United States General Accounting Office

GAO

Fact Sheet for the Chairman, Subcommittee on Legislation and National Security, Committee on Government Operations, House of Representatives

December 1988

PARTICIPANT TRAINING

AID Administration of Training Agreements, Costs, and Support Services

GAO/NSIAD-89-43FS

GAO

United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-233418

December 22, 1988

The Honorable Jack Brooks
Chairman, Subcommittee on Legislation
and National Security
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

On March 9, 1988, you requested us to provide you with information on aspects of the Agency for International Development's (AID's) management of participant training activities. Specifically, you asked us to obtain information on (1) the rationale and past studies related to cost effectiveness of the administrative structure for implementing the activities, (2) the openness of competition in awarding AID funds for these activities and the extent of university participation in administering them, and (3) the type of support services provided to participants. This fact sheet provides information on each of these issues.

Background

AID officials estimated that the agency spent $200 to $250 million in fiscal year 1987 to support academic and other types of training for overseas participants. AID estimates about 18,000 participants will have been sponsored in fiscal year 1988, of which about 40 percent will have received academic training.

Participants are usually selected jointly by representatives from their country and the AID mission and receive training for positions or skills needed to further the development of their countries. The training may (1) be an integral part of an AID-sponsored project, (2) focus on a broader goal such as strengthening the human resources of a particular sector or institution, and/or (3) strengthen local training capacities.

AID's policy has been to provide long-term academic training in the United States, primarily at the graduate level. Most participants have been established in their professions in the government, private sector, or academic community. Others, however, have represented disadvantaged segments of populations, such as the rural poor, and are in undergraduate programs.

The focus of participant training has changed over the years as a result of changes in goals. Recent legislation and administration policy have

increased emphasis on undergraduate training for socioeconomically disadvantaged students, primarily from South America, Central America and the Caribbean, and for victims of apartheid in South Africa. As a result, the number of participants has grown.

Between fiscal years 1984 and 1987, AID-sponsored participants increased by 55 percent, from 11,410 to 17,685. The number of participants receiving academic training each year in the United States during this period increased by 73 percent, from 4,564 to 7,906.

Decentralized Administrative Management

Administration and management of participant training is highly decentralized and fragmented, involving several AID headquarters offices and most of AID's overseas missions. As of April 1988, AID had contracts and other agreements with 105 programming agents (including private, university, and government organizations) for placing and/or managing academic participants. Nine of the 105 programming agents placed and/or managed about 75 percent of AID's 7,331 academic participants. However, most agreements were made at the AID mission level in support of individual mission projects and training activities that involved small numbers of participants.

The Office of International Training (OIT), a staff unit within the Office of the AID Administrator, is responsible for developing overall participant training policies and procedures and for general oversight of participant training activity. It is also responsible for directly managing and monitoring three agreements with a private organization and federal agencies to provide participant placement and administration services. AID regional and central bureaus have responsibility over 19 agreements, and the rest are managed by AID's overseas missions. AID/Washington agreements serve about 50 percent of the academic participants.

According to AID, the largely decentralized participant training management structure is consistent with current agencywide efforts to contract out services to the private sector and small minority businesses, and to decentralize most program and operational responsibilities to the mission level. An AID official added that a decentralized structure better recognizes where each country's unique resources and development needs can be most accurately assessed. Appendix I provides additional details on the basis of recent legislative changes and AID's rationale for the current participant training administrative structure.

Participant Training Costs

AID has had no systematic means for collecting data on actual participant training expenditures and has not required a standardized reporting format for these expenditures. Because of these problems, it is difficult to determine the cost effectiveness of the administrative structure for managing participant training.

AID periodically has made some attempts to determine participant training costs. AID found, however, that the absence of a uniform, line-item budget format and a system for collecting actual cost data has resulted in programming agents reporting considerable variations in both program and administrative costs. AID is installing in phases a new management tool, the Training Cost Analysis (TCA) system, to collect data and information on participant training expenditures. This system, which contains a budget estimate component, is expected to assist AID officials during the procurement process in analyzing reasonableness of costs and comparing bidders' or potential programming agents' cost proposals for placing and/or managing participants. The system also contains a quarterly reporting component for tracking and monitoring actual expenditures of programming agents. Beginning October 1, 1988, AID officials and representatives are required to use the TCA system for analyzing cost proposals during the procurement process, and current programming agents are to be encouraged to use the TCA format in their quarterly reports. Appendix II discusses AID's efforts to identify costs of participant training and its plans for using TCA.

Participant Training Contracts and Other Awards

AID's academic participants are managed under six types of agreements—contracts, grants, cooperative agreements, general agreements with federal agencies (such as participating agency services agreements and resources support services agreements), host country contracts, and loans. As of April 1988, contracts comprised about 50 percent of the agreements used for managing participants, while grants and cooperative agreements make up 15 and 11 percent, respectively. Our review of the number of active agreements and the number of awards made during fiscal years 1985 through 1988 showed that university organizations received about 50 percent of these agreements.

We identified 68 participant management and/or placement agreements (excluding loans and general agreements with federal agencies) issued by AID during fiscal years 1985 through 1988. Over 40 percent of these agreements were made under full and open competition. Our review of AID/Washington agreement files and information provided by AID missions and bureaus showed that the scope of the competition for some

awards was limited due to legislative requirements to make agreements with and use the resources of land grant colleges, universities, and small businesses owned and controlled by socially and economically disadvantaged individuals. For other awards, AID officials decided that full and open competition need not be obtained when (1) a congressional earmark or reservation for a participant training project has been made, (2) only one or a few organizations have demonstrated unique capability in the international training market, or (3) such competition would impair foreign assistance objectives and would be inconsistent with the fulfillment of the foreign assistance program. Appendix III provides more information and data on university participation and the openness of competition for participant training awards.

Participant Support

AID requires missions to provide few support activities for participants. These requirements include making formal presentations of certificates of achievement to participants upon their return to the host country and maintaining personal and/or written contacts with returned participants. AID encourages missions and programming agents to provide a wide range of support services, including

- predeparture services—orientation to the U.S. culture and academic/training differences, providing assistance in the selection of training programs or course of studies, and medical examinations;
- U.S. arrival and adjustment services—port-of-entry reception, additional orientation, health and accident insurance, monitoring academic progress and personal adjustment, counseling when problems arise, living allowances, and enrichment programs designed to expose the participant to American culture; and
- reintegration and follow-up services—monitoring personal adjustment and the opportunity to put new skills to use in the country's development process, and involvement of participants in ongoing professional development opportunities (e.g., membership in professional organizations, alumni associations, and opportunities to attend technical conferences).

Numerous studies have pinpointed gaps in services to participants. AID's May 1986 Review of Participant Training Evaluation Studies, an analysis of recommendations from 206 evaluations, indicated that there should be (1) more and better orientation, (2) more contact with and support for returned participants, and (3) more personal and academic support and counseling at the training site.

Currently, no mechanisms or systems are in place to provide consistent data and documentation on the types and levels of services provided by contractors and other programming agents. During a limited review of three Washington area programming agents' participant files, we found variation in the consistency and quality of data and documentation maintained on services provided to participants. These services included attendance at U.S. orientation and special enrichment programs, contacts or site visits made with the participant, communication with the university advisers, and cultural and social adjustment.

In 1984, AID's Inspector General reported that (1) missions were not conducting participant follow-up activities, (2) lack of information on all participants is a problem, and (3) mission training offices may not have been aware of all participants sent for training. For example, one mission was unaware that over 80 participants (involved in a $14 million project) had been sent for U.S. training by the host country contractor.

Partially in response to these deficiencies, AID has been developing an integrated participant management system called the Participant Training Management System. This microcomputer system is to be used by AID missions to monitor training activity, track implementation benchmarks for management oversight and trigger evaluation, and follow-up activities. The system includes

- project data—project obligation or start date, project type, planned number of participant starts by quarter and by project, and project number;
- biographical data on each participant—e.g., name, gender, marital status, employer, educational background;
- management data—e.g., tests and test scores, visa status, medical status, arrival notice status, estimated departure date, grade point average, major field of study; and
- follow-up activity—return date, interview date, mission contact history, and professional membership information.

The system was first released to missions for implementation in September 1985. As of August 1988, 29 AID missions informed us that they have installed or are using the Participant Training Management System. Some of the missions have yet to implement it and some have systems or mechanisms that are designed to accomplish the same objectives as this system.

AID has plans to establish a contract liaison/monitoring unit within OIT to conduct participant training program desk audits. This unit is expected to review documentation such as visa records, academic grade reports, and statements on the rationale for the choice of education institution. Appendix IV provides a summary of the requirements and variations in support services.

Our objectives, scope, and methodology are discussed in appendix V.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this fact sheet until 30 days from the date of issue. At that time, we will send copies to the Senate Committee on Governmental Affairs, the Senate and House Committees on Appropriations and on Foreign Affairs, and the Agency for International Development and make copies available to others upon request.

This review was performed under my direction. Other major contributors are listed in appendix VI. If you should need additional information, please call me on 275-5790.

Sincerely yours,

Nancy R. Kingsbury

Nancy R. Kingsbury
Associate Director

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Abbreviations

AID	Agency for International Development
OIT	Office of International Training
PASA	Participating Agency Services
RSSA	Resources Support Services Agreement
TCA	Training Cost Analysis

Legislative Goals and Administrative Structure

Participant training, the provision of academic or technical training to host country citizens in the United States or a third country, was institutionalized as a major and integral part of U.S. foreign assistance around 1948. The focus of participant training, however, has changed over the years as a result of shifts in legislative goals. Additionally, AID management of participant training has undergone several reorganizations due to changes in organizational goals and growth in the participant workload. The historical background on the legislative goals and organization of the program provides an appropriate context for understanding the rationale for managing participant training under the current administrative structure.

Changes in Legislative Goals

Part I of the Foreign Assistance Act of 1961, as amended, declared that a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire knowledge and resources essential to development and to build the economic, political, and social institutions that will improve the quality of their lives.[1] The agency primarily responsible for administering part I is the Agency for International Development (AID). The act authorizes AID to provide advanced education and training in areas such as agriculture, rural development, nutrition, and population and health.

The Congress and the Administration have targeted some specific groups and geographic areas for participant training. In early 1984, the Report of the National Bipartisan Commission on Central America recommended a dramatic increase in scholarships for participants from Central America. The report also suggested that the program (1) focus on participants from all social and economic classes, (2) provide increased opportunities for undergraduate education and training, and (3) help build lasting links between the United States and Central America. The report resulted in the Administration's Central America Democracy, Peace and Development Initiative. The Congress approved the initiative and amended the Foreign Assistance Act in August 1985 to authorize funding for leadership development of Central Americans, including training and educational programs to improve public administration and the administration of justice.[2]

[1]Part I, 101, P.L. 87-195, 22 U.S.C. 2151 (1982), as amended.

[2]P.L. 99-83, Chapter 6, 22 U.S.C. 2271 (Supp. IV 1986).

This theme was expanded upon by the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99-93) and the Comprehensive Anti-Apartheid Act of 1986 (Public Law 99-440). The foreign relations authorization legislation declares that it is in the national interest for the U.S. government to provide financial support to give students in developing countries the opportunity to study in the United States. The law states that the training is expected to improve the range and quality of education alternatives available to the participant, increase mutual understanding, and build lasting ties between those countries and the United States. More specifically, the law establishes an undergraduate scholarship program to bring students of limited financial means to the United States for study at institutions of higher education. While this law urges AID to increase assistance for undergraduate scholarships for students of limited financial means, it also directs that particular attention be paid to students from Central America and the Caribbean. The antiapartheid legislation amends the Foreign Assistance Act and provides funds to finance education, training, and scholarships for victims of apartheid, who are attending colleges and universities in South Africa. It also provides funds for a scholarship program (which involves AID and an initiative by U.S. universities, corporations, and foundations) directed at bringing disadvantaged South African students to the United States for undergraduate and graduate education.

AID responded to these concerns and directives by establishing two programs which targeted Central America and South Africa. In response to the foreign relations authorization legislation, AID established the Central America Peace Scholarship Program to train 8,500 individuals primarily from low-income groups, focusing on increased undergraduate training and enhanced by a cultural enrichment component (designed to increase the participants' understanding of U.S. culture and institutions). Similar training is also provided to participants from the Caribbean, South America, and South Africa. AID has provided participant training to South Africans since fiscal year 1982 and will fund about 400 students over the next 5 years.

AID's management and administration of participant training has also been influenced by other legislation governing the manner in which AID may contract for services or provide assistance using grants or cooperative agreements. The Federal Grant and Cooperative Agreement Act[3] establishes criteria for selecting from among these three legal instruments when entering into a funding relationship with a recipient for an

[3]31 U.S.C. 6301-08 (1982).

authorized purpose. The Competition in Contracting Act of 1984[4] requires full and open competition in the procurement of property or services by contract. The Federal Grant and Cooperative Agreement Act encourages competition in the award of grants and cooperative agreements.[5] Section 8(a) of the Small Business Act provides a vehicle for contracting with socially and economically disadvantaged businesses.[6] Additionally, the so-called Gray Amendment to the foreign aid appropriations contained in Public Laws 100-202, 99-500, and 99-190 requires that 10 percent of AID funds be made available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations that are controlled by individuals who are black Americans, Hispanic Americans, and Native Americans, or who are economically and socially disadvantaged. The amendment also includes colleges and universities with student populations having more than 20 percent Hispanic American students.

Rationale for the Current Administrative Structure

AID has undergone several changes in the way it has administered participant training. Over the years, AID operated alternately under decentralized and centralized approaches to more efficiently and effectively manage the training participants.

Currently, AID's structure for administering participant training is highly decentralized. Participants are managed under a multiplicity of agreements. AID reported that, as of April 1988, 105 programming agents—private organizations, university organizations, and government entities—were involved in placing and managing academic participants under 184 agreements. According to cognizant AID officials, most of these agreements were issued or controlled by AID missions. The Office of International Training (OIT), a staff unit within the Office of the AID Administrator, has responsibility for 3 of these agreements. OIT, however, is primarily responsible for developing overall participant training policy and procedures and for general oversight. AID's regional and central bureaus manage 19 agreements, and the remaining 162 agreements are managed by AID's overseas missions. The 22 AID/Washington agreements serve about 50 percent of the academic participants.

[4]Title VII, P.L. 98-369, 41 U.S.C. 253, et seq., (Supp. IV 1986).

[5]31 U.S.C. 6301(3) (1982).

[6]15 U.S.C. 637(a) (Supp. IV 1986).

AID officials reported that the decentralized structure is consistent with agencywide efforts to consolidate its resources and contract out services to the private sector, including small and minority businesses. This structure allows AID missions, where countries' development needs are thought to be more accurately assessed, to have control over their contractors and monies.

Great variation exists within this structure. Training may be accomplished under a general participant training agreement or an agreement between AID/Washington and a private, university, or government organization. Some agreements of this type will permit any AID mission to buy-in, on an ad hoc basis, by paying a pre-established, flat fee for the programming agent to place and manage each participant from the host country. Other general training agreements specifically direct the programming agent to place and manage a fixed number of participants from certain prescribed countries. Project-related training, controlled primarily by missions, may be accomplished by the prime contractor or agent for the project, or by an organization under a subagreement.

Efforts to Identify Costs of Participant Training

It is not possible to evaluate the cost effectiveness of the administrative structure for operating participant training activities, because AID does not have accurate cost information on participant training. According to past studies and AID officials, AID has been unable to provide significant statistical analysis to answer such questions as how much was paid to manage participants and what was the level and type of training services provided to participants. Additionally, the agency has had no procedures for systematically collecting accurate data on the actual costs of participant training and, therefore, has had to base reported cost figures on estimates. AID officials estimate that participant training costs were between $200 and $250 million during fiscal year 1987.

Inaccurate Cost Information

OIT reported in its 1984 cost study that the absence of requirements for uniform budget line items and functional areas contributed to an overall situation where no two contractors in most AID agreements maintained comparable records and that many could not provide administrative and program cost data. Although OIT attempted to obtain accurate data from a sample of contractors for developing cost estimates, it found considerable variation among administrative costs from one contractor to another. OIT recognized that its conclusions may have been subject to sample bias and that its data had limited reliability.

The lack of accurate cost information prevents AID from (1) accounting for the actual cost of participant training and (2) comparing contractor costs and services for procurement, oversight, and evaluation purposes.

Variations in Costs

An analysis of fiscal year 1984 training costs, completed in February 1986 under an AID contract with Development Associates, showed that costs vary greatly from contractor to contractor. This study supported prior findings that, because AID did not require training contractors to separately account for specific cost categories, many contractors could not routinely identify costs associated with specific activities. However, this study provided definitions for program and administrative cost categories and collected information from 45 contractors.

Contractors reported variations in both program and administrative costs. For example, fiscal year 1984 program costs for academic training of a participant ranged from $394 to $2,880 per month. Administrative costs for a participant ranged from $36 to $6,739 per month, with an average cost of $394 per month after removing extreme cases from the

sample. The following are some factors that influence variations in administrative and program costs:

- A wide range in the types and extent of support activities provided.
- Variations in the number of participants served by a contractor, and the training focus of the contractors.
- A lack of standardized definitions of cost categories, which could result in contractors including administrative costs that reflect activities beyond participant training in those contracts where training is only one component of a larger contract. For example, a contractor serving a small number of participants, but providing long-term technical assistance, could not separate training administrative costs from technical assistance.

Overall, the study found little correlation between the cost of training and the contractor type (university, for-profit, not-for-profit).

Despite the variations, Development Associates found that contractor costs were clustered so that ranges representing the majority of the contractors could be identified. AID provided these ranges to the missions for a preliminary reference in negotiating and awarding contracts.

A System for Collecting Cost Data

AID is implementing the new management tool, the Training Cost Analysis (TCA) system, to collect information on participant training expenditures. TCA is designed to identify actual training costs and activities to be recorded uniformly into six functional categories—training costs, insurances, maintenance allowances, administrative costs, travel, and supplemental activities. It will also provide a checklist of training activities that clarifies the responsibilities of all involved parties. TCA should provide a basis to compare bids in the procurement process and to monitor actual expenditures of contractors.

As of October 1, 1988, AID missions are required to use the TCA system in evaluating all direct contracts, interagency agreements, and cooperative agreements containing participant training. AID has contracted with a small business for training missions in TCA implementation. AID officials told us that TCA will not provide comprehensive data on participant training for 4 to 5 years, until all contracts can be renewed.

Current plans call for new and cooperating existing contractors to submit quarterly reports to the responsible mission or bureau, using the TCA format. OIT is working with AID's Office of Financial Management to

enter TCA information into AID's centralized accounting system for aggregation.

University Participation and Openness of Competition

AID's academic participants are managed under six types of agreements or instruments—contracts, grants, cooperative agreements, general agreements with federal agencies (such as participating agency services agreements and resources support services agreements), host country contracts, and loans. Contracts represent the normal legal relationship for the procurement of services by AID and their use is governed by federal and AID regulations. Contracts should be used when AID expects to acquire services for the benefit or use of the United States or when otherwise determined to be appropriate.

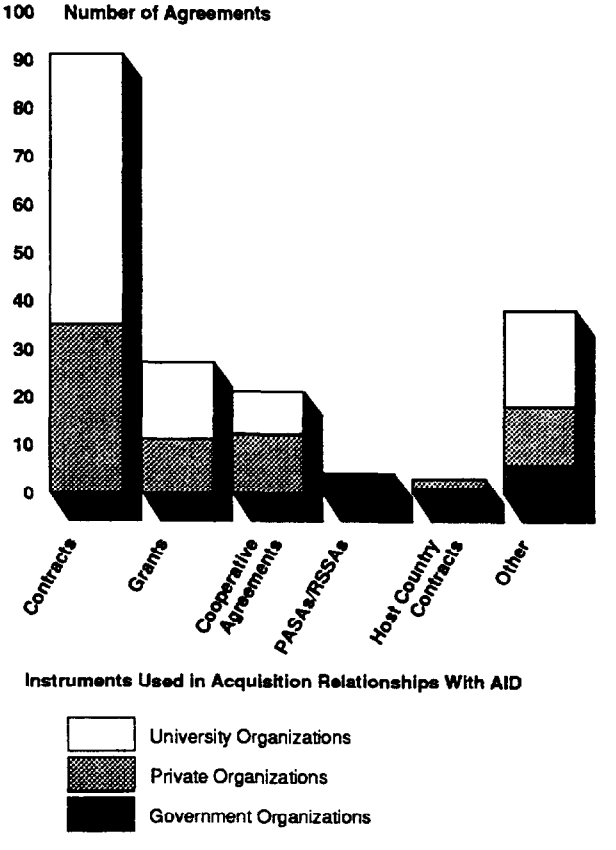
Grants may be used to (1) support the activities of independent organizations that contribute to the achievement of the Foreign Assistance Act objectives or (2) develop the independent capacity, integrity, and quality of the grantee whose function is for the economic and social betterment of the underdeveloped countries. They are not to be used, however, when AID plans to exercise a substantial degree of operational control. Cooperative agreements are instruments used to transfer money, property, or anything of value to recipients in order to accomplish a public purpose, when substantial involvement is anticipated from AID during the performance of the activity.

Participating agency services agreements (PASAS) are agreements with other federal agencies for specific services or support. The assistance provided is tied to a specific project goal to be performed within a definite time frame. Resources support services agreements (RSSAS) are agreements with other federal agencies for their continuing, general support assistance in providing short- and long-term experts for services in both less developed countries and the United States. RSSAS have no specific, readily measurable goal to be accomplished within a set time frame. An example of a RSSA is an agreement with an agency to handle participants, providing informational support, and/or furnishing technical advice for AID's implementation of participant training.

A host country contract is an agreement between a host country contracting agency and an organization or entity that agrees to provide specified goods or services required to carry out an AID approved project in return for payment. A loan agreement is used to assist the cooperating country in financing the cost of services or goods required for an AID project. Although loan terms are established, the relationship between AID and the cooperating country is very similar to that of grant agreements.

About 50 percent of the agreements used for managing academic participants during fiscal year 1988 are contracts. Grants and cooperative agreements make up about 25 percent of the agreements. University organizations represented almost 60 percent of contract, grant, and cooperative agreement relationships with AID. Figure III.1 shows the frequency of the instruments used and the extent to which university, private, and government organizations have been included in AID's various procurement or acquisition relationships.

Figure III.1: Distribution of Active Agreements and the Extent of AID's Acquisition Relationships With University and Non-University Organizations, as of April 1988

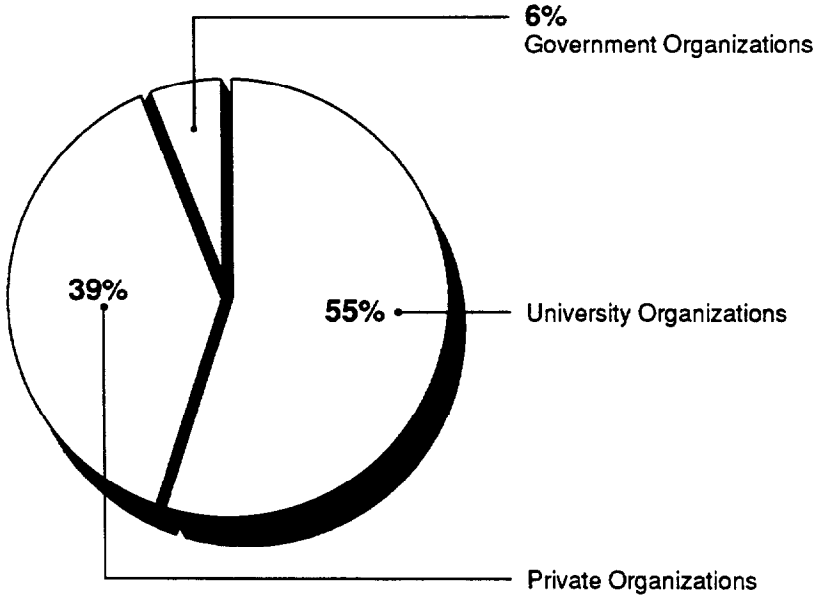


The category "Other" includes two loans to one government entity, two arrangements with internal components of AID, and all agreements which could not be identified readily by type of relationship with AID.

Participation

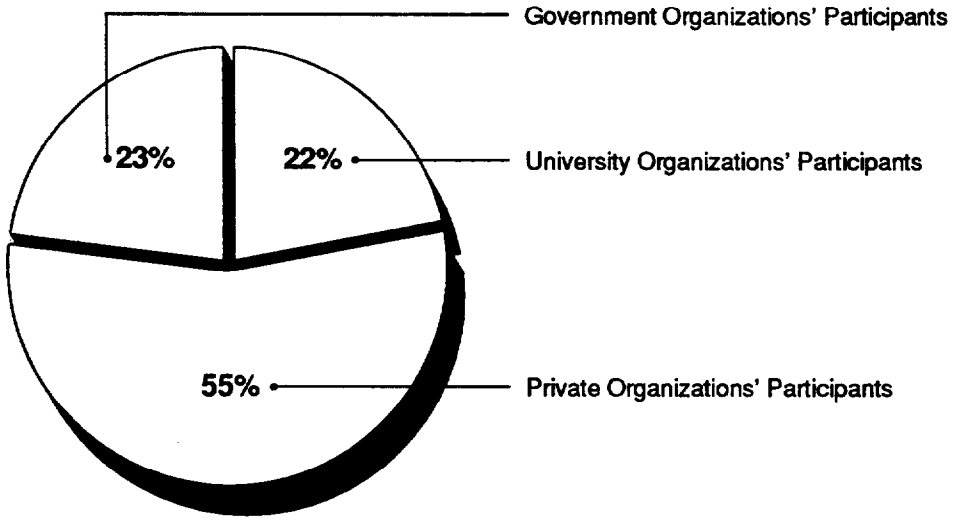
The extent of university and other organizations' or entities' participation was fairly constant during fiscal years 1986 through 1988 (as of April 1988). A review of the number of active agreements and the number of awards made during this total period shows that university organizations received about 50 percent of the participant training agreements. Of the active agreements, university agreements involved about one-fifth of the total participants trained. Figures III.2 and III.3 illustrate the distribution of active agreements and participants among university and nonuniversity organizations, as of April 1988.

Figure III.2: Comparison of Active University and Non-University Participant Training Agreements With AID, as of April 1988



"University Organizations" includes colleges, universities, university consortia and broker organizations; "Government Organizations" includes U.S. agencies and host country governments and their agents.

Figure III.3: Comparison of University and Non-University Involvement in Managing AID-Sponsored Participants, as of April 1988.



The number of participants managed by any one organization ranged from one to several hundred individuals.

Most participant training programming agents are involved in placing or managing fewer than 100 academic participants a year. For example, as of April 1988, of the 105 agents only 14 were involved in managing or placing 100 or more participants. Nine of the 105 programming agents placed or managed about 75 percent of AID's 7,331 academic participants. Table III.1 shows the number of participants these nine agents were serving in relation to the number and types of agreements they held during fiscal year 1988 (as of April 1988).

Table III.1: Characteristics of the Nine Major Programming Agents for AID-Sponsored, Academic Participants, as of April 1988

Programming agent	Number of participants	Number and type of agreements
Partners for International Education and Training	984	1 contract
Academy for Educational Development	949	6 contracts, 1 cooperative agreement
America-Mideast Educational and Training Services, Inc.	662	2 grants, 1 host country contract, 1 cooperative agreement, 1 unknown
U.S. Department of Agriculture	559	1 resources support services agreement
Tunisia government	558	1 grant
Georgetown University[a]	478	1 contract, 1 grant
Egypt Government of Former Peace Fellows	435	1 host country contract
African American Institute	386	2 cooperative agreements
Institute of International Education	360	6 contracts, 1 cooperative agreement

[a]Participants managed by Georgetown University, the largest university agent, represent 30 percent of all university-managed participants.

Competition

During fiscal years 1985 through 1988 (as of April 1988), 30 of the 68 agreements or awards made—excluding agreements not subject to competition (including loans and participating agency and resources support services agreements) and agreements whereby awardees had no participant management responsibility—were based on full and open competition. Most of the openly competed awards were contracts and all but four of the awards are or have been handled by AID missions. About one-sixth of fully competed awards and some subagreements went to university organizations.

AID/Washington made 10 of the 68 agreements and the missions made the remaining 58 awards. Four of the 10 awards were made based on full and open competition and 6 were not. Of the 6 awards which were not made under full and open competition procedures, 2 were sole source awards based on unsolicited proposals. One agreement was made to a university organization (Georgetown University) under congressional earmark. Another noncompetitive award was made because only one organization responded, under competitive procedures, to AID's request for proposals. One award was made to a disadvantaged small business based on restricted competition. The last AID/Washington

award was based on a competition waiver for amending an existing contract to cover the management of participant training.

AID missions reported that 26 of 58 awards made during this period followed full and open competition procedures. Most of the remaining 32 awards which did not undergo full and open competition were sole source, follow-ons or unsolicited awards, awards under AID's collaborative assistance procedures for institutions, awards to disadvantaged small business concerns under the Small Business Act, and competition waivers. We did not verify missions' compliance with procurement and competitive requirements in making the awards.

Support Services

Support services for participant trainees include predeparture services, U.S. arrival and adjustment services, and reintegration and follow-up services. These services are intended to (1) facilitate participants' adjustment to the U.S. culture and educational system, (2) ensure that participants are successfully completing their training so that they develop the intended skills, and (3) promote a smooth adjustment when the participant returns home so that the new skills are fully utilized in the host country. Some recent programs also emphasize the importance of fostering a better understanding of U.S. culture and institutions, and building lasting ties between the United States and participants.

AID policy on the types and levels of support for participants is contained in AID Handbook 10, Participant Training, and its 1983 Policy Determination: Participant Training. Although AID encourages a number of supportive activities within the three previously named support services, very few activities are mandatory. The current handbook requires that participants (1) be certified as physically fit, (2) receive health and accident insurance coverage, and (3) receive follow-up and achievement certificates when they return home.

Variation in Services Provided

The decentralized and bifurcated nature of participant training results in a wide variation in the services provided to participants. Cognizant AID officials stated that the mission or bureau responsible for the training contract stipulates the required support services. All services may be provided by the contractor; the mission may provide some services while the contractor provides others; or more than one contract may be needed to provide the desired services. For example, OIT programming agents manage about one-third of the overall participants and about one-fifth of the academic participants. These agents are not required to provide in-country services, therefore missions must either provide predeparture and reintegration services, or must purchase them from a contractor in-country.

In addition to monitoring the performance of its programming agents, OIT contracts for the health and accident insurance, issues recommended living allowances, arranges for enhancement programs such as the mid-winter community seminars, and provides counseling services for participants with serious problems.

Although each project has unique requirements and each mission or bureau has its own priorities, based upon the host country's development needs, numerous studies have pinpointed gaps in services to participants. The 1986 Development Associates' report noted that, of the 45 contractors surveyed, no 2 contractors provided the same services. A May 1986 AID task force report, on its review of 206 participant training evaluation studies, identified many needs for improvement, including

- more and better orientation, especially predeparture orientation,
- more contact with and support for returned participants, and
- more personal and academic support and counseling at the training site.

Studies on follow-up activities for fiscal years 1985 and 1986 showed some improvement in fiscal year 1986 in activities such as supporting participant alumni associations and technical conferences, but overall concluded that mission follow-up efforts are minimal and should be increased.

The variations in support services are due to several factors. At the mission level, training activities such as predeparture orientation and follow-up are usually the responsibility of AID missions. Comprehensive orientation and consistent follow-up of participants is a function of the mission's time and authority. Support activities such as orientation in the United States can be eliminated from a participant's individual plan due to pressure to contain costs. Participant progress monitoring is not consistent among contractors due to variations in expertise, focus, and contractual requirements. In addition, other (non-AID funded) support available to foreign students varies from university to university.

The impact of this variation in support services is unknown. Although OIT officials feel that a broad range of support services is desirable, most participant training evaluations have focused on operational issues, such as assessments of the predeparture phase of participant orientation, follow-up, and the participant selection procedures and criteria. A joint February 1988 report, by Aguirre International and Checchi and Company Consulting, Inc., of the ongoing Central America Peace Scholarship program indicated that trainees consistently perceived the United States positively, but that 65 percent reported no links to the United States after returning home.

Efforts to Increase Support Services

Cognizant AID officials stated that AID will soon issue the revised Handbook 10 which designates some additional support services as mandatory. The new handbook requires some type of orientation, a specific report monitoring academic progress at the end of each semester, and a series of questionnaires to obtain feedback prior to, during, and after training has been completed.

The new TCA system contains a format to clarify the responsibilities of all parties so that no services are inadvertently omitted. Also, most AID missions have begun using a recently developed microcomputer system, the Participant Training Management System, for managing and monitoring participants. The system is expected to assist missions in tracking participants through the nomination, processing, and training, as well as the return to the home country and the follow-up phases of participant training. Additionally, it is to provide missions with a mechanism for more effective program planning and evaluation in the area of participant training.

Objectives, Scope, and Methodology

At the request of the Chairman, Subcommittee on Legislation and National Security, House Committee on Government Operations, we reviewed information on AID's management of participant training, including

- the rationale and cost effectiveness of the program's current administrative structure,
- the openness of competition in awarding AID funds to contractors managing participant training and the extent of university participation in the program, and
- the support services provided to participants.

As agreed with Subcommittee staff, we limited our scope to academic (degree-oriented) training provided to participants in the United States.

We met with AID officials, including the Office of International Training staff, and representatives from each regional bureau and the Offices of the Inspector General, Legislative Affairs, Procurement (including the Competition Advocate), and Financial Management. We also attended a training officer conference held in Washington. We reviewed legislation, numerous Inspector General audits, and internal and external reports and evaluations related to the participant training.

In assessing the participation issue, we identified three types of programming agents—university organizations (including universities and university consortia and broker organizations), private organizations (including private firms, international organizations, and business consortia), and government organizations (U.S. and host country government entities). We examined these organizations' respective shares of the total agreements made and the total participants either placed and managed or those to be placed and managed, during fiscal years 1985 through 1988. We also examined the extent to which the organizations are represented in various procurement relationships with AID.

We reviewed 10 contracts and other agreements, made between fiscal years 1985 and 1988, from AID's Office of Procurement in Washington. We examined the files on these agreements to acquire information on: requirements included in Requests for Proposals, the openness of competition and the bases for making awards, and requirements for participant support services. During our review of contract/agreement files, we did not make a complete assessment of AID's compliance with the Competition in Contracting Act of 1984. We also obtained information on AID-mission awards made during the same period. We did not review

Requests for Proposals or Requests for Applications for missions' awards, nor did we verify missions' compliance with procurement and competition requirements in making the awards. However, we obtained and reviewed information, from AID's Competition Advocate, on the agency's efforts to assure open competition in awarding contracts and agreements.

We also met with representatives from two of AID's programming agents, two private contractors providing services or training to participants, and two universities in the Washington, D.C. area. We reviewed participant records in three contractor offices for conformity to AID policy on support services and for consistency among contractors.

Our work was performed between March 1988 and August 1988 in accordance with generally accepted government auditing standards.

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