Burkina Faso needs to establish a performance monitoring plan that will ensure that accurate baseline and annual reporting information is collected for each of its goals and performance indicators. CRS/Burkina Faso has proposed to establish a Monitoring and Evaluation Unit for its next P.L. 480 Title II Program. We believe that the establishment of such a unit will be essential for CRS/Burkina Faso to collect baseline data and to capture and report on the results of its food aid activities.

Additional efforts could be made to improve the sustainability of the School Feeding Program

USAID's Food Aid and Food Security Policy Paper, which was issued in February 1995 (after the current food aid program in Burkina Faso was approved), states that USAID is committed to the effective and efficient use of food aid as a resource for sustainable development. A feasibility study on the long-term sustainability of the School Feeding Program was originally proposed to be performed during the 1994 - 1996 food aid program. However, it was cancelled when USAID announced the closing of the USAID Mission to Burkina Faso as of September 30, 1995 and the termination of the Burkina Faso food aid program as of September 30, 1996. As a result, efforts that could have been made to increase the sustainability of the program before its scheduled termination were not made. We believe that since the program was scheduled to be closed, CRS/Burkina Faso should have ordered the study and begun to implement any recommendations from the study to try to make the School Feeding Program sustainable by the time the program ended. As such, if USAID decides to continue to support CRS/Burkina Faso's School Feeding Program, then it should require that the originally-proposed sustainability study on the program be performed.

Recommendation No. 8: We recommend that the Director for the Bureau for Humanitarian Response/Food for Peace require CRS/Burkina Faso in cooperation with REDSO/WCA to conduct a study to determine how the Government of Burkina Faso can sustain the School Feeding Program after the P.L. 480 Title II School Feeding Program terminates (if USAID decides to fund a School Feeding Program in Burkina Faso during the period from 1997 - 2001).

USAID's Food Aid and Food Security Policy Paper, which was issued in February 1995 (after the current food aid program in Burkina Faso was approved), states that USAID is committed to the effective and efficient use of food aid as a resource for sustainable development. Strong efforts have been made to increase the sustainability of CRS/Burkina Faso's School Feeding Program including 1) the transfer of administrative responsibilities from CRS/Burkina Faso to MEBAM in 1988 and 2) the establishment of requirements for parents to make financial contributions to support the program. However, there is still some doubt about the sustainability of the program without donor assistance—particularly since the program has been ongoing for over 30 years.

A feasibility study on the School Feeding Program's long-term sustainability was originally proposed to be performed during CRS/Burkina Faso's 1994 - 1996 food aid program. However, due to 1) a delay in conducting an evaluation of the School Feeding Program and 2) USAID's announcement that it was closing its

Mission to Burkina Faso office as of September 30, 1995 and ending the Burkina Faso P.L. 480 Title II Program as of September 30, 1996, CRS/Burkina Faso decided not to have the study performed. As a result, efforts that could have been made to increase the sustainability of the program before its scheduled termination, were not made.

In retrospect, since the program was scheduled to close, CRS/Burkina Faso should have ordered the study and begun to implement any recommendations from the study to try to make the School Feeding Program sustainable by the time the program ended. As such, if USAID decides to approve a proposed CRS/Burkina Faso School Feeding Program for the period 1997 - 2001, we recommend that it require a sustainability study be performed on the program to determine how the Government of Burkina Faso can sustain the School Feeding Program after USAID's P.L. 480 Title II Program terminates in the year 2001.

Management Comments and Our Evaluation

REDSO/WCA stated that it believed that Recommendation Nos. 6 and 7 had already been addressed in CRS/Burkina Faso's May 1996 Development Activity Proposal (DAP). Specifically, REDSO/WCA explained that the DAP addressed Recommendation No. 6 by stating that CRS/Burkina Faso's new goals and indicators were set forth and approved by BHR/FFP as the result of an AID interoffice review. Although BHR/FFP had approved the goals and indicators, we noted that CRS/Burkina Faso's objectives to increase parental awareness was not clearly written. That is, this objective aims to increase parental awareness of, involvement in, and support for primary school education, but does not state how much of an increase in parental awareness is expected. Accordingly, it needs to be clarified.

In addition, we noted that interim benchmarks had not been established for CRS/Burkina Faso's performance objectives. For example, CRS/Burkina Faso has set enrollment, attendance, drop-out, and examination success rate goals that are to be met by the end of the DAP period in the year 2001. However, it has not established benchmarks against which it will be measuring its interim progress towards the objectives established for the year 2001. We believe, therefore, that REDSO/WCA has not made a Management Decision to address Recommendation No. 6. A Management Decision on the recommendation will be made when REDSO/WCA addresses the need for CRS/Burkina Faso to (1) clarify its objective to increase parental awareness and (2) develop interim benchmarks (preferably annual ones) for its performance objectives and indicators. Final Action on the recommendation can be considered complete when REDSO/WCA reviews and accepts a clarified version of the increased parental awareness objective and when REDSO/WCA receives evidence that CRS/Burkina Faso has

established interim benchmark indicators for its performance objectives and indicators.

In regards to Recommendation No. 7, REDSO/WCA stated that the baseline data to be collected are spelled out in the DAP and that the DAP also describes a Monitoring and Evaluation Plan. We agree. Accordingly, we believe that Management Decisions have been made to address Recommendation Nos. 7.1 and 7.2. Final Action will be considered complete for Recommendation No. 7.1 when CRS/Burkina Faso provides evidence that it has collected baseline data for its performance objectives and indicators. Final Action can be considered complete for Recommendation No. 7.2 when REDSO/WCA determines that CRS/Burkina Faso is implementing its performance monitoring plan by systematically collecting information on the results of its performance objectives and indicators.

Regarding Recommendation No. 8, BHR/FFP said that CRS's May 1996 DAP stated that CRS was committed to the necessity of developing long-term strategies for replacing imported commodities in the program using sustainable local resources furnished by the Government of Burkina Faso and the communities. BHR/FFP added, however, that it was not clear how the development of this strategy would be undertaken at this point and that it may not necessarily take the form of a study, per se. Based upon BHR/FFP's comments, a Management Decision has been made to address Recommendation No. 8. Final Action will be considered complete when BHR/FFP, CRS/Burkina Faso, and REDSO/WCA conduct a study or otherwise determine how the Government of Burkina Faso can sustain the School Feeding Program when the proposed Title II P.L. 480 Program ends in the year 2001.

SCOPE AND METHODOLOGY

The Office of the Regional Inspector General for Audit, Dakar, audited REDSO/WCA's P.L. 480 Title II non-emergency food aid program in Burkina Faso in accordance with generally accepted government auditing standards. Our fieldwork was conducted from February 1996 through May 1996 at the Regional Economic Development Services Office for West and Central Africa (REDSO/WCA) in Abidjan, Cote d'Ivoire and at Catholic Relief Services' (CRS) headquarters in Ouagadougou, Burkina Faso.

Our fieldwork centered on CRS/Burkina Faso's activities and accomplishments in fiscal year 1995 and on REDSO/WCA's activities in fiscal year 1996 with an emphasis on CRS's School Feeding Program. Total audit coverage was approximately \$19 million. We did not perform a financial audit of (1) the dollar amounts assigned to the P.L. 480 Title II commodities or (2) the local currencies generated from the sale of P.L. 480 Title II commodities (monetization funds). Although we did note a significant misuse of food commodities, the extent of our work was too limited to provide reasonable assurance that no other major misuses or losses were occurring.

The Director, REDSO/WCA and CRS/Burkina Faso's Country Representative made various representations concerning the management of their P.L. 480 Title II programs in separate management representation letters.

In conducting our field work, we performed analyses of economic and education information, and assessed CRS/Burkina Faso's internal controls over commodities. Our audit also included an analysis of pertinent regulations—notably USAID Regulation 11 (May 7, 1992) and USAID's Food Aid and Food Security Policy Paper (February 27, 1995)—and a review of CRS/Burkina Faso's operating procedures and REDSO/WCA's Internal Control Assessment.

To determine the excess rations of food aid that were distributed to primary schools, we used a food distribution report that was prepared by the Government of Burkina Faso's Ministry of Basic Education and Literacy for the Masses. Based on this report, which we did not audit, we selected a random statistical sample and calculated a variable sampling interval that provided a 90 percent confidence level that the amount of excess rations was valued between \$310,498 and \$440,342 (assuming \$1 = 500 FCFA). The amount of questioned costs totaling

\$378,242 was determined by projecting the average amount of excess rations of our statistical sample to the universe.

We also reviewed documentary and testimonial evidence and interviewed cognizant USAID, CRS/Burkina Faso, Government of Burkina Faso, and non-governmental organization officials. Further, we made site visits and performed inventory and commodity control tests at seven primary schools, six food-for-work sites and at one welfare center. The site visits were made in the Sanmentenga, Yatenga, and Passore provinces of Burkina Faso.

MEMORANDUM

Date: September 25, 1996
From: Willard Pearson, Director, REDSO/WCA
Subject: Draft Report on The Audit of REDSO/WCA's P.L. 480 Title II Non-Emergency Food Aid Program in Burkina Faso
To: Thomas Anklewich, RIG/A/Dakar

REDSO/WCA acknowledges receipt of the subject report. Our comments provided below are intended to respond to RIG's findings and draft recommendations. These comments do not include those from BHR/FFP relating to recommendations two and eight, which will be provided in a separate memo.

.....

Objective No. 1: Did REDSO/WCA, together with its cooperating sponsors, have an adequate management structure to ensure that food aid is targeted to the most needy people?

It has not been within REDSO/WCA's monitoring and oversight mandate to play a role assessing whether the people reached are the most needy. As the draft report points out, the main objective of the School Feeding Program is to increase school attendance rates, enhance education, and improve food security and not necessarily to feed the most needy. The divergence between this objective and the explicit goals of the School Feeding Program has resulted in a fundamental incongruence between the audit findings and the operating results of the Program.

Moreover, the environment for food aid has changed. Because of a diminution of USG food surpluses, stricter criteria are being applied to food aid programming. No longer is it sufficient to feed "needy" people. Food aid must show an impact and measurable results, as established by the Food Aid and Food Security Policy Paper of February 1995. Thus, the audit objective may confuse feeding the "most needy" with feeding people who can help themselves in poor countries.

In the case of Burkina Faso, CRS has been requested by FFP/W to phase-out its general feeding programs, which is direct food distribution to welfare cases (the most needy). Burkina Faso qualifies to receive USG food aid because it is a food deficit needy country. CRS's program was accepted because it targets food aid to children in schools in food deficit areas and can show measurable results in improving school attendance and education of children. An educated population contributes to long term economic development, as opposed to the welfare cases who just get fed. Thus, CRS's goals are not to feed the most needy of the country. They are thus to target an important segment of population, children, to encourage receptiveness and improved access to education.

Recommendation No. 1: We recommend that the Director, REDSO/WCA request CRS/Burkina Faso to reassess its School Feeding Program study to determine if a revised ranking should be made of the Burkina Faso regions that are most in need of a School Feeding Program.

In response to REDSO/WCA's request to reassess the study, CRS explained that it has determined that a revised ranking should not be made of the Burkina Faso regions. CRS

headquarters staff computed rankings of provinces, which were accepted by the USAID/W review panel as laid out in the May 1996 Development Activity Proposal (the "DAP", page 21), and then presented and accepted by the Government of Burkina Faso. At the time of the audit, the individuals at CRS headquarters who prepared this analysis were not available, and local CRS Burkina staff were not readily able to provide underlying support for the calculations.

Despite its inability to support the data at that time, CRS has indicated that the differences between auditors calculations and the CRS calculations were minimal. CRS believes it would cause a great deal of problems at the Burkina official level to retarget schools at this date, and believes program effectiveness might be compromised. CRS agrees to have the headquarters consultant review the original data and explain the methodology so that it is available and transparent for all.

Based on the determination that a new ranking should not be made, we request that this recommendation be closed.

Recommendation 2: We recommend that the Director, Bureau for Humanitarian Response/Food for Peace require that the grant agreements for any future School Feeding Program in Burkina Faso be conditional on the inclusion of graduation criteria which specifies when food aid is needed and when it will no longer be needed.

A response will be provided in a separate memo from BHR/FFP/D.

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Objective No. 2: Did REDSO/WCA, together with its cooperating sponsors, have an adequate management structure to ensure that food aid reaches the intended beneficiaries?

Recommendation 3: We recommend that the Director, REDSO/WCA resolve the questioned costs (estimated at \$378,242) for the School Feeding program's food commodities that were not used for their intended purpose during the 1994 -1995 school year.

We would like to review the circumstances surrounding this situation. Food commodities which were shipped from the USA arrived late in Burkina Faso, fully four months into the school year. CRS's Annual Estimate of Requirement shows food commodities destined to school children for eight months of the year. Because of the late arrival of the food in Burkina Faso (which was neither the fault of CRS in Burkina nor of REDSO/WCA), the remaining rations were given to school children to take home.

The audit states that "the excess food that was given away for the school children to take home for the summer was not used for its intended purposes." Although this may be true in a technical sense, REDSO/WCA points out that the intended beneficiaries did receive the food ration established for them, which is in line with the spirit of CRS's long-term objective of improving children's health so as to create an enabling environment for a more educated and productive population. We argue that the overall yearly ration contributes to food security to deliver healthier children at the beginning of the new school year. Also, given the prevailing circumstances: late arrival of food; alternative uses; potential spoilage and theft; we do not consider the food was intentionally "misused," or that CRS should be penalized.

REDSO/WCA FFPO has discussed this event with CRS Burkina Faso Country Director and understands it was first discovered by the CRS internal auditors. Since that time, measures have been instituted including requirements for timely delivery of commodities, and non-approval of any waybills requesting more food than can be programmed for the balance of a school year.

Therefore, we request that these questioned costs not be sustained.

Recommendation 4: We recommend that the Director REDSO/WCA request CRS/Burkina Faso to:

4.1 require the Government of Burkina Faso's Ministry of Basic Education and Mass Literacy to furnish CRS/Burkina Faso with a copy of the signed receiving report for all commodities that leave CRS/Burkina Faso's warehouses and

4.2 require CRS/Burkina Faso to match up copies of the receiving reports with the original dispatch note to verify that the food aid was properly delivered and that all due transportation losses have been collected.

REDSO/WCA accepts both of these recommendations. We have discussed receiving report procedures with CRS Burkina Faso management, and understand CRS has added an additional copy of the waybill to increase its control of food deliveries and collection of claims by MEBAM. In FY 1997, the extra copy of the waybill will be signed by the warehouse official documenting quantities of food leaving the warehouses and returned to CRS. This will increase CRS control over MEBAM, and be an instrument by which CRS can ensure that MEBAM is collecting claims in a systematic way. It should be noted that, according to CRS, there has been no instance of neglect of collections by MEBAM.

REDSO/WCA FFP will follow up in future TDYs. We therefore request that this recommendation be closed.

Recommendation 5: We recommend that the Director, REDSO/WCA require CRS/Burkina Faso to remind the Government of Burkina Faso's Ministry for Basic Education and Mass Literacy and CRS/Burkina Faso's Food-for-Work and Welfare partners of the importance of; a) keeping complete inventory records which include daily entries for quantities received quantities distributed, and the balance remaining; b) storing food properly and c) separating commodity custodian responsibilities.

REDSO/WCA accepts this recommendation. REDSO/WCA has discussed this recommendation with CRS Burkina Faso management. CRS notes the difficulties of ensuring perfection in inventory records, storage procedures, and delineation of warehouse worker authorities in some 1,800 schools. They have agreed to hold a workshop refresher course in commodity management issues for School Feeding Program staff during the first quarter of FY 1997. They will also be as vigilant as possible in their site monitoring. During a monitoring visit, REDSO/WCA FFP will assess whether additional CRS monitoring capacity is warranted.

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Objective No. 3: Has REDSO/WCA progressed toward achieving the results of food aid activities as intended in REDSO/WCA and cooperating sponsor planning documents?

By itself, REDSO/WCA does not progress towards achieving results of food aid activities. Its role has been only to monitor the cooperating sponsor's progress on measurable results or activities that are described in the cooperating sponsor proposal and approved by USAID/W. It is true that REDSO/WCA is formulating a strategy for USAID activities in West and Central Africa. However, as stated in the audit report, this is a work in progress and it is premature to know how food aid will fit in and the impact it will have on Burkina Faso.

Recommendation 6: We recommend that the Director, REDSO/WCA require its Food for Peace Office to work with CRS/Burkina Faso to develop program goals and performance indicators with appropriate benchmarks that are clear, meaningful, and measurable for the School Feeding, Food-for-Work and Welfare Programs.

We believe this recommendation is already responded to in the May 1996 DAP. As stated in this document, CRS's new goals and indicators were set forth and approved by BHR/FFP as the result of an AID interoffice review (DAP, pages 12-15, 75-84).

Moreover, we would like to clarify for you the role which REDSO/WCA plays in the design process for FFP programs. REDSO/WCA does not participate in the drafting of the DAP. The DAP is essentially an unsolicited proposal. While such proposals have to meet existing FFP guidelines, no USAID person participates in their drafting. Furthermore, only the AA/BHR has the authority to approve programs which he has delegated to the Director of FFP. REDSO/WCA only gives its comments in support or opposition to BHR/FFP during their deliberations. Basically, REDSO/WCA's role is to monitor the program after goals have been established to ensure that those objectives approved in Washington are being carried out.

Recommendation 7: We recommend that the Director REDSO/WCA:

7.1 Require CRS/Burkina Faso to collect baseline data for each of its P.L. 480 Title II Non-Emergency Food Aid performance objectives and indicators and

7.2 Require CRS/Burkina Faso to establish a performance monitoring plan to systematically collect information on the results of each of its P.L. 480 Title II Non-Emergency Food Aid performance goals and indicators.

REDSO/WCA believes that these two recommendations have already been addressed as described below. CRS has not yet performed a baseline survey, although it conducted pilot pre-testing last year. The baseline data to be collected are spelled out in the DAP and include impact of school feeding programs on attendance, enrollment, and retention. Also, the new DAP sets specific targets on enrollment which will be measured against a new record keeping system introduced immediately in 100 pilot schools in FY 1997 and extended to the whole system by FY 1999 (DAP, page 14).

In the DAP (pgs. 71-74), CRS details the establishment of a new monitoring and evaluation unit (M&E) staffed by a new hire M&E specialist. This unit will enable CRS to perform self-correcting actions, based on results of data collection and analysis. The M&E Plan is described in detail in the above-mentioned section of the DAP, including explanation of objectives, activities, and indicators of the new program and how program impact is to be measured against each activity. "CRS/BF and the consultants will work with the GOBF to improve current systems for collection and analysis of the established quantitative determinants of learning outcomes (enrollment, attendance, and continuation rates)."

We therefore request that this recommendation be closed.

Recommendation 8: We recommend that the Director for the Bureau for Humanitarian Response/Food for Peace require CRS/Burkina Faso in cooperation with REDSO/WCA to conduct a study to determine how the Government of Burkina Faso can sustain the School Feeding Program after the P.L. 480 Title II School Feeding Program terminates (if USAID decides to fund a School Feeding Program in Burkina Faso during the period from 1997 - 2001).

A response will be provided in a separate memo from BHR/FFP/D.

Clearances:

Paul Tuebner, D/DIR
Robert Sears, BHR/FFP ✓ See email clearance
Nancy Estes REDSO/FFP ✓
Mark Hunter B & A ✓ for Nancy Estes

Attachment:

Development Activity Proposal, FY1997-2001, Catholic Relief Services, May 15, 1996

MEMORANDUM

Date: Sept. 17, 1996

To: Walter E. Shepherd, Acting RIG/Dakar
Willard Pearson, REDSO/WCA/D

From: William T. Oliver, BHR/FFP/D

Subject: Audit of REDSO/WCA's P.L. 480 Title II Non-Emergency
Food Aid Program in Burkina Faso

As per your Memo of August 27, 1996, our responses to Recommendations 2 and 8 are detailed below.

Recommendation No. 2: We recommend that the Director, Bureau for Humanitarian Response/Food for Peace require that the grant agreements for any future School Feeding Program in Burkina Faso be conditional on the inclusion of graduation criteria which specifies when food aid is needed and when it will no longer be needed.

BHR/FFP believes that this recommendation has already been addressed in the new CRS Development Activity Proposal of March, 1996. The DAP specifically calls for the development of a graduation strategy in its retargeting plan. (DAP, pp 20-21). Criteria of food security and literacy rates have been established which will determine provincial eligibility. The plan calls for closing the program in four provinces in FY 1998, another four provinces in FY 1999, and two final provinces in FY 2000. Nine major urban centers that do not meet the established criteria will also be dropped from the program over this time period.

BHR/FFP requests that this recommendation be closed.

Recommendation No. 8: We recommend that the Director for the Bureau for Humanitarian Response/Food for Peace require CRS/Burkina Faso in cooperation with REDSO/WCA to conduct a study to determine how the Government of Burkina Faso can sustain the School Feeding Program after the P.L. 480 Title II School Feeding Program terminates (if USAID decides to fund a School Feeding Program in Burkina Faso during the period from 1997 - 2000).

Burkina Faso is a low income, food insecure country with one of the world's lowest scores in the world on the UNDP human development index. Nevertheless, CRS has worked towards maximizing the GOBF's and participating communities contributions to the program. The value of the 5,300 mt to 8,700 mt of grain to be monetized each year will be matched by the value of PTA contributions. (For 1997 \$1.4 million and \$1.7 million respectively). Further, since 1988 the GOBF has taken over complete responsibility for program logistics; in the new DAP period they will also become responsible for measuring and

reporting on program impact. GOBF inputs are valued at some \$5.9 million dollars for the life of the project.

The new CRS DAP of March, 1996, is committed to "...the necessity of developing long-term strategies for replacing imported commodities in the program using sustainable local resources furnished by the GOBF and the communities." (CRS FY 97-2001 DAP Pg. 16, Para 2). Specifically how the development of this strategy will be undertaken is not clear at this point; it may not necessarily take the form of a study, per se. Nevertheless, CRS is committed to the development of such a strategy and therefore both REDSO/WCA and BHR/FFP are responsible to see that it is carried out. We therefore request that this recommendation be closed.

It should be noted that whatever means is used to determine GOBF capacity to sustain the program, the conclusion may be that the level of resources available is inadequate. In 1996 the GOBF conducted a feasibility study to determine how much it would cost to assume complete program responsibility. The results showed that the GOBF did not have, and most likely would not have, sufficient resources by 2001 to take over the program.

Whether the GOBF will have the capacity to sustain the school feeding program after 2001 was not a consideration in the DAP review. Continued USAID support will depend more on impact and goal achievement. If program evaluations and monitoring show there is little impact, it would not be worth the support of either USAID or the GOBF.

Clearances:

TRay/FFP/DP (Signed) _____
DHagen/FFP/D(A) (Signed) _____

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