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A REVIEW OF THE MANAGEMENT OF
A.I.D. GRANTS, CONTRACTS, AND BASIC
ORDERING AGREEMENTS WITH THE
UNIVERSITY OF NORTH CAROLINA

By the
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of the
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PART I - INTRODUCTION, FINDINGS, AND RECOMMENDATIONS

A. Introduction

The purpose of this review is to examine the relationships between A.I.D. and the University of North Carolina (UNC). Findings and recommendations for improvement could have applicability to A.I.D. relationships with other university intermediaries as well as UNC.

The Agency currently has three grant agreements, eight contracts and two Basic Ordering Agreements (BOA) with UNC. The three grants, six of the contracts, and a Basic Ordering Agreement are in the population field. There are, in all, 23 population projects and subprojects with life-of-project costs totalling well over \$15 million. Outside of the population field there are two contracts (one each in health and science and technology) and one Basic Ordering Agreement (health). The life-of-project costs of these total almost \$1.5 million.

This situation represents an unusual concentration of A.I.D. funding and a complexity of relationships with a single university. Little information is on file within the Agency on how UNC manages and coordinates the complex activities in which it is engaged.

There are a number of special facets to the A.I.D./UNC relationship:

1. A UNC instrumentality, the Carolina Population Center (CPC), is a prime beneficiary of 211(d) award. As such, the CPC became a "chosen instrument" of A.I.D. and thus not in an "arms length" relationship.
2. The CPC, under the University Services Agreement (USA), is charged with the task of designing, jointly with LDC institutions, the projects and training activities which it itself would undertake. A.I.D. must concur before the designed activity is undertaken; nevertheless, this relationship permits greater latitude than is normally given to even a "think tank," such as Rand Corporation.
3. CPC, through UNC, was asked principally to design and suggest activities in an area, population/family planning, in which there was no distinct academic discipline, no professorships and no specialized scientific journals. Had CPC been tasked with assisting A.I.D. in the elimination of tuberculosis, increasing the protein content of wheat, or increasing adult literacy, for example, it

would be operating in a difficult field but well within the existing state of the art. In selecting CPC to help it in population/family planning, A.I.D. was asking for assistance in an area where means for reaching objectives are not clearly defined.

4. In establishing a special relationship with CPC, A.I.D. was inviting an academic institution to provide, on occasion, non-academic, non-research services to host countries, in the same manner in which A.I.D. would have contracted with an engineering consulting company to supervise construction of a dam.

In the course of the inquiry, all of these facets of the A.I.D./UNC relationship were exposed, and opportunities for management improvement were identified.

Since the bulk of business between the University and A.I.D. is in the population/family planning field, this review therefore centers largely on that field.

Reviews of specific projects and subprojects in the population field may be found in Annex I of this paper. Similar review of the non-population projects are found in Annex II.

B. Findings

1. The objective of the 211(d) grant, AID/csd 1940, to develop a multidisciplinary program capacity in population and family planning in the University of North Carolina at Chapel Hill (UNC-CH) largely has been realized, except:
 - a. for the initial assumption that adequate funds for projects in LDCs and for continued operation of CPC would be forthcoming from sources other than A.I.D., and
 - b. for the development of an adequate managerial capacity to make optimum use of the human and technical resources at UNC developed through 211(d) funding.
2. The USA is both a partial follow-on to the 211(d) grant and a vehicle for funding new projects. That is, on the one hand, the USA provides funds for partially maintaining the capabilities of UNC, developed under the 211(d) grant, to carry on a multidisciplinary program in population/family planning; the Agreement offers capability maintenance through a core support budget covering a three-year period with additional funding probable. On the other hand, the

Agreement authorizes the funding of specific subprojects as proposed and approved via amendments. The USA is not as generous or flexible as the 211(d) grant in funding a variety of academic activities. Rather, it funds only staff support for the development and management of population projects in the LDCs, as well as the funding of the projects themselves. Thus, the USA signals the beginning of a new phase of the UNC/A.I.D. relationship.

3. The CPC is the essential administrative organism in the development, deployment, and application of UNC population/family planning resources. Although the Center exists and functions, it needs to improve its organization and management practices. This includes stabilizing its size and its perceived role, achieving more effective coordination with A.I.D., and systematizing its policies and practices in connection with project management.
4. Because population/family planning is not a fully established academic and professional discipline, it is difficult, for both A.I.D. and UNC, to address the formulation of policy and the programming of activities. Further, the differences between the institutional character, objectives, and working methods of UNC and of A.I.D. limit the type of projects in which the University should engage. This limit is not precisely defined and in the past has not always been clearly appreciated. In recent months, the Office of Population (PHA/POP) has developed a clearer understanding of the capabilities and limitations of UNC in the population/family planning field.
5. PHA/POP in A.I.D. has a wide range of significant problem areas. These include the absence of an established population strategy, and archaic and unresponsive systems of organizational structure, delegations of authority, controls, work flow, files, and issuances. A start has been made on the strategy problem, but immediate emphasis is needed to follow through to completion and issuance. The resolution of the various administrative problems requires a major organization and methods analysis.
6. A major deficiency in both PHA/POP and CPC is the absence of systematic project evaluation. Some effective evaluation does take place, but, overall, project evaluation is erratic and not carried out in a systematic manner.

7. There are some fundamental issues in the population/family planning field overall, the resolution of which is required in order to maximize the effectiveness of the A.I.D./UNC relationship. These issues include a clarification of the conceptual base of A.I.D. population/family planning strategy so as to place the problem within a broad developmental context, of the role of research and the modalities by which it is approved, and of the basic institutional role of a university in contrast to the short-range operational needs of A.I.D.
8. The non-population projects which A.I.D. has with UNC are limited in number (three) and do not pose any problems of magnitude. In general, they are well managed by both A.I.D. and the University.
9. Pursuant to OMB direction, auditors of the Department of Health, Education, and Welfare (HEW), who are resident in the State of North Carolina, are charged with auditing all Federal government business in the state, including A.I.D. contracts and grants with UNC. The overall workload of these resident auditors is enormous and they are therefore limited to auditing a randomly selected sample of approximately three percent of the total number of contracts and grants over a three-year cycle plus, more frequently, a management procedures audit of the intermediary. The last audit performed of an A.I.D. contract was for the period July 1, 1969 through June 30, 1970. The audit report was forwarded to A.I.D./W in January 1973.

C. Recommendations

1. The Carolina Population Center

- a. That PHA/POP urge and assist the CPC to clarify, rationalize, and stabilize the duties and responsibilities of the senior staff of the CPC, with emphasis on delegations, controls, documentation, procedures, and systemic management in general. (p. 12)
- b. That PHA/POP urge and assist CPC to rewrite its policies on activities it will engage in. (p. 13)
- c. That PHA/POP urge and assist the CPC to develop a plan to stabilize the size and shape of its permanent organization and the quantity and nature of its workload, consistent with its reasonably anticipated funds from all sources over the next five years. (p. 18)

- d. That PHA/POP urge and assist CPC to follow through on its development and installation of a project evaluation system and that PHA/POP inform itself of this system and assure itself of its efficacy. (p. 19)
- e. That the CPC be accorded appropriate recognition, useful to its purposes and those of A.I.D., by receiving citation in the grant agreement and related documents. This can be done without, in any way, diminishing the overall responsibility of UNC. (p. 20)
- f. That a senior official in PHA/POP, at Division Chief level, be designated as the primary point of contact for the Director, (PC), on all population/family planning matters which are not project specific. (p. 20)

2. University Services Agreement

- a. That the time and funding restrictions for sub-projects under the USA be reviewed for continuing validity and that consideration be given to modifying them according to experience to date. (p. 23)
- b. That with regard to the USA, PHA/POP offer sub-project design guidance to the CPC in the form of the July 1972 activity area booklet under the authority of an amendment to Grant esd 3325, and that future basic guidance be treated in the same manner. (p. 24)
- c. That the Project Manager of the USA clarify and affirm the responsibility of the Principal Investigator of the USA to organize and conduct evaluations of the subprojects, and that the Project Manager's evaluation of the USA as a whole consider how effectively the Principal Investigator of the USA has evaluated the subprojects. (p. 25)

3. PHA/POP Management of A.I.D./CPC Relationship

- a. That PHA/POP give high priority to the preparation and issuance of a population strategy in accordance with the conclusions of the Administrator's Advisory Council (AAC) meeting of October 4, 1972. The issuance of such strategy should be immediately followed by intensive briefing of the PHA/POP staff,

who should be charged with the issuance, in turn, of appropriate guidance to the field and to intermediaries. (p. 27)

- b. That a Program Office be established in PHA/POP to be the PHA/POP focal point for the customary program office responsibilities with special emphasis on a critical review of all projects for conformance to basic population strategy. The PHA/POP Project Evaluation Officer should be a member of this office. (p. 27)
- c. That PHA/POP recruit a qualified evaluations officer who should be tasked to design and install a project evaluation system. (p. 28)
- d. That PHA/POP request the Office of Management Planning (SER/MP) to undertake a major organization and methods survey and analysis, to include PHA/POP staffing patterns and personnel requirements, and recommend changes to conform with work requirements and good management practices. (p. 28)
- e. That PHA/POP establish guidelines for a standard basic report file and that each division maintain its project files accordingly. PHA/POP should also urge and advise the CPC to design and install a standard project and subproject filing system. (p. 29)
- f. That the Office of Contract Management (SER/CM) provide guidance to UNC which will aid in determining under what circumstances a subcontract or subgrant must be audited by an acceptable audit organization. (p. 31)

PART II - INSTITUTIONAL RELATIONSHIPS

A. The Carolina Population Center

CPC is an organizational entity of UNC-CH, which, in turn, is part of the university system of the State of North Carolina.

1. The University of North Carolina

UNC is composed of sixteen sub-universities and colleges, one of which is UNC-CH. It is with UNC itself, however, that A.I.D. has contracts and grant arrangements. UNC is headed by a President who is supported by a number of Chancellors, Vice-Presidents, Assistant Vice Presidents, Assistants and other officials. It is the Assistant Vice President-Finance and Treasurer who signs A.I.D. contracts and grants on behalf of UNC.

UNC-CH is headed by a Chancellor and has eight major components. These components carry various titles suggesting different levels of importance, although all report to the Chancellor. Six of these eight components are administrative. The other two components are the largest and are directly concerned with the primary business of education at the university level. One of these is Health Sciences, headed by a Vice-Chancellor and consisting of five schools, a hospital, and various specialized institutes, centers and services. The CPC is one of the centers of specialized activity under Health Sciences and is headed by a Director. The nominal line of authority between the President of UNC and the Director, CPC, is therefore as follows:

President, UNC
Chancellor, UNC-CH
Vice-Chancellor, Health Sciences, UNC-CH
Director, CPC

2. The Carolina Population Center Structure

a. Organization and Functions

CPC is the administrative organism established by UNC-CH to provide location, managerial direction, stimulus, and status to UNC-CH work in the field of population/family planning. Establishment of CPC in 1966 was assisted by an A.I.D. grant to finance short and long-term training facilities and consultative services for the development and implementation of A.I.D. population programs (Project O31-11-570-814, AID/csd 1059, \$268,000,

completed 1968). A subsequent \$2.4 million, given to UNC by A.I.D. under a 211(d) grant (Project 931-11-570-102, AID/csd 1940), was to develop a population/family planning institutional capacity within UNC-CH and served to enlarge CPC as an organization.

The CPC has four broad functions:

- (1) It is the special component within UNC-CH through which the University promotes and services a multidisciplinary interest and activity in the field of population/family planning.
- (2) It is the focal point within UNC-CH for raising funds for population/family planning work.
- (3) It maintains liaison, coordinates, and negotiates with its donors and with other organizations performing similar work, notably Johns Hopkins University and the University of Michigan.
- (4) It provides an organizational location and administrative support and direction to the various population/family planning projects to which UNC is committed under either contractual or grant agreements.

The CPC itself is composed of six units and an administrative services section, in addition to the office of the Director. The CPC receives guidance from a Policy Board and consults with an Academic Programs Council and a Leadership Council.

The Policy Board is composed of UNC-CH officials at the level of Dean and above. It is chaired by the Vice-Chancellor for Health Sciences. In recent months the Board has been focussing its deliberations on a clarification of the role of the CPC in the context of the proper activities of an academic community.

The Academic Programs Council is composed of the UNC-CH Department Heads interested in some aspect of population/family planning. It meets monthly to discuss general matters of common interest in connection with education and research in the population/family planning field and is available for consultation to the Director, CPC, as well as the Academic Programs Office.

The Leadership Council also is available to advise the Director, CPC. It is composed of prominent public leaders in the UNC-CH area and meets irregularly three or four times a year. Its purpose is both to serve as a means of informing and enlightening local opinion makers and to gain their support for population/family planning activities.

The organization of the CPC is graphically depicted on Chart A, page 10. There is, however, an almost constant tinkering with the CPC structure, and during the site visit of the appraisal team, functions as well as units of the CPC were being shifted. No adequate functional statements are available. A UNC briefing book dated May 1971 contains some information on CPC functions, but the CPC structure referred to in the May 1971 report is long obsolete.

The three major components of the CPC, each headed by an Associate Director, are: the International Programs Office (IPO), the State Services Office and the Academic Programs Office (APO). The IPO coordinates relationships abroad; the State Services Office coordinates work in the United States; and the APO which helps to build basic teaching and research programs on the campus. The IPO has cognizance over geographic or area study groups, and the APO over technical or subject matter study groups. The purpose of these study groups is to provide an effective mechanism for fostering and maintaining interdisciplinary interest and information exchange at a productive level, and to encourage the development of specific project proposals.

The technical study groups are headed by chairmen appointed by the Director of the APO. These groups, whose focus is on campus activity, are relatively new, not fully formed, and have not yet worked out a modus operandi.

The area study groups are more active and more structured than the technical study groups.

Each area study group is headed by an Area Coordinator, who is appointed by the Director of the IPO. The membership consists of a voluntary group of discussants called the Interest Group (Forum). Within the Interest Group (Forum), there are two subgroups: the Program Advisory Committee, which critically reviews project proposals while they are still in their early design stage and before they are submitted for CPC core staff review, and

the Scientific Group which performs the same function with regard to the technical aspects of a pre-project design. Actually, no Scientific Group within any Interest Group (Forum) has as yet been activated.

In promoting and maintaining interdisciplinary interest and information exchange, the area study groups appear to have achieved some measure of success. Over 25 professional disciplines are represented in the seven area study groups and over 200 academicians from various departments in UNC-CH, and other universities and colleges in North Carolina participate, along with a sprinkling of Federal government agency personnel. In addition, over 60 students, one-third of whom are from LDCs, participate in the study groups.

Project proposals come from three major sources: they emerge from the discussion of the Interest Group (Forum); they are offered by individual academicians on campus; and they are proposed by A.I.D./W or a USAID.* All projects, including the minority which were proposed in the first instance by A.I.D./W or a USAID, receive the benefit of Interest Group (Forum) discussions, comment, and suggestions.

Most projects whose locus of work is in an LDC come under the managerial cognizance of the Director of the IPO, and depend on the CPC for administrative support. There are two notable exceptions: the International Fertility Research Program (IFRP), AID/csd 2979, which attempts to maintain its administrative procedures and practices consistent with those of the CPC but is otherwise autonomous; and the several projects collectively called POPLABs all of which are managed without review or administrative support by the CPC. The funds for the POPLABs in the field are, however, passed through the CPC while the funds for the support of the POPLAB Development Unit at UNC-CH go through the Biostatistics Department.

Other projects which are implemented basically on the UNC-CH campus receive their administrative support and managerial direction from the CPC. For example, the Director of the Technical Information Services

* For example, of the ten active subprojects under the USA, two were proposed by USAID: the Javeriana and TESA projects. The remainder are UNC-CH in origin.

Office;CPC, is also the Principal Investigator* or head of the Improvement of Population Library and References Services in LDCs project, AID/csd 2936.

b. CPC Personnel Management

Excluding secretarial and clerical personnel, the CPC has 29 persons appointed to its staff and 38 additional persons appointed jointly to the CPC and some departments within the University.

Nominal position descriptions exist for all personnel of the CPC, inasmuch as this is a requirement of the personnel system of the State of North Carolina under which appointments to the UNC-CH staff are made. However, these job descriptions do not reflect the actual duties of the individual staff members. The absence of effective job descriptions poses problems because of the unclear division of labor and delegation of authority among the senior staff of the CPC. This is particularly significant in connection with the positions of Director and Deputy Director for Administration, but it is also true of the Associate Director.

Recommendation: That PHA/POP urge and assist the CPC to clarify, rationalize, and stabilize the duties and responsibilities of the senior staff of the CPC, with emphasis on delegations, controls, documentation, procedures, and systemic management in general.

c. CPC Policies and Procedures

CPC describes in a policy statement in a Briefing Book what kinds of activities it will undertake in the population field. These activities are categorized under Research, Teaching, Service, and Strengthening the University. The policy is strongly oriented toward academic objectives and toward building and strengthening in UNC-CH an interest in and a capacity for population/family planning activities. The policy is undated, but clearly relates to the objectives of the 211(d) grant project, Development of a Multidisciplinary Program in Population and Family Planning, AID/csd 1940, discussed below. However, time, A.I.D. expectations, and in fact, CPC efforts in the population/family planning field have overtaken the policy. It needs updating.

* This is the title more frequently used for the leader of a UNC project or subproject.

CPC has a large and elaborate procedures manual. However, certain basic sections of the manual, particularly those dealing with the processing of project proposals, are obsolete, and are undergoing revision. During the period of the team's visit to UNC-CH, numerous revisions were published.

The process of project proposal review and approval is accomplished through a systematic procedure which brings to bear the appropriate scrutiny and analysis from relevant elements of CPC and UNC-CH. (See Chart B, page 14, for a schematic diagram of project proposal processing.) According to PHA/POP personnel, however, this system does not always operate effectively. CPC is alleged to approve unsound project proposals for forwarding to A.I.D./W with the expectation that they will be rejected by A.I.D. (It may be that it does this in order to avoid the onus of decision-making and to spare the feelings of some.) In recent months, this phenomenon has declined.

Recommendation: That PHA/POP urge and assist CPC to rewrite its policies on activities it will engage in.

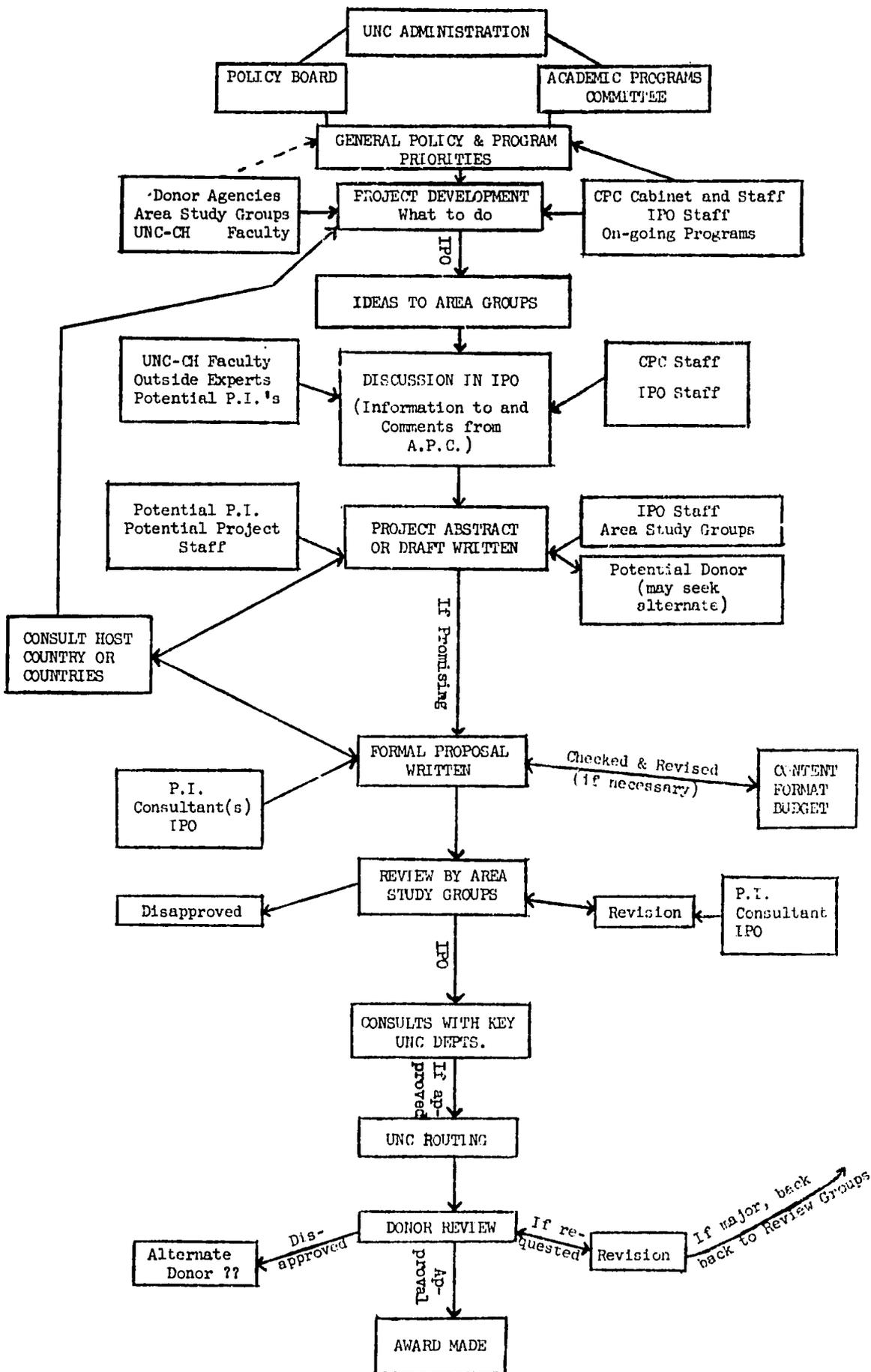
3. A.I.D. Funding of CPC as an Institution

CPC financial outlays can be grouped into two classes: (i) those required for the overhead expenditures of the CPC as an institution (permanent officers and clerical personnel, rent, utilities, etc.), and (ii) those required for operating specific projects and subprojects domestically and abroad.

According to the CPC Controller, A.I.D. provides approximately fifty percent of the CPC annual budget. Other sources of funds include student fees, the State of North Carolina, Ford Foundation, Rockefeller Foundation, the Office of Economic Opportunity, the National Institutes of Health, and about a dozen lesser donors.

Funds for the IFRP (\$4,906,000) and for the POPLABs (\$2,828,373), including the on-campus POPLAB Unit, do not flow through the CPC. Thus, of the current A.I.D. funding

PROPOSAL PROCESSING



of population activity at UNC (approximately \$14.5 million*), about \$6.8 million has passed or will pass through CPC.

Because UNC population projects are funded on a multi-year basis, each often of different duration, and because certain institutional costs of CPC (e.g., rent, utilities) are partially covered by a negotiated rate of specific project costs, it is difficult to determine precisely the portion of the \$6.8 million which goes toward the institutional expenses of CPC each year as contrasted to specific projects. The greater part of the institutional maintenance of CPC, however, undoubtedly derives from the 211(d) grant and the core support budget of the USA. These are discussed in greater detail below.

a. 211(d) Grant

The five-year, \$2.4 million 211(d) grant (entitled: Development of a Multidisciplinary Program in Population and Family Planning, AID/csd 1968) effective May 31, 1968, by A.I.D. to UNC, was intended, as the title of the grant suggests, to further the development of a multidisciplinary program in population and family planning, using the CPC as the institutional organizer. This award to UNC was preceded by a preliminary A.I.D. grant of \$267,984 two years earlier, as well as by substantial grants from the Ford and Rockefeller Foundations. When the 211(d) grant was made, the CPC and population/family planning activities were already firmly established: 17 academic departments of the University had made major commitments to the population field, a library was in operation, special training programs had been prepared and research and field work was being carried out. Accordingly, the purpose of the award was to enable the University to increase the volume of work along these lines. This has in fact been done, as attested to by numbers of courses taught in population, numbers of students, associate memberships, monographs published, library acquisitions and utilization, projects proposed, approved, and underway, etc.

* This includes multi-year obligated funds. See Table 1. Funds for the on-campus POPLAB Unit flow through the Biostatistics Department. Note also that three projects in Health and Science and Technology are not funded through CPC. While the POPLABs in the field receive their funds through the Missions, the IFRP is independent of any department or the CPC as regards its funding arrangements.

It was expected, according to the words of the grant, "...that after a five-year period, a large proportion of the new faculty engaged under the U.S.A.I.D. (sic) institutional grant can be covered by funding from other sources." Not only faculty, but administrative and research costs were also to be assumed by other parties. No specification of the "other sources" of financing was mentioned in the grant agreement. It was assumed that, in time, faculty devoted to population programs would displace faculty in other areas and use their sources of financing; in short, that population studies would require no special incentive of stipends or research opportunities to attract faculty and students. There is also an implication (page 8 of the grant) that, in addition to student fees for tuition, State appropriations and grants from foundations and individuals, the overhead component of contracts won by the CPC would finance the types of activities financed by the 211(d) grant.*

During early 1971, it became clear to A.I.D. that, in fact, upon the scheduled termination of the 211(d) grant in 1973, other funding sources would not suffice to meet the higher maintenance costs of the now enlarged capacity. And so, in part, to meet this need, the ingenious USA was devised and promulgated.

b. The University Services Agreement, Grant AID/csd 3325

The USA with UNC was designed to utilize and to maintain the capability developed under the 211(d) program. To date the two other universities in the population field which had received 211(d) grants also receive USA grants: University of Michigan and Johns Hopkins University. The USA with UNC provides funds in support of a core staff in the CPC whose purpose is the development of program and project proposals as well as the general promotion of interdisciplinary interest and effort in population/family planning activities. The core funds support salaries, release time, travel and other expenses, as required. The USA with UNC provides grant funds of

* The Director, CPC, has pointed out that by March 1972, sources of regular financing had been found for six faculty members who initially were financed under 211(d). This means that these six faculty members are now on the roles of a regular department of UNC-CH. However, it does not mean that they have tenure. If the overall income of UNC-CH were to be reduced to the point of requiring reductions in the faculty, these would be among the first to go.

\$1,505,837 to pay for "core activities." In addition, as projects are developed, they are submitted to PHA/POP for approval and, if approved, each is funded as a separate action by an amendment to the agreement.

The core activities include the efforts of the CPC Director and an unspecified number of staff officers to:

- "(1) coordinate the institution's participation in formulation of priorities for development of projects,
- (2) facilitate intra-university communication and help enlist all the university's population/family planning competence into participation in the Grant activities,
- (3) coordinate liaison with A.I.D., with host country institutions and U.S. institutions having A.I.D. funded university service agreements."

They also include the efforts of professional personnel of UNC to:

- "(1) participate in formulation of programs and projects,
- (2) develop and/or explore ideas leading to preparation of proposals for projects,
- (3) evaluation project accomplishments."

Finally, core activities include travel, equipment, and miscellaneous support expenses.

The Director, CPC, and his senior staff are of the conviction that the Core Support Budget of the USA is not really sufficient to support CPC activities needed to identify potential subprojects and propose them to A.I.D. when the 211(d) grant runs out. It is their view that the USA does not provide adequate support to maintain the overall capacity built up with the 211(d) funds.

The CPC have developed no plan for a stabilized organization and workload within the limits of its known medium range financing, i.e., USA Core Support Budget and other funding sources. The termination of the 211(d) grant will thus leave CPC with a major problem of adjustment and possibly disrupt ongoing activities.

Recommendation: That PHA/POP urge and assist the CPC to develop a plan to stabilize the size and shape of its permanent organization and the quantity and nature of its workload, consistent with its reasonably anticipated funds from all sources over the next five years.

4. Programming

Although the CPC leadership had prepared an excellent study for the UN on the overall nature of the population problem and a program for meeting that problem, CPC does not do any formal programming for itself, even for those so-called countries of concentration around which some of the area study groups are organized. CPC project planning appears to revolve around obtaining financing for those UNC or associated individuals who would like to relate to the family planning program in some way. Projects tend to be initiated, in part, from capacity to perform a particular function rather than from need, as demonstrated by an established plan. The subproject under the USA to train nurse leaders and educators in family planning is an example of a project conceived because of the availability of a qualified Principal Investigator, and not because it is within the context of a stated overall A.I.D. programming plan for population/family planning.

Hopefully, an improvement in A.I.D. policy formulation and programming in the population field will reduce the need for CPC programming. Even so, it would appear desirable for CPC to attempt to translate its own thinking about the population problem into an operational program which would serve to guide its own personnel in the formulation of projects for presentation to A.I.D. and others interested in the field.

5. Evaluation

Up to the present, CPC project and subproject evaluation has tended to be incomplete and submerged in progress reports, field trips, and problem-raising correspondence. CPC manual orders on project evaluation are under revision

and the CPC is currently referring to the A.I.D. technical assistance Project Appraisal System for guidance in developing the CPC system.

Because the evaluation of subprojects is expressly required by the terms of the USA, further discussion of the subject of project evaluation will be found in Part II.B.4.

Recommendation: That PHA/POP urge and assist CPC to follow through on its development and installation of a project evaluation system and that PHA/POP inform itself of this system and assure itself of its efficacy.

6. Status of the CPC as Entity

An early PROP for the USA, dated April 1, 1971, and authorized July 28, 1971, makes extensive mention of the CPC, describing the work it had done and its central role in the planning and implementation of projects. Two subsequent PROPs, approved February 22, 1972 and June 30, 1972, do not mention the CPC by name but describe responsibilities of UNC which can only be done by the CPC. The USA grant document itself, similarly, does not mention the CPC by name but in order to strengthen the involvement of the University as a whole in the population/family planning field. The same approach has been taken with the University of Michigan and Johns Hopkins University, the other two institutions with which A.I.D. has a USA.

UNC, however, unlike the other two universities, created a special unit, independent of any department, to be the energizer in its population/family planning work--the CPC. Thus to obscure the CPC is to dilute UNC efforts in population/family planning.

Although given considerable support through the USA, the Principal Investigator of the USA is not recognized as the spokesman for CPC. Instead, the core support component of the USA establishes the position of Program Director who is the Director of the CPC. The USA grant agreement requires that the core staff (of the CPC) will be headed by:

"A full-time program director with responsibility and authority to draw upon professional talent throughout the university who will provide the necessary management to insure adequate project planning, implementation, evaluation and administrative support for all activities under the Grant."

Obviously the Director of the CPC is intended to be a significant player in the population/family planning field. And indeed he is, on the UNC-CH campus. Major problems of a general administrative as well as a policy nature make their way to his desk. However, he does not have a clear contact in PHA/POP with authority to deal with him on many of his problems. In addition, in contrast to the 211(d) grant, the USA does not make clear the relationship between the core support budget and the CPC.

Recommendation: That the CPC be accorded appropriate recognition, useful to its purposes and those of A.I.D., by receiving citation in the grant agreement and related documents. This can be done without, in any way, diminishing the overall responsibility of UNC.

Recommendation: That a senior official in PHA/POP, at Division Chief level, be designated as the primary point of contact for the Director, CPC, on all population/family planning matters which are not project specific.

7. Special Accounting Problems

Two unusual accounting situations exist in the CPC activity. The first concerned with the payment of overhead and the second concerned with the possibility of double billing.

a. Computation of Overhead Rates:

Indirect costs, or overhead costs, are calculated by UNC, and reviewed by the HEW auditors, as a percentage of the entire cost of operating the University and a prorated portion is assigned to each A.I.D.-funded project or subproject as a percentage of the other costs of that project.* In reviewing the computation of the overhead rate and in auditing its application, the HEW auditors verify the total revenue of the University from all sources, as well as the total overhead cost.

* These percentages will vary depending on the type of project. Overhead costs for research projects are a total of 33.16 percent of on-campus salaries and 18.04 percent of off-campus salaries. Training project overhead costs are 8 percent of total direct costs (TDC). Service project overhead costs may be calculated according to either of the above formulae. There is one special exception to all this. The overhead charged against the core costs portion of the USA is 10 percent.

The overhead rate determined by the HEW auditor is subject to verification by the Overhead and Special Costs Branch of the Support Division (SER/CM/SD), A.I.D., to assure that it is equitable to A.I.D., before it is accepted.

In determining the base amount against which the various overhead costs formulae are applied, UNC adds the costs of numerous items, some major ones of which are rent, usage fees of UNC buildings, telephone use and library services. At its discretion, UNC may exclude a particular item, as it applies to a budgeted organizational component, from the overall base figure. This practice is in accordance with traditional accounting practice, according to the HEW audit representative. The relevant organizational component, e.g., CPC, must then pay the particular item, e.g., rent, as a direct cost against a funding account which will accept this charge, e.g., Rockefeller grant. This situation will lower slightly the negotiated overhead rate which is a percentage of the base figure. Thus all sub-budgets within the UNC-CH budget will have a slightly lower overhead cost, but the particular budget, i.e., CPC, with the item excluded from the overhead base, absorbs, by itself, the total cost of this item as a direct cost.

Such is the situation of the CPC. Although rent, non-toll telephone costs, and library services are generally a part of the base figure against which the overhead rate is calculated, UNC requires the CPC to pay them as direct costs.* CPC does so, using funds from non-A.I.D. sources, although such funds were originally obtained from program purposes and not for direct costs.

In a narrow sense, A.I.D. gains in very slight measure from this system. That is, indirect costs of projects it funds are slightly lower. In a broader sense, considering the investment A.I.D. has made to build up a population/family planning capability within UNC-CH, it must note that funds originally intended for direct project application (albeit non-A.I.D. funds) are diverted to pay costs which are usually a part of overhead.

* The IFRP project, AID/csd 2979, is an exception. A special agreement between the Principal Investigator and UNC specifically provides that the rental costs of the project will come out of their negotiated overhead rate.

Conversations with senior officials of the UNC-CH budget and accounting staff reveal that the University is planning to correct the situation so that all components of UNC-CH will share equally in the burdens of indirect costs. Accordingly, no recommendations are made on this matter. However, it should be noted that the same officials indicated the likelihood of a substantial increase in overhead rates.

b. Accounting Controls on Double Billing

UNC has installed an accounting and record system which makes it unlikely that the University would bill two or more different funding organizations for the same cost.

The salary costs for the core staff of the CPC are covered under direct costs of the USA and by the 211(d) grant. Direct costs are negotiated by the A.I.D. Contract Officer who checks other A.I.D. contracts and grants with UNC to assure that there is no double budgeting for a direct cost. It is not feasible and, therefore, no effort is made by the A.I.D. Contract Officer, to determine that a direct cost in a proposed A.I.D.-funded project budget is not also carried in the budget of a non-A.I.D.-funded project. On the rare occasion when the HEW auditor performs an audit of A.I.D.-funded projects, pursuant to OMB Circular A-88, he checks, inter alia, actual expenditures under direct costs against all UNC expenditures to determine if a direct cost is being double billed. No special recommendation is made as the existing control system is deemed adequate.

B. University Services Agreement

As already noted, the USA has two distinct parts: a) provision for Core activities and their financing, previously discussed, and b) establishment and financing of subproject activities. Discussion in this section is limited to the general provisions of the USA with respect to the formulation and management of subprojects. A review of each subproject may be found in Annex I.

1. Criteria for Subproject Selection

In addition to the core support, the USA grant promises funds for approved subprojects falling within certain subject matter areas within specified funding and duration limits. The subject matter guidance is a listing of ten categories in the population/family planning field.

- a. Techniques of fertility regulation
- b. Demographic data and measurement techniques
- c. Analysis of the interrelations of economic, social and demographic variables
- d. Evaluation methodology and its application
- e. Improvement of family planning services' delivery systems
- f. Improvement of information/education programs
- g. Strengthening of institutional capabilities in less developed countries
- h. Training and employee development
- i. Management and coordination systems
- j. Population policy

The limitations state that the subprojects should be of two kinds: (1) short-range, innovative, problem-solving in which case they may be funded up to \$50,000 for up to each of three years; (2) institution-building, in which case they may be funded up to \$100,000 for up to each of five years.

According to the PHA/POP Project Manager of the USA, the funding and duration limitations were inserted into the grant agreement as a means of guiding UNC toward the design of generally small scale subprojects. This suggests a skeptical view of PHA/POP of the managerial judgment and control authority of the core support staff of the USA and the CPC in general. As these factors improve, consideration should be given to modifying the arbitrary subproject funding limitations in the USA, and judging each subproject proposal on its intrinsic merits.

Recommendation: That the time and funding restriction for subprojects under the USA be reviewed for continuing validity and that consideration be given modifying them according to experience to date.

As of March 15, 1973, there are ten subprojects, all in the short-range problem-solving category, budgeted at a total of \$1,263,797 with several additional subproject proposals under consideration.

In a very fundamental sense, the USA grant is the most important of the UNC projects, since it is a major contributor to the maintenance of the CPC,* as well as a programming umbrella for an increasing number of sub-projects focused primarily on A.I.D. requirements rather than on UNC goals.

2. Program Guidance

The ten general subject matter categories listed in the grant document are rather skimpy guidance for UNC. However, through conversation, letters, the Annual Population Program Assistance Book, and other communications, further guidance has been given. A July 1972 booklet of PHA/POP, describing and rationalizing six basic areas of population/family planning activity of A.I.D. interest, is the most useful program guidance document in existence, but has not been given to the CPC.

Recommendation: That with regard to the USA, PHA/POP offer sub-project design guidance to the CPC similar to the July 1972 activity area booklet under the authority of an amendment to Grant csd 3325 and that future basic guidance be treated in the same manner.

3. Subproject Proposal Review

It has been noted that the USA subproject proposal review system in PHA/POP does not employ the standard PROP format or the PROP system procedures for project proposal clearance, despite the fact that subprojects may be up to \$150,000 or \$500,000 depending on whether the subproject is problem-solving or institution-building. Nevertheless, the PHA/POP Project Manager required UNC to submit subproject proposals in a format which includes all the features necessary to thorough review, including the ingredients for subsequent project evaluation.

The review of subproject proposals is systematic and sufficient for PHA/POP to make a firm determination to accept, reject, or redesign. The Project Manager circulates the subproject proposal to interested parties in A.I.D./W to obtain their views, while reserving for PHA/POP the authority to approve the subproject. This system of subproject proposal review short cuts the usual lengthy PROP system procedures entailed in obtaining an Agency decision on a new project. The arguments favoring the less formal procedures are the shortage of PHA/POP staff and the desirability of

* The 211(d) grant is in its terminal year and will not be renewed.

speed. The system seems to work and should not be criticized merely because it does not follow PROP procedures. Still it is vulnerable to criticism since subproject evaluation is of uncertain quality. To the extent that the subproject proposal clearances process remains informal, it becomes especially important that subproject evaluation be accurate and useful.

4. Subproject Evaluation

The CPC does not have a systematic method for evaluating subproject performance. Field visits are made by senior CPC staff and progress reports are reviewed, but these are done on a sporadic basis and often the key evaluation questions are not asked, to wit, (1) "What was planned and how did performance differ from the plan and why?" and (2) "What impact did the project have?" It is noted, however, that during the visit to Chapel Hill of the AG/OAS team, the CPC began planning the development of a project evaluation system, using the A.I.D. PAR system for guidance.

In PHA/POP, the Project Managers for the USA and for each of the subprojects are also unsystematic in their evaluation. They have tended to take the initiative in designing and organizing evaluations as they deem them necessary. In connection with the subprojects, this usurps the role of the Principal Investigator of the USA and the CPC. It is the Principal Investigator of the USA who should be planning, organizing, presiding over, and following up on evaluations of USA subproject performance while the concerned staff in PHA/POP should be observers and critics. The Principal Investigator should have the assistance of the CPC Research/Evaluation Officer whose position is called for in the grant agreement under core support.

Recommendation: That the Project Manager of the USA clarify and affirm the responsibility of the Principal Investigator of the USA to organize and conduct evaluations of the subprojects, and that the Project Manager's evaluation of the USA as a whole consider how effectively the Principal Investigator of the USA has evaluated the subprojects.

5. Audits of Subgrants

Under Grant AID/csd 3325, four subprojects, in turn, make grants to IDC institutions. Only one of the subgrant's Memorandum of Agreement (UNC 1-4, "Demonstration Project for Developing a Simple Vital Registration System and for Extending Postpartum Family Planning Services to Rural Areas of Tanzania") requires that an "audit shall be

conducted by an independent public accountant, the choice of which shall be by mutual agreement by the parties hereto." The project has not been active long enough to require an audit, but when it occurs, the audit will be paid for out of the core funds of the grant.

No audit is required in any of the other subgrant's Memorandum of Agreement. The reasoning behind this difference in approach, as offered by the head of the Contract Administration Office, UNC-CH, is that it would suffice for fiscally reliable LDC institutions merely to check their vouchers, as forwarded to UNC-CH. Subsequently, during the visit period of the OAS team, however, the Contract Administration Chief stated that he intended to arrange for audits of all subgrants.

C. PHA/POP Management of A.I.D./CPC Relationship

The relationship between UNC and PHA/POP is complicated because of the divergence of institutional objectives and working methods of the respective organizations. In the past, each organization has not adequately appreciated these differences, although in recent months, understanding appears to be improving.* PHA/POP is the organizational unit within A.I.D. managing the A.I.D. relationship with CPC/UNC-CH. This relationship is not fully effective because of a number of unresolved fundamental issues in the population/family planning field. In addition, there are discernible deficiencies in the PHA/POP programming, evaluation and management practices which substantially lessen the value of CPC/UNC-CH as a resource to A.I.D. The A.I.D. audit responsibility (which, however, is not a direct PHA/POP responsibility) also merits discussion.

1. Population/Family Planning Strategy

The AAC meeting of October 4, 1972, provided clear guidance on future A.I.D. policy and strategy in the population/family planning field, including the role of the social sciences. The actual policy and strategy and orientation of the staff of PHA/POP, which should have flowed from this guidance by the AAC, has not been forthcoming. Judging from the summary minutes of the October 4, 1972 meeting, PHA was given the responsibility to prepare an overall population strategy with inputs from the regional bureaus,** but no final document has yet been issued.

* See "University Programs and Population Centers," a paper prepared by PHA/POP for the May 1973 Bellagio III Population Conference.

** PPC, which should have a central responsibility in the final design of important policy and strategy, appears to have no substantive role in this particular matter.

Recommendation: That PHA/POP give high priority to the preparation and issuance of a population strategy in accordance with the conclusions of the AAC meeting of October 4, 1972. The issuance of such strategy should be immediately followed by intensive briefing of the PHA/POP staff, who should be charged with the issuance, in turn, of appropriate guidance to the field and to intermediaries.

2. Programming and Project Planning

Neither PHA/JP nor UNC-CH appears to engage in logical framework technique as the basis for specific project formulation. In PHA/POP, there appears to be no overall planning document which contains a well-reasoned statement of U.S. objectives in the population field, country goals with which the U.S. could associate itself, a quantitative statement of the dimensions of the problem, bottlenecks to solution, or an analysis of the quantitative impact of foreign assisted programs in helping to achieve LDC objectives.

The document most closely resembling overall country planning is the annual Population Program Assistance Book, the most recent version being that of December 1971. This descriptive document is intended to explain and justify the A.I.D. population program undertaken under Title X. However, from this document it is not possible to determine the quantitative relationship between a project financed by the U.S. and its impact on population rates.

The only program office type review which the work of PHA/POP receives is from the PHA Program Review Staff (PHA/PRS) whose services it must share with other elements of PHA. The limited size of the PHA/PRS staff does not permit the frequent give and take between program office and operating unit during the entire programming process which is so beneficial in the sound development of projects and programs. PHA/POP with its \$125 million budget should not be without this necessary adjunct.

Recommendation: That a Program Office be established in PHA/POP to be the PHA/POP focal point for the customary program office responsibilities with special emphasis on a critical review of all projects for conformance to basic population strategy. The PHA/POP Project Evaluation Officer should be a member of this office.

3. Evaluation

A sound system of project evaluation is now recognized among U.A. donor agencies as a basic requirement of effective project management.

In PHA/POP, project evaluation has not been systematized, is often neglected, is not properly exploited to effect project improvement, and in specific instances may take more time than if performed in a systematic fashion. Each division in PHA/POP evaluates its projects differently according to the content, format, and timing imposed by the Division Chief. In several instances, no evaluation was done at all. The need for a project evaluation system and a Project Evaluation Officer is imperative.

PHA/POP must move toward improved coordination on the evaluation of performance of projects and subprojects. In general, PHA/POP should take the initiative in project evaluation and invite CPC participation, while CPC should organize subproject evaluations and invite PHA/POP participation. PHA/POP evaluations of projects should include the effectiveness of CPC evaluations of relevant subprojects, if any.

Recommendation: That PHA/POP recruit a qualified evaluations officer who should be tasked to design and install a project evaluation system.*

4. Staffing Requirements in PHA/POP

In the course of conducting this review, several division chiefs and other staff members of PHA/POP claimed a need for additional personnel. Some of the heavy workload, on which these claims were based, might be reduced through the application of improved management practices. Since we did not review or analyze that PHA/POP staffing situation, the organizational structure, or all internal relationships, procedures, and controls, we cannot take a position on the adequacy of the PHA/POP staffing pattern. However, the dissatisfaction with staffing limitations seems sufficiently widespread within the PHA/POP leadership to warrant a special study on all these matters.

Recommendation: That PHA/POP request SER/MP to undertake a major organization and methods survey and analysis, to include PHA/POP staffing patterns and personnel requirements, and recommend changes to conform with work requirements and good management practices.

* During the preparation of this report, a highly qualified evaluations officer was assigned to PHA/PRS with the primary mission of assuring systematic project evaluation.

5. Documentation of Projects

During the course of this review, it was found that the availability of formal documentation in PHA/POP of projects was inadequate. This complicated the task of appraisal and evaluation.

At present, documentation on a project is normally found in the working file of the PHA/POP Project Manager. This file often contains obsolete drafts of documents and it is usually incomplete. In PHA/POP, there is, in addition, a project file in the Program Office, but this file is also incomplete. The Contract Division of SER/CM does have a complete file of contracts written in A.I.D./W, and of the PIO/T, which constituted the authority to write the contract. Occasionally, a PROP is also in the file. However, the Contract Division does not have a complete file on contracts written in the field.

At the CPC, there was no discernible standardized documentation for projects and subprojects, and no adequately systematic filing system.

Recommendation: That PHA/POP establish guidelines for a standard basic report file and that each division maintain its project files accordingly. PHA/POP should also urge and advise the CPC to design and install a standard project and subproject filing system.

6. Audit of A.I.D. Contracts and Grants

a. Audit Responsibility

In accordance with OMB Circular A-88, auditors of HEW are responsible for auditing all A.I.D. contracts and grants with the UNC. The HEW auditors are nine in number and have offices in Durham, North Carolina. They are responsible for auditing all Federal government contracts and grants within the State of North Carolina. The total number of such grants and contracts is undetermined, but UNC-CH alone has over 2,000 with an annual cost of \$30,000,000.

The HEW auditors have a three-year audit cycle and select approximately a three percent random sample from the total contract/grant population for actual audit during the three-year period. A single contract from each Federal government agency not covered in the random sample is added to the sample to be audited.

Upon request, however, HEW will perform final audits of specific A.I.D. contracts and grants.

In addition to the audit of specific contracts and grants, the HEW auditors perform an audit of the management procedures and controls of the organization executing the contract/grant. Thus a systems audit of UNC-CH, plus an audit of a specific A.I.D. contract, was done during FY 1971 covering the period July 1, 1969 through June 30, 1970. This audit report was sent to HEW/Washington during FY 1971, and forwarded to A.I.D./W during January 1973.

b. Audit of Subcontracts/Subgrants with LDC Institutions:

There are six CPC projects and subprojects which involve subcontracting with or subgranting to an institution in an LDC. Funds are advanced to the subproject by the respective parent project. Such funds are periodically replenished upon receipt in the Office of Contract Administration, UNC-CH, of bills paid or statements of salary or stipend accounts.* The resident HEW office representative states that the extent of the HEW audit of financial transactions between contractor/grantee and LDC subcontractor/subgrantee is to review the relevant accounts in the UNC-CH Office of Contract Administration and relate them to the incoming receipts and account statements received from the LDC subcontractor/subgrantee. This amounts to a voucher check and not a true audit. The formal instrument for establishing the relationship between the contractor/grantee and LDC subcontractor/subgrantee is a Memorandum of Understanding or Letter of Agreement. The Memorandum of Understanding provides the Office of the Auditor General, A.I.D., with access to the subcontractor/subgrantee's books at the Auditor General's option. In one case only, subgrant agreement, under the USA, requires that an "audit shall be conducted by an independent public accountant, the choice of which shall be by mutual agreement by the parties hereto."

* Under the USA, AID/csd 3325, four subprojects in turn provide grants to an LDC institution: Thailand Field Work Evaluation; Postpartum, Tanzania; Javeriana Nutritionists, Colombia; Development Institutional Capacity of IESA, Venezuela. Under Contract AID/afr 797, African Universities Program Development, the University of Ghana has a subcontract. Under Contract AID/csd 2979, IFRP, approximately 100 subcontracts exist for the collection of field test data. In this latter case, subcontracts are self-audited since it can be fully determined from the products of the subcontracts which are forwarded to UNC-CH, if full accountability is achieved.

Recommendation: That SER/CM provide guidance to UNC which will aid in determining under what circumstances a subcontract or subgrant must be audited by an acceptable audit organization.

UNIVERSITY OF NORTH CAROLINA

Current A.I.D. Grants and Contracts
in Population/Family Planning

<u>Project Title</u>	<u>Type of Legal Relationship</u>	<u>Project Number</u>	<u>Contract or Grant Number</u>	<u>Contract or Grant Effective Dates</u>		<u>Cumulative Obligation Dollars</u>	<u>Total * Project Amount</u>
				<u>Starting</u>	<u>Ending</u>		
1. Develop. of a Multi-disciplinary Program in Pop. & Family Planning	211(d) Grant	931-11-570-102	AID/csd 1940	Jun 68	May 73	2,400,000	2,400,000
2. Basic Ordering Agreement for Population Laboratories	Basic Ordering Agreement	931-11-570-861	AID/csd 2495	Jun 69	Jun 74	zero	
a. POP/LAB Develop. Unit at UNC			Task Order #1	Jun 69	Jun 74	1,351,313	1,351,313
b. POPLAB-Morocco			Task Order #2	Sep 70	Dec 73	310,500	471,760
c. POPLAB-Kenya			Task Order #3	May 72	Apr 74	118,970	199,600
d. POPLAB-Ecuador			Task Order #4	Oct 72	Oct 73	40,000	40,000
3. POPLAB - Colombia	Contract		USAID/514-126T	Jul 70	Sep 73	494,200	494,200
4. POPLAB - Philippines	Contract		AID/ea 154	Apr 71	Mar 73	100,380	271,500
5. Near East Pop. Survey	Grant	298-15-995-017	AID/nesa 430	Jun 69	Nov 72**	114,559	114,559
6. University Overseas Pop. Internship Prog.	Contract	931-11-570-882	AID/csd 2830	Jul 70	Jun 74	939,000	939,000
7. International Fertility Research Prog.	Contract	931-17-580-537	AID/csd 2979	Jul 71	Jun 76	4,906,000	4,906,000
8. African University Pop. Curriculum Development	Contract	698-11-570-360	AID/afr 797	Jun 71	Jun 74	491,127	1,234,763
9. Improvement of Pop. Library and Reference Services in LDCs	Contract	931-11-570-857	AID/csd 2936	Jun 71	Jun 74	524,300	524,300

(continued below)

<u>Project Title</u>	<u>Type of Legal Relationship</u>	<u>Project Number</u>	<u>Contract or Grant Number</u>	<u>Contract or Grant Effective Dates</u>		<u>Cumulative Obligation Dollars</u>	<u>Total * Project Amount</u>
				<u>Starting</u>	<u>Ending</u>		
10. University Services Agreement	Grant	931-11-570-956	AID/csd 3325	Jun 71	Jul 74		
a. Core Support - Total						1,505,837	1,505,837
b. Subproject - Total						1,263,797	1,263,797***
<u>Subprojects</u>							
Development of Methods for Estimating Fertility Changes in Individual Local Areas in LDCs				Jun 71	Jun 73	(99,540)	(99,540)
Training for Nursing Leadership in Pop. Programs				Jun 71	Jun 73	(162,493)	(162,493)
University Pop. Development Program				Jun 71	Apr 73	(75,000)	(75,000)
Demonstration Project for Developing a Simple Vital Registration System for Extending Post Partum Family Planning Services				Jun 71	Jun 74	(75,000)	(75,000)
An Automated Information System: A Pilot Study				Jun 71	Jun 74	(150,000)	(150,000)
A Pilot Program in Pop. Policy Analysis, Development and Application				Jun 71	Dec 73	(210,000)	(210,000)
Field Worker Evaluation Project				Jul 72	Jun 73	(44,998)	(44,998)
Training for Public Health Nutritionists' Leadership in Responsible Parenthood				Dec 72	Dec 75	(150,000)	(150,000)

(continued below)

TABLE I

<u>Project Title</u>	<u>Type of Legal Relationship</u>	<u>Project Number</u>	<u>Contract or Grant Number</u>	<u>Contract or Grant Effective Dates</u>		<u>Cumulative Obligation Dollars</u>	<u>Total * Project Amount</u>
				<u>Starting</u>	<u>Ending</u>		
<u>Subprojects (continued)</u>							
Developing Venezuelan Institutional Capacity to Teach Management Skills in Responsible Parenthood Programs				Dec 72	Dec 75	(146,766)	(146,766)
Pahlavi University Pop. Development Program				Dec 72	Nov 75	(150,000)	(150,000)
<u>Total Population/Family Planning</u>						<u>14,559,983</u>	<u>15,716,629</u>

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* Most projects are multiyear funded for up to three years.
 ** Extended on nonreimbursable basis until completion third volume.
 *** Additional funds available upon approval of new subprojects.

April 15, 1973

TABLE I

UNIVERSITY OF NORTH CAROLINA
 Current A.I.D. Contracts
 in
 Health and Science and Technology

<u>Project Title</u>	<u>Type of Legal Relationship</u>	<u>Project Number</u>	<u>Contract Number</u>	<u>Contract Effective Dates</u>		<u>Cumulative Obligation (Dollars)</u>	<u>Total Contract Amount</u>
				<u>Starting</u>	<u>Ending</u>		
1. Food Waste Cost/Benefit Methodology	Contract	931-11-510-867	AID/csd 2959	Jun 71	Mar 77	274,699	1,203,267
2. International Program in Sanitary Engineering Design	Basic Ordering Agreement	931-11-520-204	AID/csd 1888	Mar 68	Mar 74	---	---
a. Engineering Aspects of Schistosomiasis Control			T.O. #9	Jun 71	May 72*	7,900	7,900
b. Special Training Program for Engineers			T.O. #10	Jun 72	Aug 73	59,938	97,163
3. Training Program on the Environmental Aspects of Industrial Development	Contract	931-11-995-983	AID/csd 3680	Jun 72	Dec 73	119,835	119,835
Total Health and Science and Technology						462,372	1,428,165
Total Population/Family Planning						14,559,983	15,716,629
GRAND TOTAL						15,022,355	17,144,794

* Extended informally on nonreimbursable basis.

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TABLE I

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ANNEX I - POPULATION PROJECTS AND SUBPROJECTS

Separable, identifiable activities undertaken by CPC are called projects or subprojects. The legal form used to define a relationship between A.I.D. and CPC/UN C-CH in financing such separable activities may be either a contract or a grant. The Basic Ordering Agreement (BOA) is a type of contract in which financial terms for many projects of similar type are spelled out in some detail; each project under the BOA is defined more specifically in a Task Order. A BOA is often called an umbrella-type contract. The University Services Agreement (other than its core provisions) is of an umbrella type also, but is a grant, and the separable activities are termed subprojects. (Core activities under the USA were discussed above in Part II.) Other activities are financed as simple contracts or simple grants. The legal form used for each separable activity is shown in Table I.

In this Annex, each population project or subproject is discussed substantively. No recommendations, as such, to improve the design or management of each project or subproject are made. However, conclusions are drawn and desirable actions which logically follow from those conclusions may be described.

A. USA Subprojects

As of April 1, 1973, ten subprojects were approved and funded under the USA grant. All of them are in the short-range, innovative, problem-solving category, although most of them also have institution-building ingredients. In two cases, the funding limitations are slightly exceeded (Training for Nursing Leadership in Population Programs - two years, \$162,493; and A Pilot Program in Population Policy Analysis, Development and Application - eighteen (18) months, \$115,000), but these were subprojects set up before the date of the amendment establishing the funding limitation (Amendment No. 5, June 30, 1972).

The subprojects are carefully designed and seem to be relevant, although one cannot discern a unifying strategy, either technical or geographic, behind them. The Principal Investigators of the subprojects are knowledgeable and well motivated. Nevertheless, it is difficult to form firm judgements on their managerial performance, since no project evaluations were available. The subprojects are described below with appropriate comment.

1. Development of Methods for Estimating Fertility Changes in Individual Local Areas of LDCs

The purpose of this subproject, costing \$99,540, initiated on July 1, 1971 on a one-year basis and renewed for a second year, is to develop statistical methods for gauging fertility

changes from partial or defective data on births. Such measures would be useful in assessing the impact of family planning action programs in LDCs where routine birth registration systems are deficient, and otherwise to provide useful demographic data. The subproject employs the "numerator" approach, i.e., the use of biased sample data on births, drawn, for example, from the records of women admitted into hospitals for delivery of a child. During the first year, the Principal Investigator, with the help of a computer, generated controlled populations, exhibiting predetermined characteristics, and calculated the fertility levels from births. In the second year, he developed two statistical resources (the "center of gravity of the distribution" and the "median values of the marginal distributions of the age-parity grid"), and demonstrated their characteristics in the controlled population.

From interviews with the Principal Investigator and the subproject manager in PHA/POP, we learned that the scientific validity of the subproject had been reviewed by the Chairman of the Biostatistics Department of UNC, by consultants of the U.S. Bureau of the Census, and by the subproject manager himself. We were not able, however, to obtain any documents bearing on any evaluations which occurred prior to the extension of additional A.I.D. funding of the subproject, as we were led to understand that the exchange of views was not formalized in documents. The only review document available is dated January 30, 1973, several months following the extension. In this document, Dr. John Chao, of the International Statistics Program Center staff of the U.S. Department of Commerce, writes: "To the best knowledge of the present reviewer, in the actual situations of developing countries, when patterns of fertility changes are known . . . numerator indices are not likely to offer us any new information nor can they be used for further deriving other statistics . . . when patterns of fertility change are unknown, we are less certain about the significance of the observed variations in the numerator indices over time." (Underlining supplied.) In effect, Dr. Chao says that the use of a computer-generated population seems unnecessarily expensive and time-consuming. Unfortunately, Dr. Chao's evaluation was requested and performed after the decision to renew this subproject.

2. Training for Nursing Leadership in Population Programs

The purpose of this two-year, \$162,493, subproject is to develop and field test specific training program modules in population and family planning for nursing leaders (educators and administrators/supervisors). The training program modules were designed by the Principal Investigator and her assistants and tested in an intensive workshop

group of 12* key nursing leaders, two from each of six LDCs. These are now preparing to field test the training modules in their respective countries. The project also calls for a third phase during the two-year period: planning the development of a cadre of international nursing leaders with the ability to replicate the workshop-type experience or define population/family planning teaching content for the benefit of other nurses in their own country or region.

The project fell behind schedule for a few months because of illness of the Principal Investigator and the difficulty in recruiting qualified staff. This has necessitated a no-additional-cost extension of the project for approximately nine months. This extension will be arranged through an amendment to the grant.

No systematic evaluation of the project has been done either by PHA/POP or the CPC, although the achievements and shortcomings of the project, to date, seem to be appreciated by the Project Manager. However, an evaluation is planned for the near future by the Project Manager in order to develop a firm basis for considering a proposed follow-on subproject for the support of in-country nurse training programs in the population/family planning field.

The process of planning and organizing and taking the leadership in the evaluation of a subproject is a time-consuming chore which is the proper responsibility of the Principal Investigator of the USA grant as a whole. One finds, however, that in all the subprojects of the USA grant, it is the subproject managers in PHA/POP who take the leadership in planning and leading such evaluations as take place. The Project Manager contends that the core support budget of the grant provides salary for a Research/Evaluation Officer in the CPC whose implied duties include arranging subproject evaluations, but that this responsibility is not being discharged.

3. University Population Program Development

The purpose of this subproject, as given in the grant document's project summary, is to:

"Develop more effective methodology to establish and/or strengthen development of population programs and organizations in universities of LDCs."

* One nursing leader dropped out before arrival in the States and the workshop was initiated with 11 leaders.

Its plan of action provides for the following:

- "1. Using a network of collaborating universities and scholars in several LDCs (India, Iran, Philippines, Turkey, Brazil, Ghana) and the U.S., conduct a series of case studies and workshops to produce a:
 - a) State of the art review of the experience and methodology
 - b) Identification of the obstacles and issues that commonly arise in institution building for population programs in universities
 - c) Proposals for improved methodologies.
2. Based on the foregoing network, stimulate a dialog and continuing Association of University Population Programs to promote the efficiency and effectiveness of population programs in institutions of higher learning."

This \$75,000 subproject was started on July 1, 1971, and originally scheduled to run through 1972. It was extended on a no-additional-funds basis through April 1973. The final report of the Principal Investigator is currently under review by the PHA/POP Project Manager. This review will be the basis for determining to what use the results of this subproject will be put.

There is a relationship between this subproject and Project No. 698-11-570-360, Contract AID/afr 797, designed to introduce a population/family planning curriculum into four African universities. This subproject has attempted to collate, analyze and distill insight from a worldwide variety of experience introducing population/family planning into university curricula, while the African University project attempts to install such a curriculum into four African universities. The subproject has drawn on the experience of the African University Project as well as other LDC universities and there is no real duplication.

4. Demonstration Project for Developing a Simple Vital Registration System and for Extension Postpartum Family Services to Rural Areas of Tanzania

The purpose of this subproject is to evaluate the feasibility of using a rural vital registration system as the basis for locating postpartum women for family planning motivation and services. The subproject builds on a former project of the

Population Council which developed, installed, and operated a dual registration system for vital events in seven local areas with a total population of about 65,000 in Tanzania. The current subproject uses the vital events registration system to locate postpartum women and makes available through a nurse midwife in each of the seven areas, a family planning service.

This is one of the original subprojects and therefore was nominally initiated as of the effective date of the USA grant, i.e., June 30, 1971. In September 1971, a subgrant was made to the University of Dar es Salaam to carry out the field work. The Project Manager in PHA/POP has never conducted an evaluation of the subproject and has never received a written progress report or an evaluation from the Project Leader in the CPC or the Principal Investigator, a British medical doctor employed at the University of Dar es Salaam.* Since the total cost to PHA/POP over the three-year life of the project is only \$75,000, the Project Manager has not given high priority to discussing these managerial shortcomings with UNC Project Leader. This subproject, like the other USA subprojects, reveals the need to emphasize the importance of timely reports and timely, systematic evaluations in both PHA/POP and the CPC at UNC-CH.

5. An Automated Information System: A Pilot Study

This subproject under the USA should be considered in close juxtaposition to the project entitled, "Improvement of Population Library and Reference Services in LDCs" (Contract AID/csd 2936), because both are so heavily dependent upon the CPC population library. The purpose of this three-year subproject is to "design and implement an automated information system to service an existing research facility in population/family planning geared for the development and testing of methods of organizing, retrieving, and disseminating information."** The CPC population library is serving as the basis of the test model. Upon completion, this project should result in producing a computer program available for

* The distinction between the terms Project Leader and Principal Investigator should be made. The contractor's or grantee's lead man in a project is called the Principal Investigator. However, in connection with the subprojects under the USA, he is called a Project Leader, and the person responsible for the field work of the subproject is the Principal Investigator. However, again, these designations are not consistently applied.

** Narrative Summary of Project, Attachment D, Grant AID/csd 3325.

adoption by other population/family planning libraries. The essence of this subproject is the highly technical nature of computer programming. Thus, the Project Manager, who is otherwise well qualified, but is not a computer expert, is unable to monitor the subproject at the technical level, much less evaluate it.

6. A Pilot Program in Population Policy Analysis, Development and Application

The purpose of this subproject is to support the creation and work of an international consortium of social scientists concerned with population policy. Achievements to date, consistent with the subproject's plan of action are:

- a. Organization of the Consortium. A plenary session, attended by people from nine countries plus the U.S., was held in Yugoslavia during the latter part of 1972. The participants formally established the Consortium as a permanent organization of concerned educationalists, policy advisers and scientists interested in population policy. The Project Leader was designated as the Executive Secretary.
- b. Sponsorship of seminars and conferences. A conference of labor leaders was held in Venezuela during October 1972. Another conference, to be organized and managed by a Turkish university, is scheduled to be held in Turkey in the fall of 1973.
- c. Sponsorship of research. Research projects, in Yugoslavia, Puerto Rico, and Mexico, on attitudes among elite groups toward population/family planning programs are well under way. The Puerto Rico research effort also encompasses non-elite groups.

The subproject was conceived partly as an exploration of the potential contribution of political science to the solution of the population problem. The UIC political scientist who leads this subproject has made a serious study of the pertinent literature in his field and has informed himself on the potential contribution of political science to the population problem. If the subproject he has designed appears modest in scope, it at least has the merit of being feasible.

Although the subproject is proceeding successfully within its own terms of reference, its potential contribution to the world population problem appears small relative to the enormity of the problem. The subproject also requires a large amount of administrative time by the A.I.D. Project Monitor -- time which might better be spent on more ambitious projects, assuming that large scale projects are possible

in this field. This consideration had led to the existing consensus in PHA/POP that, upon completion of the present extension, the subproject should be financed by non-U.S. sources.

This project was initiated and funded at \$115,000, on July 1, 1971, for a period of one year, extended by amendment on a no-additional-funds basis for six months through December 31, 1972, and further extended, by letter, for two months. As of April 11, 1973, an amendment is awaiting validation by the Controller for another extension through CY 1973 with an additional funding of \$95,000. The subproject has both innovational and institutional-building characteristics.

The pending amendment for extending the subproject through CY 1973 has a tedious history of processing. The extension proposal is dated November 29, 1972, but was only sent by INMC to PHA/POP on December 27, 1972, and received two days later. From this point on, precise information on the chronology is not available. The subproject managers prepared a narrative summary, a PIO/T cover sheet, and a justification for renewal, and forwarded the package to the Project Manager of the USA. The latter made some modifications and passed it to the Program Officer and then the Director, PHA/POP. Following the clearance of all these officials, the PIO/T was dispatched to the Contract Division, which drafted the amendment to the USA grant. As of April 11, 1973, the draft amendment had been completed by the Contract Division and dispatched to, but not yet received by, the office of the Controller for validation as to the availability of funds. Thus, the A.I.D. processing of a simple extension of an established subproject has taken three and one-half months. This unduly long period is common in PHA/POP and emphasizes the need for an evaluation officer and the development and application of a project evaluation system.

The two non-funded extensions of this social science subproject and the three-and-one-half month interval required to prepare a funded extension through CY 1973 reflect the prevailing uncertainty within PHA/POP as to the potential utility of the social sciences in the solution of the population problem. The AAC has taken a position on this matter as recorded in the summary minutes of the AAC meeting of October 4, 1972. However, no policy or strategy statement has been issued as yet and the PHA/POP staff and the intermediaries have received no clear direction and guidance.

7. Field Worker Evaluation Project

The purpose of this \$14,998 subproject is to evaluate the relative effectiveness and performance of different types of family planning field workers under various conditions of employment within Thailand's national family planning program. The work is carried on by the Institute of Population and Social Research of Mahidol University in Thailand under a subgrant from UNC to Mahidol University.

This is a one-year subproject scheduled to be completed on June 30, 1973. However, it actually is a continuation of a subproject initiated in 1971 under a now defunct contract (AID/csd 2507, Improvement of Population and Policy Design). The subproject, formerly performed under a contract, is now performed under a grant. Grants and contracts have been used almost interchangeably with UNC. These arrangements were made before the March 9, 1973 Proposed Policy Determination on the Use of Grants in A.I.D. Programs was circulated for comment. Presumably, issuance of the Policy Determination will minimize the indiscriminate manner in which either the grant or contract instrument is used.

The Project Manager in PHA/POP of this subproject stated that he does not have and is not interested in having a copy of Amendment No. 4 of the USA which establishes this subproject and provides funds for it as the amendment was the concern of the Project Manager for the USA as a whole. When asked about the document which a meeting of the minds between A.I.D. and UNC on the subproject was under, the Project Manager of the subproject replied that UNC had submitted a proposal and the Project Manager had modified it, and this modification was the subproject statement which guided UNC and the Project Manager. In contrast, Amendment No. 4 states that it is providing support for this subproject, "entitled 'Field Worker Evaluation Project' which is described in the Grantee's proposal of the same title submitted May 1, 1972." No apparent harm has resulted from this contradiction between the USA Amendment No. 4 establishing the subproject and the actual subproject description in use, but it does invite danger in the event a disagreement occurs.

8. Training for Public Health Nutritionists' Leadership in Responsible Parenthood

The purpose of this subproject, established on December 1, 1972, is to design, test, and install population education modules into key courses of each of the four years of curriculum of the Department of Nutrition and Dietetics of the Pontifical Javeriana University in Bogota, Colombia. The subproject is well designed, providing clear indicators of progress and for measuring performance.

The PIO/T No. 932-11-570-956, which provided funds for this subproject, refers to it as an "institutional development (Type II) project," and allots \$150,000 over a three-year period, in unequal amounts per year. As of April 12, 1973, there is under review in PHA/POP a proposed so-called second phase subproject, the purpose of which is to do the same as this subproject in the remaining five departments of Javeriana University. The tentative funding for this proposed institution-building subproject is \$500,000 over a five-year period. The current and the proposed subprojects are the same in content and involve a single institution, Javeriana University; yet, because they were not ready for A.I.D. approval at the same time, they are treated as two different subprojects with regard to the funding limitations for institution-building projects under the USA. Together they total \$650,000, whereas if they had been prepared as one package, they would have been limited to \$500,000, unless a waiver was granted.

The time and funding limitations for subprojects was inserted into the USA through Amendment No. 5, dated June 30, 1972. Their purpose was to move the grantee into the direction of subprojects of smaller size and duration than was often being proposed until then.

9. Developing Venezuelan Institutional Capacity to Teach Management Skills in Responsible Parenthood Programs

The purpose of this three-year subproject, starting December 15, 1972, is to strengthen "the institutional capacity of Venezuela's Institute of Advanced Studies in Administration -IESA*- to design and recommend management and marketing systems suited to meet the demands of Venezuelan agencies engaged in responsible parenthood programs; to develop courses and course materials needed to promote improved management of public and private sector agencies concerned with such programs; and to plan for conferences and seminars that will make available to neighboring Latin American countries the benefits of the Venezuelan experience as attained."**

The subproject proposal which was accepted by PHA/POP, and, which, by reference in the pertinent amendment to the USA grant, is binding on UNC, provides that the Principal Investigator located at IESA will be a IESA faculty member with "a doctorate in demography and economics. . ." Instead, IESA appointed, and the Project Leader at UNC accepted, an inexperienced young man with only a M.A. degree. This man neither met the qualifications standards nor was he included

* Spanish acronym

** Excerpt from the approved subproject proposal.

in Appendix A of the subproject proposal which gave the curricula vitae of the selected faculty members of IESA who would be actively engaged in this project. The PHA/POP Project Manager, during one of her field trips to Venezuela, discovered this and registered her objection to the Project Leader in UNC. That matter was favorably resolved by the designation of an exceptionally well qualified faculty member of IESA as Principal Investigator.

10. Pahlavi University Population Program Development

The purpose of this project is to improve the institutional capabilities and competence of Pahlavi University in Iran in population/family planning training, research, and services. The project calls for the establishment of a secretariat and steering committee, under the Chancellor of Pahlavi University and including members of the Ministry of Health, as the central organizational mechanism for promoting population/family planning activities.

This project, which was effective in December 1, 1972, is funded over its three-year duration for \$150,000 and therefore has the superficial aspect of being a short-range, problem-solving project. However, it obviously is an institution-building project in that it attempts to create and activate, on an integrated basis, population/family planning activities in the most influential university in Iran. It intends the establishment of a permanent organizational addition which will serve as a population center for the University. Its rough analogy at UNC-CH is the CPC which has been in existence five years and has not yet reached full administrative maturity or financial stability. It is unlikely that this can be accomplished at Pahlavi in three years.

B. International Fertility Research Program, Contract AID/csd 2979

The International Fertility Research Program (IFRP) is a five-year, \$4,906,000 program, initiated in July 1971, to perform speedy and accurate comparative evaluations of promising devices for preventing births in use at sites heterogenous with respect to culture, economic well-being and race. In its method of operation, it uses established and tested techniques, building on one of the programs (IUD testing) of the Pathfinder Fund and employs as its director, the same expert professional who formerly was in charge of that activity for Pathfinder. In the course of field testing, the program generally pays costs of data collection for research purposes in ongoing service programs, but not the cost of the service itself. To a limited extent, the program also finances research on the design of devices, but not on basic research (although, admittedly, the line between the two is sometimes hard to draw). There is also a training element in the program for the purpose of supporting research activities.

Field testing of drugs and medical devices is commonly carried out by private drug and medical devices firms, as well as by HEW or National Institutes of Health (NIH). There is an adequate justification, however, for carrying out testing programs related to population control devices under A.I.D. auspices. IFRP studies are carried out worldwide. Test results may indicate differences due to genetic endowment, physical condition of patients, diet, social and religious factors, preparation of doctors and health personnel, and other reasons relevant in a non-U.S. environment. Other agencies may not test the items most useful from an international point of view. Also, other agencies are not doing the work at the pace required by the A.I.D. program. In carrying out experimental studies overseas, U.S. standards are adhered to. All experimental studies are reviewed by the UNC committee concerned with ethics of human experimental work to ensure that IFRP studies comply with HEW guidelines for human research.

Many of the activities carried out by the IFRP during the first year and a half of its existence were concerned with testing and "debugging" its own computer programs, developing research protocols, establishing research procedures and deciding on priorities in scheduling its testing programs. In terms of general population control techniques, IFRP gives priority to pregnancy termination, female sterilization, oral contraceptives and prostaglandins, in that order, but the sequence in which specific tests are conducted depends in part on whether a particular device or medication is considered a significant breakthrough. A good deal of the work in the first year and a half was also concerned with building up a network of sites at which the testing programs are carried out.

The IFRP is still feeling its way with respect to relationships with other elements of UNC. An initial conception of the program was that much of the scientific work could be done as part of UNC departmental work, but IFRP found that this was not confirmed by experience and set to work recruiting its own staff. However, there are a number of useful arrangements with UNC, particularly in providing training in the State medical facilities and in birth control clinics to Fellows from LDCs, conducting research in the clip method of tubal ligation at the teaching hospital at UNC, and using some UNC personnel (e.g., the staff epidemiologist) on a temporary basis. A great deal of support also came from the Department of Obstetrics and Gynecology at UNC. IFRP personnel also participate in the interdisciplinary study groups of CPC. Chapel Hill offers a congenial intellectual atmosphere which assists in the recruitment of staff. IFRP is looking forward to exploring other linkages with UNC, but doubtless, this will also depend on the evolution of CPC.

This five-year program is only just now emerging from the organizing stage. In some respects the project has moved slower than anticipated because of delays in obtaining required epidemiologic

and bio-medical inputs, but timely action has been taken to alter the staffing pattern to meet this problem. Unlike other CPC activities, specific contract provisions require that UNIC pay rental costs for the well-suited space in an office building occupied by IFRP. In the case of other CPC projects, CPC must find funding for these and allied purposes from foundation and other sources. The program has been under tight PHA/POP direction so that, in some respects, IFRP acts as the testing arm of the Office of Research of PHA/POP. This arrangement seems to work well.

It is too early to attempt an examination of the project in depth. This does not preclude PHA/POP from making an evaluation in the near future, and this is, in fact, presently in the planning stage.

C. Near East Population Survey, Grant AID/nesa 430

The purpose of this project is to collect, through a group of experts, widely scattered information and experience on demographic patterns, socio-economic factors and population/family planning policies and problems in selected Near East/South Asia countries, and synthesize, organize, and further extend this knowledge. This grant of \$114,559 was effective on June 24, 1969, and was twice extended formally (via grant amendment) from its original expiration date of December 31, 1971 to June 30, 1972, and then November 30, 1972. Subsequently it was informally extended indefinitely until such time as the third of the three-volume study is completed. The first two volumes have been submitted to A.I.D. and following a review by experts have been approved. The third volume is still in this review phase. Parts of the draft are being reviewed by experts from A.I.D., Department of State, Johns Hopkins University, the Near East Institute, and others.

The final product will be a reference work which is intended for distribution to various agencies working in the population/family planning field in the Near East. A possible additional use is now under consideration by PHA/POP via a project proposal from UNIC calling for a series of conferences and seminars on population/family planning for leaders, planners, and educators from the relevant countries. The reference volumes would be prerequisite material for participants at such conferences.

This project is all but completed and it is cautioned that no determination be made on the follow-up project proposal until the product of this grant project has been adequately evaluated.

D. Population Laboratories

1. History and Accomplishments

A.I.D. contracted with UNC in June 1968 for an exploratory study on improving demographic statistics in the developing world (AID/csd 2161). UNC presented its completed study on March 15, 1969, and shortly thereafter, in June 1969, entered into contract arrangements to establish a POPLAB Development Unit on campus and population laboratories at overseas sites. The contracting system is complex. A Basic Ordering Agreement (AID/csd 2495) established the contractual framework under which four Task Orders were written. These Task Orders finance the POPLAB Development Unit at UNC and also the POPLABs in Morocco, Kenya, and Ecuador. A USAID-UNC contract (USAID 514-1261) was used to fund the UNC Development Unit contribution to the POPLAB in Colombia. A subcontract was used to finance local expenses in Colombia. In the Philippines, a POPLAB is being financed under a three-party contract (AID/ea 154) with Xavier University, UNC and the Asia Bureau of A.I.D. Negotiations are about completed for establishing a POPLAB in Turkey. Because of the complexity of the contract arrangements, PHA/POP is currently taking action to simplify them by uniformly funding the Development Unit and the work covered by it by PHA/POP and having the individual POPLABs in-country costs funded by the relevant USAID.

Essentially, in implementing the concept of a population laboratory -- i.e., an office where scientific experiments on data collection systems are carried out and where alternative mathematical techniques for describing a statistical population are explored -- the "dual record" system was given strong emphasis. The "dual record" system, which is a demographic primary data collection system is now in the process of installation at four sites: Colombia, Morocco, Philippines and Kenya. In Ecuador, the UNC is providing technical assistance in the analysis of data bearing on demography. Type A POPLABs are carrying out "dual record" data collection activities. Those doing only analysis (Ecuador) are called Type B; and Kenya, where both activities are in progress, is designated Type C.

PHA/POP reviewed the POPLAB projects in depth October 12 and 13, 1972. As a result of this review, PHA/POP formulated a number of recommendations related to improving the research design capacity of the UNC Development Unit. A.I.D./W and UNC personnel associated with POPLABs also are participating in a conference on "Research in the Development of Vital Registration Systems" beginning April 24. The POPLAB program may thus be said to be under an active period of review. PHA/POP is now preparing contract amendments which will alter the POPLABs in the direction of the original concept.

2. Objectives of Project and Workplan

The POPLAB project was originally designed to help achieve A.I.D.'s objective to produce reliable and timely demographic data which would be useful in furthering national policy formation in population and economic and social development fields. The concept as described in the exploratory report envisaged that the overseas laboratories would test numerous data collection designs. In practice, as stated above, Type A POPLABs, for the most part, are testing subdesigns of the "dual record" system. Hence, it is appropriate to concentrate our attention on the "dual record" system and not on "population laboratories," (which, in any event, is a loosely defined concept).

The "dual record" system finds a use in situations in which the conventional primary demographic data collection systems (e.g., vital registration and census) are nonexistent or gravely deficient. It was introduced in the U.S. in certain rural areas because of fears that those areas were encountering demographic problems which were not adequately reflected in the overall statistics. In developed countries, the required demographic data needed for national policy purposes as opposed to local uses is obtained through the population census and vital statistics registration systems, supplemented on occasions by sample surveys. These systems are able to achieve adequate levels of statistical reliability and timeliness by effective implementation of legal reporting requirements, and the application of highly developed techniques of quality and administrative control, as well as by the use of advanced mathematical statistical procedures used to test statistical reliability.

The justification for the "dual record" system is that, in many LDCs it is not possible to rely on the existing statistical systems because even when such systems have been legislated, they are not implemented and enforced and therefore do not provide the data needed for national decision making on demographic problems. Because of the failure to use adequate quality and administrative controls, the summary results of past censuses may be inaccurate, in insufficient detail or out of date when finally produced. Vital registration systems are not intended primarily as a source of data, and are generally useless for this purpose in almost all LDCs. The "dual record" system, of the type being installed by the Type A POPLABs, is designated to supply highly accurate population growth estimates without relying upon or using the existing data collection systems. In this system, each demographic event, in a sample population, is recorded by two independent observations, a registration and a retrospective survey, and the two observations matched. The extent

to which the two recording systems fail to match is used as a basis for making a statistical correction. It is a costly system per event recorded (since it requires matching) but may be cost effective if other systems produce inaccurate or unusable data.

The "dual record" system encounters the same difficulties which face any statistical system operating in any LDC. For example, since the system is used for a sample, it should be noted that the reliability of the data drawn from the sample as descriptive of the universe depends upon the validity of the sample design. In the absence of a reliable population census and reliable economic data, it is difficult to make a judgment about the adequacy of sample design. This is particularly true in LDCs which are often characterized by heterogeneity arising from economic dualism, unintegrated ethnic minorities, and lack of social and physical mobility. Moreover, if the sample area is also used as the area in which population experiments are carried out, the sample area may tend to diverge substantially from the characteristics of the whole population.

E. University Overseas Population Internship Program, Contract AID/csd 2830

This four-year project went into effect on June 30, 1970, and provided \$939,000 to cover costs, including stipends, to send selected graduate and postgraduate students from a variety of specialized fields, all related to population/family planning, to work in LDCs in the population/family planning field. The purpose of the project is to provide valuable experience to neophyte specialists and at the same time to augment the short supply of trained professional manpower in population/family planning job occupations in LDCs. As of February 1973, 18 interns were at work in 11 countries.

The criteria for selection of candidates from the UNC-CH campus, other universities and similar sources, for the internships, as given in the contract are:

- "(a) capacity to adequately perform the technical tasks;
- (b) ability to function satisfactorily in the cultural environment;
- (c) prospects for long-term availability to work in the field of population and family planning upon completion of assignment."

The contract is silent on the citizenship of candidates and unclear on whether the sources of candidates are limited to U.S. institutions.* This was the basis of a misunderstanding between the CPC and PHA/POP during the first year of implementation of the project. The CPC had felt authorized to recruit candidates from non-U.S. universities and from among non-U.S. citizens as long as the literal criteria of the contract were being met. The issue was settled by a series of oral instructions from the Project Manager which provided that only U.S. university graduates, mostly, but not necessarily exclusively, of U.S. citizenship would be eligible for an internship.

The Principal Investigator has persisted in applying broader criteria, and during FY 1973 submitted, for PHA/POP consideration, a candidate who graduated from a Canadian university. This candidate was rejected by the Project Manager.

The Principal Investigator gave the OAS team a body of briefing material in February 1973 which included:

"CANDIDATE SELECTION PRIORITIES

1. Status as recent graduates
(foreign or native) of North
American Universities."

Thus, as of February 1973, there was no meeting of the minds between the Principal Investigator and the Project Manager on the criteria for candidates for the internships under this project.

According to the Project Manager, another misunderstanding with the Principal Investigator over the implementation of this project had to do with the role of the interns on the job. It has been the PHA/POP intent that the primary objective of the program and the work of the intern is to provide practical experience for the intern as well as to supplement the quality and quantity of professional personnel in the population/family planning field in specific LDCs. However, according to the Project Manager, the CPC was orienting the selected candidates to an emphasis on the accumulation of data for the purpose of publishing academic papers.

This problem was presumably laid to rest in a letter dated July 19, 1971, from the Project Manager to the Principal Investigator which provided guidelines "on the purposes of the program, the

* Current contract renewal discussions are considering this matter, and the Project Manager states that the renewal will require U.S. citizenship.

nature of the assignments, and the kinds of persons to be selected." However, these fundamental matters as well as the still murky issue of candidate source are of sufficient importance to be treated by contract amendment.

It is also a matter of record that the Principal Investigator has failed to submit the required semiannual reports in a timely manner. The Project Manager, in a letter dated December 21, 1971, wrote to the Director, CPC, reminding him that the mid-year 1971 report had not yet been received. As of April 4, 1973, the Project Manager stated that the semiannual reports were still not being submitted as required by the contract.

Evaluation, or rather the absence of evaluation, is a major deficiency of this project as it is of most UNC projects. The Principal Investigator does not systematically evaluate the performance of the interns and the Project Manager has never evaluated the project as a whole, particularly the CPC management of it. On June 30, 1973, the project will have one year to run. Prior to that time, PHA/POP must decide whether or not the project is to be renewed.* The Project Manager is, as of April 4, 1973, designing an evaluation method in order to conduct an evaluation as a basis for project renewal determination.**

F. African University Population Curriculum Development, Contract AID/afr 797

The objectives of this \$1,234,763 project are to render technical advice and assistance to introduce interdisciplinary instruction and research in the field of population in up to four African universities and to develop leadership in population matters on the part of African universities through the development and use of population centers. Unlike most contracts with UNC, the contract specifically provides that UNC will act through the CPC. The first of the African universities is designated in the contract itself as the University of Ghana at Legon.

The contract was effective as of June 30, 1971, and is scheduled to run until June 30, 1974, although the life of the project is five years according to the PROP. The contract was promulgated prior to the A.I.D./W reorganization and is between UNC and the

* Since no intern's tour of duty is less than one year, intern appointments must stop one year before the expiration of the contract. If the project is to be extended without loss of continuity, it must be extended at least one year before the current expiration date.

** The Project Manager has stated PHA/POP's intent to extend the conclusions of this evaluation to the nearly identical contracts with Johns Hopkins University and the University of Michigan.

Africa Bureau. It also provides that the services provided in the host country "will be performed under the general policy guidance of the Mission Director." Elsewhere in the contract, in Appendix B, it states that UNC shall perform "under the general guidance of the Mission Director, or appropriate A.I.D. officer, or their designees."

This is an institution-building project founded on an earlier project designed to identify African universities which might be susceptible to an addition of population/family planning instruction and research.

Although the contract became effective on June 30, 1971, implementation has been very slow. The resident advisor was not recruited and in place until September 1972, a full 14 months after the contract was signed. Only at that point did negotiations begin with the University of Ghana for a project agreement. This was finally signed during the first quarter of FY 1973. Furthermore, no additional African universities have been firmly identified as key sites for the project. The reason for this slow progress is not clear since no evaluation has been done by the Project Manager or his predecessor in the Africa Bureau. Furthermore, there is no evaluation information available in A.I.D./W from the Mission.

G. Improvement of Population Library and Reference Services in Less Developed Countries, Contract AID/csd 2936

The major objectives of this three-year \$524,000 project according to the contract are:

- "1. The establishment of a communications and exchange network between and among population library and reference centers in LDCs. . .
2. Develop and disseminate improved methods, manuals, materials, and journals for library and reference use. . .
3. Intensive development of four key population library and reference centers in less developed countries. . .
4. Train specialists in population libraries and information systems. . .
5. Provide consultation and training sessions to help train staff of library/reference units in the LDCs. . .
6. A National and International Conference will be prepared, developed and conducted. . .

7. Support efforts toward developing an international network of activities and momentum which will be ready for potential future United Nations leadership. . ."

This project, with an effective starting date of June 30, 1971, has never been formerly evaluated. (In the Spring of 1972 the Project Manager visited UNC-CH and was given an in-depth briefing on the status of the project. His comments during this briefing were constructively critical and were deemed by the Principal Investigator to constitute an evaluation. However, none of this was recorded.) Although most of the subobjectives under the main objectives, stated above, are being met according to the Project Manager and the Principal Investigator, one significant objective, the establishment of four key site population libraries, will not be achieved by the close of the contract period, largely because of the lack of commitment of the relevant LDCs. Largely for this reason, but also to carry on the work which has already been started, a request for an extension of this project is being prepared by the CPC. It is most important that an evaluation of this project be initiated and completed by the Project Manager before any decision on an extension is reached.

The improvement of population libraries in LDCs projects is credible and feasible because it is backstopped by the population library facilities and staff of the CPC. This library and staff may be viewed, outside of the requirements of the project contract, as a supporting service to other UNC population projects, as a service to existing population libraries, worldwide, and as a service to population research worldwide.

This project contributes to the support of the CPC population library and staff to an extent that if such contribution stopped, the library would cease to exist, although some of its functions would continue as they were taken over by the UNC-CH general library. Accordingly, in making a determination about the renewal of the project, PHA/POP should take into account the desirability of the continued operation of the CPC population library, either through this project or through an amendment to the USA.

As worldwide interest in population/family planning has increased, the number of libraries, including some in LDCs, specializing in that field has increased. The Principal Investigator of this project stated that this proliferation of libraries does not constitute duplication, because different libraries specialized in different subfields and the libraries were geographically dispersed to permit convenient access for a maximum number of concerned people.

It would be useful if the upcoming project renewal request were preceded by an evaluation. Consideration should also be given to redefining this project as a subproject under the USA.

ANNEX II - NON-POPULATION PROJECTS

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ANNEX II - NON-POPULATION PROJECTS

A. Food Waste Cost/Benefit Methodology, Contract AID/csd 2959

A.I.D. has three projects with UNC outside of the population field. In all instances the cognizant department of the UNC-CH is Environmental Science and Engineering.

The major project, "Food Waste Cost/Benefit Methodology," Contract AID/csd 2959, is out of the Office of Health, Bureau for Technical Assistance, and consists of a massive field test to study cost/benefit comparisons between the cost of improving environmental sanitation and the cost of food under alternative levels of intestinal efficiency, to define which combination of sanitary measures and practices, at lowest cost, provides least food waste and intestinal disease, and to prepare a manual on methodology for LDC use. The life of the project is scheduled for almost six years starting June 1971 and ending March 31, 1977. The project derives from a previous one (Contract AID/csd 2489) of two years' duration under which was developed the methodology now being field tested.

The project has been carefully designed so as to maintain control and facilitate evaluation. Time periods for progressive phases of the project have been established and stated in the contract. Periodic reports are called for and are being received on a timely basis. The Principal Investigator has stated that in some respects the project is ahead of schedule.

The field work of this project is performed in Guatemala under a subcontract with the Institute of Nutrition for Central America and Panama (INCAP) which is a subsidiary of the Pan American Health Organization (PAHO). The same meticulous attention to management control through frequent field trips, periodic reports, thorough work plans, and precise scheduling of work phases, as is found in the primary contract, exists in the subcontract. In addition, the subcontract provides that technical direction of the work will be shared by the Principal Investigator and a colleague at UNC and a professional officer of INCAP. Under the subcontract the Principal Investigator is the Coordinating Project Director and the INCAP official is the Field Director of the project.

The Principal Investigator for the project emphasized the importance of good management control of subcontract work performance through various means, especially working field trips by UNC project officers. He stated that it was intended that there would be a UNC professional at the field site almost constantly. (On the subject of management controls, it is noted that the Principal Investigator, along with his other professional and academic achievements, has a Ph.D. in Public Administration.)

The heavy involvement of project personnel from UNC in the work of the subcontract, reduces but does not eliminate the desirability of an audit of the subcontract by UNC or its agent. The subcontract permits, but does not make mandatory, an audit. The subcontract states, "At any time prior to final payment under this subcontract, UNC of AID may have invoices or vouchers and statements of costs audited." However, as previously noted, the Contract Administration Officer, UNC-CH, has stated his intention is to require audits of all subcontracts and subgrants. Accordingly, it is only recommended that at the earliest easy opportunity the subcontract should be amended to require an audit.

B. Basic Ordering Agreement, Contract AID/csd 1888

Of the remaining non-population projects, two are Office of Health, Bureau for Technical Assistance subprojects, under a BOA which has been running since March 15, 1968. One subproject under Task Order No. 10 provides for the training, in the U.S., of LDC engineers in the planning, design, construction, and operation of water supply and sanitation facilities. Currently, Task Order No. 10 is being implemented, as the fourteenth in a series of training programs. The clear trend through the more recent of these fourteen training programs has been a decline in the number of participants and a sharp increase in per capita costs. During the course of this review, the cost ineffectiveness of this situation was recognized by the Project Manager, and he and the Office of Health decided to terminate this subproject as soon as practicable without harm to the course users or to the University.

As is the case with all population project and grants, except AID/csd 2979, overhead costs under this contract do not include the rent for the office space used by the project. Such rent is paid by the project as a direct cost.

The second subproject is carried out under Task Order No. 9. Although its expiration date is long past, it is still active under this BOA. Unlike the other T.O.s which called for training programs, Task Order No. 9 calls for the preparation of a manual describing engineering devices which would assist in the control of schistosomiasis. This project, begun in June 1971, was planned to be of only several months duration, was extended several more months to May 1972, and has been informally extended further on a nonreimbursable basis. The Project Manager states that the Principal Investigator has prepared a draft but has not found enough time to complete the work.

A major reason for a BOA is to have a contractor in a fully responsive posture at all times in the event that a subproject requirement is established. In the instance of Task Order No. 9, UNC has not been responsive. The Project Manager has taken all

reasonable measures to correct the situation, but to no avail. He has, directly and through the Contracting Officer, repeatedly requested compliance of both the Principal Investigator and the P.I.'s department head who is the P.I. for the overall BOA. The deficiency, in the first instance is the department head's who has not exercised his monitorship responsibility. On April 5, 1973, the Project Manager suggested to the Contracting Officer that a claim for refund be lodged with UNC. As of May 31, 1973, no action has been taken.

C. Training Program on the Environmental Aspects of Industrial Development, Contract AID/esd 3080

The third non-population project also concerns training. It is, however, an innovational effort. Its purpose, according to the contract, "is to enable the Contractor to develop, test, document, and evaluate an environmental training course for less-developed country's policy officials and educators concerned with the pollution aspects of industrial development." It is a jointly sponsored project between A.I.D. (cognizant office is Office of Science and Technology, Bureau for Technical Assistance) and the United Nations Industrial Development Organization (UNIDO). However, unlike Contract AID/esd 1888, to which PAHO sends participants but does not pay direct program costs, UNIDO pays \$700 per trainee as a "contractor fee." UNIDO is sending ten trainees. A.I.D. does not budget program costs on a per capita basis but provides \$57,435, out of its total input of \$119,835, for the training program itself. (Participant costs, i.e., travel, lodging, subsistence, administrative, etc., are covered by the remaining \$66,400). Since A.I.D. is sponsoring nineteen trainees, the per capita cost is \$3,022.89. The UNC-CM project coordinator states that the training project would never have been established if it were limited to UNIDO inputs. The training program concluded with a graduation ceremony in A.I.D./W on April 2, 1973. Prior to this, there was an in-depth evaluation of the content of the training.

The Project Manager states that it is somewhat more difficult to develop criteria or establish indicators to determine if the goals of such training will be met, i.e., what anti-pollution actions will be taken by the trainees upon returning to their own countries. Various methods are being considered to monitor the behavior of the trainees over an extended period of time. However, the matter of evaluating a training project with the basic goal of changing policies has not been systematized by the establishment of criteria.

The contract requires that UNC "Arrange international . . . travel for participants." Although not without precedent, this is unusual since the Office of International Training (OIT) generally arranges

travel which involves a substantial administrative burden beyond the mere purchase of tickets. OIT rejected the assumption of this burden when the project was still in the planning stage, on the grounds that this was an A.I.D./W-funded training project. UNC proved unable to handle travel and the concomitant administrative arrangements. Accordingly, the A.I.D./W travel office undertook to procure airline tickets while the Project Manager himself furnished the administrative backup for the travel. While this did not involve a great deal of work, the fact is that the contract called for UNC to arrange international travel and not A.I.D. officials.

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