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AUDIT REPORT
TECHNICAL ASSISTANCE SECTOR
JORDAN



Period Covered : May 31, 1969

Through

March 31, 1972

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AUDIT REPORT
TECHNICAL ASSISTANCE SECTOR
JORDAN

For the Period May 31, 1969 Through March 31, 1972

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AUDIT REPORT
TECHNICAL ASSISTANCE SECTOR

JORDAN

For the Period May 31, 1969 Through March 31, 1972

I. SCOPE OF EXAMINATION

We have made an initial examination of the Technical Assistance Program in Jordan. Our examination covered the existing active projects including Project No. 278-16-790-146, Development Administration Training Program, Project No. 278-11-140-134, Agricultural Economics and Planning, and Project No. 278-11-130-140, Vegetable Research and Production. Our audit was a regularly scheduled one and in keeping with the semi-annual audit schedule submitted by the Office of the Area Auditor General/Near East for the second half of FY 1972.

The objectives of our examination were primarily: (1) to determine whether there is a clear rationale for technical assistance activities, (2) to determine whether the stated project objectives are clear and if they are being effectively achieved, and (3) to identify and report on any procedures and problems which may have affected, or could, in the future, affect the planning and attainment of program objectives.

Our audit activities included (a) a review of project documentation, (b) the verification of project dollar costs, and (c) examination of project related correspondence. We also interviewed USAID/Jordan officials and Government of Jordan (GOJ) officials. We concentrated on the interviewing of supervisors of project-financed participants to obtain their views as to (1) the general effectiveness of participant training and (2) utilization of training received. Since a significant amount of training of Jordanians is also accomplished at the American University of Beirut (AUB) and since these trainees, upon return, are frequently beneficial to the same project purposes addressed by the technical assistance projects, we also examined the records and considered the utilization of participants trained at AUB under the AID-AUB Regional Contract.

Our audit covers the life of active technical assistance projects through March 31, 1972 and was made during February and March 1972 in Amman, Jordan.

II. BACKGROUND INFORMATION

Up until the June 1967 war there was in existence an extensive USAID Technical Assistance Program in Jordan. With the result of that

war (as well as the internal strife in Jordan during 1970) there was brought about a limitation of areas in which projects could be implemented effectively. In addition, security precautions brought about a reduction in U.S. personnel. The GOJ planning and development efforts were temporarily over-shadowed by more immediate concerns of security and rehabilitation.

In 1968, the USAID began planning projects which, (1) could be responsive to GOJ requests relative to such renewed development efforts as could be made and (2) could address priority development needs, particularly in the agriculture sector. With the decrease of Jordanian income from tourism following the 1967 war, agricultural development became an even more critical area in which to seek increase of national income.

Agricultural projects were planned to address priority needs of this sector. The Agricultural Economics and Planning project was developed to assist the Ministry of Agriculture in developing a more effective organization, primarily a centralized agricultural planning mechanism. The purpose of the Vegetable Research and Production project is to increase the income from vegetable production, primarily so that it can take advantage of foreign markets. Research is necessary to determine the most appropriate varieties

which, coupled with appropriate inputs (water, fertilizers, etc) and rotation practices, will maximize production and income.

Both of these projects were approved by A.I.D./W in 1969 and initiated in early 1970.

The Development Administration Training Program, initiated in FY 1970, was devised to help the GOJ maintain some development momentum by training management and planning personnel who are critically needed throughout the Government. The project also encompassed follow-up training requirements for projects which were terminated during the period 1967-1970.

Total net obligations for the three projects examined herein, as of March 31, 1972, were as follows:

Development Administration Training Program (No.146)	\$827,975
Agricultural Economics and Planning (No. 134)	66,700
Vegetable Research and Production (No. 140)	<u>175,396</u>
Total	<u>\$1,070,071</u>

III. SUMMARY OF MAJOR FINDINGS

We found that there is good coordination within the total USAID technical assistance program. Projects address appropriate priorities consistent with Mission goals. Except for the Development Administration Training Program, project accomplishments have

been limited due primarily to unsettled conditions which have prevailed in Jordan over much of the past two years.

We noted that the original planning documents for the Agricultural Economics and Planning project and the Vegetable Research and Production project are now out of date. Since these projects were initiated in early 1970, unsettled conditions have caused delays in implementation. Further implementation depends on the result of current discussions between the Mission and the GOJ. Once further implementation steps are agreed upon, it would be appropriate to update the planning documents to outline the courses of action.

We noted that no formal evaluations have been made by the Mission of the three projects examined herein. In the case of the agricultural projects, this is due to the fact that there has been very limited implementation. However, the Development Administration Training Program has been in full implementation for two years and a significant number of participants have returned from training. Thus we feel it advisable that the Mission make a formal evaluation of the project this year - manpower and time being available.

The draft contents of this report were reviewed by USAID/Jordan officials who expressed no objections.

IV. FOLLOW-UP ON PRIOR AUDITS

These projects have not previously been audited by A.I.D. or any other agency of the United States Government.

V. FINDINGS AND CONCLUSIONS

A. Program Planning

Planning appears to have been effective and based on valid assumptions. Critical areas have been addressed in an integrated approach and in consistency with Mission and GOJ goals. The projects have a clear rationale and are planned to assist the GOJ in (1) increasing the trained manpower required to manage development efforts and (2) attacking critical problems the solution of which should lead to increased agricultural income. The fact that unsettled conditions in Jordan have inhibited implementation of the agricultural projects as planned may indicate that a reconfirmation and rescheduling of planned actions should be documented by the Mission (possibly by revised PROPs) as soon as there is agreement between the Mission and the GOJ on the future implementation of these projects. The Mission is currently clarifying with the GOJ future implementation steps. It is over three years since the PROPs for the Agricultural Economics and Planning and Vegetable projects were written and it is likely that studies and consideration of the projects during that period may lead to revised implementation planning. We discussed this problem with Mission officials, who

indicated that updating of planning documents would be appropriate when future implementation is agreed upon.

1. The Development Administration Training Program (Project 146) was planned to provide (a) required phase-out training related to projects which were terminated, (b) training needed to assist development efforts of various GOJ ministries and agencies, as well as of the private sector, which are of particular interest to the USAID, (c) advanced degree training of promising young GOJ officials who appear to have the potential to contribute to the long range administration and management of Jordan's development, and (d) advanced degree training of staff members of the University of Jordan and the Institute of Public Administration so as to enhance the capability of those institutions to effect future training in-country. Thus this project appears to have been well planned to accommodate the decrease in the Mission's Technical Assistance program and personnel and yet be responsive to such GOJ development efforts which could proceed.

2. The Agricultural Economics and Planning Project (No. 134) was formulated to address the critical necessity of achieving centralization and coordination of agricultural statistics and planning and to assist in providing and implementing an improved research framework which can evaluate the economic alternatives relating to the agricultural economy.

3. The Vegetable Research and Production Project (No. 140) was formulated to assist the increase in quality and quantity of vegetable production. This can make an effective contribution to increased income in the agricultural sector as well as increase export earnings.

We believe that the agricultural projects, though hampered by internal conditions in Jordan are well conceived and consistent with GOJ needs and desires.

B. Project Implementation

1. General

The projects' monitoring, reporting and evaluation have been generally satisfactory. However, unsettled conditions have prevailed in Jordan over a large part of the period since the initiation of the projects. Because of this fact, accomplishments in the agricultural projects have been far less than planned. Priority security considerations have necessarily diverted the GOJ's attention from development projects. Farmers and GOJ personnel were forced to leave important producing areas in the Jordan Valley where farms as well as government agricultural installations sustained damage. However, starting early in 1971, a return to this area and rehabilitation was begun. The current

development by the GOJ of a three year development plan (calendar 1973-75) has refocused attention on development problems. Thus the current situation gives promise of increased accomplishments. The implementation of the Development Administration Training Program, which could be administered in the capital city of Amman, was relatively less affected by unsettled conditions and the accomplishments of this project have been very satisfactory.

2. Development Administration Training Program (Project 146)

The major targets of this project have been (1) to fund training, in various aspects of development administration, of the following number of participants:

FY 70 - 12

FY 71 - 13

FY 72 - 16

and (2) to fund training, in various development-related technical fields, of the following number of participants:

FY 70 - 8

FY 71 - 13

FY 72 - 11

These targets essentially have been met although the specific fields of technical training have varied somewhat from those originally planned nearly three years ago. The net dollar

obligations through March 31, 1972 have been:

Participants	\$766,794
Contracts	55,348
Commodities	2,000
Other Costs	<u>3,833</u>
Total	<u>\$827,975</u>

The GOJ has supported the project by funding continued salary payments of participants while they are in training.

a. Mission Monitoring

Mission monitoring of the project has been satisfactory. As essential phase-out training, related to terminated projects, has been programmed and accomplished, the Mission has brought about greater concentration in fewer fields of training, those in which training for planning and management will be more beneficial to the long term development of Jordan. Increasingly careful screening of nominations and selections has been stressed. Training at the American University of Beirut (AUB), if feasible, has been emphasized as a practical substitute for U.S. training or prior to consideration of U.S. training. This has been more economical since some of this training could be accomplished through the AUB Regional Contract, or, if funded through USAID project funds, training costs were less than they would have been in the U.S. All GOJ officials with whom we discussed the quality of AUB training stated that it was fully satisfactory.

b. Effectiveness and Utilization of Training

Effectiveness of training and the extent of its utilization are extremely difficult to measure, particularly in a project of this nature which includes diverse types of training. In an attempt to gain a better appreciation of these factors we conducted a series of interviews of supervisors of 30 returned participants (a 75% sample). These supervisors collectively indicated to our satisfaction that training under the project has been effective and that it has, in most cases, been utilized to a large extent. The answers we received in our interviews appeared to be candid; respondents did not hesitate to point out shortcomings and make some specific complaints, but these were very few. The survey indicated for a large majority of cases:

- (1) High priority need for the training.
- (2) Good planning of training, suited to requirements.
- (3) Appropriate selection of the trainee.
- (4) Appropriate type and amount of training given in an effective manner.
- (5) Extremely high utilization of training.

- (6) Assumption of higher or broader responsibilities after training.
- (7) Greater effectiveness on the job after training.
- (8) A noticeable multiplier effect, either in training subordinates or in passing on knowledge to associates.
- (9) Observation of benefits of training soon after participants' return. Examples of specific benefits mentioned:

- (a) Effective recommendations for procedural changes in the Letter of Credit Section of the Central Bank.
- (b) Improved reports concerning foreign exchange operations of the Central Bank.
- (c) Capability to monitor a school building project financed by the IBRD.
- (d) Capability to analyze manpower statistics for use in the three year plan currently being developed.
- (e) Capability to draft an effective section concerning family planning for the three year plan.
- (f) Effective organization of the Natural Resources Administration library with resultant greater efficiency and usefulness.
- (g) Improved instruction in the Institute of Public Administration.

c. Evaluation

There has not yet been executed a Project Appraisal Report (PAR) or similar evaluation of this project. Since it has been in implementation for two years and since a significant number of

participants have returned, we suggested to Mission officials that it would be appropriate to conduct an evaluation. Since Mission manpower is extremely limited, it is obviously difficult to set aside the time required. Mission officials agreed that such an evaluation should be conducted this calendar year, manpower and time being available.

3. AUB Training

Although funded by the A.I.D./AUB regional contract, not Mission funds, AUB training is a significant resource which benefits the development of Jordan and thus is relative to the Mission's Technical Assistance program. Thus, we felt it useful to examine the records concerning returnees from AUB over the past four calendar years and make some evaluation of the GOJ's utilization of their training. Candidates nominated by the GOJ for such training at AUB are required to serve their government for a period of twice the number of years as years of education received (in the case of females, one year for each year of education). When returnees fail to complete such service, the GOJ claims, from the guarantors of the students, financial reimbursement for the scholarship afforded. Such cases are turned over to the Ministry of Finance for collection.

In the cases of trainees returning from AUB with B.A. or B.S. degrees we noted that over the past three years there has been a high percentage of cases (46%) sent for collection, indicating that these students have chosen to engage in the private sector and have not served the government as required. We must emphasize that the service requirement is one of the GOJ only, not of the A.I.D. regional contract. However, we thought it useful to indicate the extent to which AUB returnees do supply expertise to the GOJ and thus supplement the Technical Assistance input of the USAID itself. Contrasted with the government utilization of B.A., B.S. returnees, we noted that returnees who had returned with a graduate degree (M.A., M.S.) from AUB were practically all performing government service. Over the past four years, only three cases out of 22 returnees were referred for collection. Concerning graduate returnees who majored in the field of agriculture, the indication of service to the GOJ was virtually 100%. Of ten such returnees, nine were in GOJ service (some in highly responsible positions) and the tenth was pursuing advanced study. This would seem to support the Mission's position of currently attempting to fill its AUB quota with a higher percentage of graduate candidates since this would seem to enhance better staffing of GOJ requirements as well as achieve a higher turnover of students.

4. Agricultural Economics and Planning Project (No. 134)

The major target of this project is to develop within the GOJ by the end of U.S. FY 1975 a sound institution with competent well-trained personnel capable of making the kinds and quality of studies needed by the GOJ and the private sector to make economically meaningful agricultural policy and to set and implement logical agricultural development priorities. The net dollar obligations through March 31, 1972 have been:

Direct Hire Technicians	\$38,450
PASA	20,000
Participants	<u>8,250</u>
	<u>\$66,700</u>

GOJ support has consisted of additional staffing of the Agricultural Economics and Planning Directorate (Ministry of Agriculture) and payment of the staff salaries and operational expenses.

Due to unsettled conditions in Jordan and, secondarily, the time required to recruit appropriate advisors to conduct initial studies under the project, accomplishments under this project have been limited. Nevertheless, it was stated by GOJ officials, with whom we discussed the project, that reports which have been prepared by TDY advisors have been beneficial in suggesting

the organizational pattern which has now been adopted by the Ministry of Agriculture. The purpose of the new organization is to centralize agricultural planning and coordinate the efforts necessary to determine policies which will encourage the maximum production and income increase in the agricultural sector. Thus, the accomplishment of an effective reorganization can be cited as a basic and necessary accomplishment.

A recent report (sent to the GOJ in January, 1972) by a project-funded advisor has detailed the steps recommended to be taken by the Ministry of Agriculture to implement a comprehensive approach for determining the best means of maximizing agricultural production. Mission officials are exerting appropriate efforts to elicit the GOJ's reactions to this report so as to determine future implementation of the project. One participant has been programmed for training and will depart soon. Recommendations for additional training await the GOJ's response to the above cited report.

5. Vegetable Research and Production Project (No. 140)

The purpose of this project is to establish a competent institution with well-trained personnel in the Agricultural Research and Extension Directorate (Ministry of Agriculture) capable of taking the necessary actions to accomplish a targeted 10% per year increase

in vegetable production on irrigated land. Net dollar obligations through March 31, 1972 have been:

Contract	\$157,000
Participants	<u>18,396</u>
	<u>\$175,396</u>

The GOJ contribution consists of contractor logistical support, provision and maintenance of tractors for demonstrational activities and the funding of GOJ personnel assigned to project activities.

For reasons similar to those discussed in paragraph 4 the accomplishments under this project also have been limited. Unsettled conditions in Jordan were particularly inhibitive in the case of this project since the major area of potential project impact, the Jordan Valley, has only begun to return to normal in recent months.

Project funded advisors did arrive in Jordan last November to conduct the first advisory study under the project. Their report recommending future implementation steps was forwarded to the GOJ in early February, 1972. Mission officials are currently exerting every effort to clarify the GOJ's reaction to this report in order to determine appropriate future implementation steps.

Two participants have received graduate research training under this project. GOJ officials stated that this training has been appropriate and will assist significantly in project efforts.

Additional training, recommended in the above cited report, awaits clarification of the GOJ's reaction to that report.

6. Evaluation

Evaluation of the Development Administration Training Program was discussed above (see V.B.2.c.). PARE or similar evaluations have not been made of the two agricultural projects. Mission officials pointed out that such evaluation was not yet appropriate since these projects have been implemented only to a very limited degree. We concur in this Mission position and see no urgency of an evaluation being made until the projects have undergone a substantial period of more active implementation. This seems a valid position particularly in view of limited Mission staff and in view of our determination from review of project files that A.I.D./W is made aware, through appropriate reporting, of the status of the projects and the problems involved in implementation.

7. Mission Staffing

Mission staffing currently seems adequate to monitor the program. However for the past year and a half implementation of the agricultural projects has been limited, for the most part, to a few TDY visits of advisors who have prepared reports recommending

subsequent steps in project implementation. Current discussions between the Mission, the GOJ and A.I.D./W may result in more active implementation of these projects, including the increased presence in Jordan of contract advisors. Depending on the extent of increase in implementation, the Mission may want to consider the advisability of requesting the assignment of a full time U.S. agricultural advisor to insure continuous and adequate Mission management of these projects.

8. Coordination with Other Donor Assistance

We determined, through discussions with Mission, GOJ and UN/FAO officials that there is appropriate coordination of USAID efforts with those of other donors. Periodic meetings of all donors are held to discuss and ensure such coordination. In the case of the agricultural projects, the UN/FAO is engaged in supplementary assistance which concerns the packing, shipping and marketing of agricultural produce.

9. Conclusion

We conclude that the total USAID Technical Assistance Program is well planned and coordinated. There is no conflict among the projects reviewed. The agricultural projects supplement each

other in addressing the major problems of agricultural production and assisting the agricultural sector by developing better overall planning.

The Development Administration Training Program addresses Jordan's needs for training related to overall development and occasionally trains participants related to the agricultural effort, for example agricultural credit. In addition, AUB training under the A.I.D./AUB regional contract accomplishes significant training which is supplementary to all of the above described efforts. Thus we view the total USAID Technical Assistance program as being well integrated, addressing appropriate priorities and as having been implemented as satisfactorily as possible considering the stress of the unsettled conditions which have prevailed in Jordan over much of the past two years.

EXHIBIT A

AUDIT REPORT
TECHNICAL ASSISTANCE SECTOR
JORDAN

For the Period May 31, 1969 Through March 31, 1972

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