

DATE: JAN 22 1980

memorandum

REPLY TO
ATTN OF:

AAG/W, *George L. DeMarco*

SUBJECT: Memorandum Audit Report No. 80-19, Review of AID Activities in Togo

TO: Mr. John A. Lundgren
Office of AID Representative
American Embassy, Lome, Togo

INTRODUCTION AND PURPOSE OF REVIEW

Togo, located on the West Coast of Africa, is one of the least developed countries, having a per capita income of about \$250 annually. Among the many problems that beset the country are frequent droughts, food shortages, severe health problems, high population growth and a shortage of trained manpower. The Government of Togo is struggling to achieve greater economic growth, with increased per capita income, and a dispersion of basic human needs to its entire population. It is attempting to do so through a strategy of growth with equity. Yet, in AID's judgment, a significant amount of basic infrastructural development, including institutional, will be necessary before a concerted and sophisticated attack on the overwhelming problems of the poor can be successfully mounted.

In 1977 AID initiated a bilateral assistance program to support Togo's development efforts. The strategy is to fund those Togolese projects that are in accord with AID's "New Directions" and legislative mandate and are still consistent with the Government of Togo's broad priorities. AID's bilateral assistance program presently consists of two grants to two projects.

We reviewed the status of AID's program to determine if the two projects were on target and meeting AID objectives. Our review was performed in accordance with generally accepted auditing standards and included such discussions with AID and Government of Togo officials as was considered necessary.

INORDINATE DELAYS IN PROJECT IMPLEMENTATION

The implementation of the two projects has been delayed for about two years. These delays have been due in large part to difficulties in recruiting qualified American advisors and to the inability or reluctance of the Government of Togo to meet certain conditions in the grant agreements. As a result, the successful implementation and completion of the projects is questionable.

Background

Under the first grant, signed on September 30, 1977, AID provided \$1,278,000 for the design, construction and equipping of a Family Health Training



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Service Center in the capital of Lome. Included in this amount was \$270,000 for the services of an American medical advisor to assist the Togolese Center Director plan and manage the project. The objective of this Health Center project is to assist the Government of Togo strengthen its institutional capacity to provide improved health services to the populace, particularly children up to five years of age and lactating mothers. This objective is to be achieved through in-depth training and retraining of medical, paramedical and social personnel in various aspects of family health, maternal child health, nutrition and family planning. Funding for this training phase is to be provided by the Family Planning International Assistance--an international division of Planned Parenthood Federation of America.

The second grant, signed on August 30, 1978, provided \$654,000 to fund a three-member American advisory group to assist the Government of Togo develop the institutional capability to plan and implement a low-income housing plan for the poor in urban areas. AID intends to provide an additional \$5 million loan from the Housing Investment Guaranty Program to this project for funding construction and related site improvements when the housing plan is completed.

Reasons for Project Delays

We found that the implementation of both projects has been slow in getting started. These delays have been due in large part to difficulties in recruiting the services of qualified American advisors. The advisors for the housing project, for example, arrived in Togo in August 1979, approximately one year after the grant was signed. It will thus take several months before this project shows any measurable progress.

The situation is even more serious under the Family Health Training Center project. Though two years have elapsed since the grant was signed, a full time medical advisor for this project has yet to be recruited. The problem is finding a French-speaking physician willing to live and work in Togo for three years. In 1978 AID attempted to substitute an American nurse, who in AID's judgment, met the position qualifications. Togo, however, disapproved this substitution on the basis that it did not want the Director of the Training Center to be working under the supervision of a nurse.

The medical advisor is a key element in the project. Important aspects of the advisor's responsibilities are: (1) to assist the Togolese counterpart, the Director of the Family Health Center, with the coordination of roles and operational procedures of donors and various Government of Togo entities involved in the development and implementation of the training program for health personnel and teaching staff; and (2) to train teaching

staff. Much of the project's success rests heavily on the effective implementation of those responsibilities. In this regard, it is important to note that the Government of Togo has not yet appointed a Director for the Health Center. According to the AID Representative in Togo, the government is reluctant to do so until AID provides a medical advisor.

Another factor contributing to the delay of the Health Center project is Togo's inability to meet the conditions precedent to disbursement of the construction funds. Section 4.2 of the AID Grant Agreement requires that the Government of Togo provide in form and substance satisfactory to AID:

"(a) Plans and specifications, bid documents, cost estimates, and time schedules for carrying out the project.

"(b) An executed contract for construction or other services for the project acceptable to USAID with a firm acceptable to USAID."

These documents were to be provided to AID no later than September 30, 1978. However, because of Togo's inexperience in procurement matters, this terminal date has for conditions precedent been repeatedly extended. The need for several revisions of the construction plans and designs has contributed to this delay. At the time of our review, the AID Representative in Togo indicated that the plans and designs had been approved and that a construction contract should be awarded shortly. Construction of the Center could thus possibly start at the end of 1979.

CONCLUSION AND RECOMMENDATION

In our view, AID needs to evaluate the Family Health Center project to determine whether a full-time medical advisor can be recruited. If not, we question whether the project should be implemented. Accordingly, we do not believe that construction of the Health Center should move forward until the recruitment of an advisor is resolved.

Recommendation No. 1

We recommend that the Office of AID/Representative/Togo, in conjunction with the Regional Economic Development Support Office/West Africa, evaluate the Family Health Center project to determine whether it is feasible to continue the project without a qualified medical advisor.

LIST OF REPORT RECIPIENTS

Deputy Administrator	1
Assistant Administrator/Africa	1
Office of AID/Representative/Togo	5
Regional Economic Development Support Office/West Africa	5
Office of Financial Management, Controller	1
Office of Legislative Affairs	1
Office of General Counsel	1
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AAG/Egypt	1
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