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AGENCY FOR INTERNATIONAL DEVELOPMENT  
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OFFICE OF THE AUDITOR GENERAL

AREA AUDITOR GENERAL - LATIN AMERICA

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AUDIT REPORT

EDUCATION ADMINISTRATION AND PLANNING

PROJECT NO. 512-11-680-296.1

For the period July 1, 1970  
through March 31, 1974

Audit Report No. 1-512-74-93  
June 25, 1974

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REPORT ON EXAMINATION

OF

EDUCATION ADMINISTRATION AND PLANNING

PROJECT NO. 512-11-680-296.1

FOR THE PERIOD JULY 1, 1970 THROUGH MARCH 31, 1974

PART I - PURPOSE AND SCOPE

The Brazil Residency of the Area Auditor General, Latin America, has performed an examination of USAID/Brazil Project No. 512-11-680-296.1, Education Administration and Planning. This was an interim examination and covered the period from July 1, 1970 through March 31, 1974. The audit work was performed intermittently during the period October 1, 1973 through May 10, 1974.

The primary purposes of the examination were to determine the degree of attainment of the project objectives and the effectiveness of the planning and implementation. Other purposes were to evaluate the administrative and financial management of the project and the degree of compliance with AID policies, regulations and procedures.

Our examination was made in accordance with generally accepted auditing standards and included such tests of the financial records and related documents as were considered necessary in the circumstances, as well as discussions with concerned USAID and Ministry of Education and Culture (MEC) officials.

While cognizance was given to the total term of the project, emphasis was on current on-going activities. We did not examine the U.S. dollar accounting records maintained by the contractor employed under the project since those records are located in the U.S. and are subject to audit by the Office of the Auditor General, AID/Washington.

Before issuance, this report was reviewed with appropriate USAID officials and their comments were given due consideration.

## PART II - BACKGROUND

Responding to Government of Brazil (GOB) requests for assistance in the 1960's, the USAID developed a number of education projects. The need for a coordinated national plan and effort soon became evident whereupon the GOB requested USAID assistance to improve national and state capability for developing overall education plans. Initially, emphasis was on secondary education but later expanded to include primary education.

Project No. 512-11-680-037.3, Elementary Education Training and Curriculum Improvement in the Northeast (Pernambuco), and Project No. 512-11-680-042.1, Secondary Education Planning and Consulting Services, which began in FY 1962 and FY 1965, respectively, were forerunners and form the history of the present project. To be able to respond more effectively, the USAID restructured the project to form Project No. 512-11-680-296.1, Education Administration and Planning, to commence July 1, 1970. The stated goals were to accelerate and expand GOB reform efforts in elementary and secondary education.

This project as presently composed provides technical assistance to aid the GOB in developing the infrastructure needed to more effectively plan, manage, and evaluate large scale educational improvement programs at the elementary and secondary levels. Considered to be basically a "pre-investment" endeavor related to the education sector loans<sup>1/</sup>, the USAID seeks to assist the GOB in creating the conditions through which the present flow of GOB resources can be more effectively applied to improve, expand, and redirect its educational program.

To provide this assistance, AID entered into Contract No. AID/1a-332 with the San Diego State University Foundation (SDSUF) on November 1, 1965. According to the contract, SDSUF is to furnish a team of advisors to work with a group of Brazilian educators in MEC to develop detailed plans, programs and sub-projects to achieve the project objectives. Originally assistance was provided for in planning fundamental education in six states. Later, the scope was expanded to provide technical assistance to all states at both the fundamental and secondary education levels. MEC designated its action groups as the Secretary General, the Department of Fundamental Education (DEF) and Department of Secondary Education (DEM). The project objectives are:

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<sup>1/</sup> Loan Nos. 512-L-07<sup>8</sup> and -081, Secondary Education and Fundamental and Secondary Education, respectively, totaling \$82 million will assist in financing the expansion of the educational system. The U.S. input will be matched by the GOB with an equivalent cruzeiro amount.

- To support DEF and DEM in providing technical assistance to the states for the development of educational plans and the reorganization of the State Secretariats of Education.
- To train a group of specialists in planning and administrative techniques for the purpose of studying, developing, implementing, evaluating and revising education plans, programs, and projects at state and national levels.
- To develop, at the state level, integrated plans for expansion and improvement of the system of elementary and secondary education.
- To assist in the revision of the administrative organization of the State Secretariats of Education as requested.

The plan of action is for MEC, using the USAID technical assistance and acting through the action groups, to carry out the following activities based upon a jointly agreed annual work plan:

- To give technical assistance to certain states in the development and/or improvement of multi-year education plans and the organization of State Secretariats of Education.
- To review and expand the functions of the DEF and DEM technical assistance teams and develop some state planning teams.
- To offer courses in educational planning and administration to state planning teams and other educators and administrators.
- To develop and distribute a manual providing guidelines for educational planning.
- To develop a plan for implementing a career structure for elementary and secondary teachers and to evaluate and revise teacher education requirements.
- To develop and implement programs designed to implant the educational reforms of Law No. 5692 of 1971.
- To select key state and federal personnel for training abroad.

Cumulative dollar and local currency funding from FY 1962 through March 31, 1974 has been as follows:

	<u>Dollar</u>	<u>Cruzeiros</u>
AID contribution	8,049,751	32,236,000 <sup>1/</sup>
GOB contribution <sup>2/</sup> :		
Trust Fund		8,791,200
SUBIN	_____	<u>4,203,400</u>
<b>Total</b>	<b>8,049,751</b>	<b>45,230,600</b>
	*****	*****

1/ U.S.-owned P.L. 480, Title I funds.

2/ GOB-owned currency generated under Commodity Import Program Loans and interest generated under Payment Agreement Options.

For the details of project funding, please see Exhibit A.

### PART III - SUMMARY

Overall, the consensus of opinion is that this project has contributed to improvements which have been effected in Brazil's elementary and secondary education. The full implementation of the educational reform law of 1971 will provide the basis for the institutionalization of changes that will include all the goals of this project.

Seventeen targeted states are reorganizing their Secretariats of Education and most of these have developed MEC approved education plans. Some qualitative indicators show that there is progress in making public education available to a larger percentage of the school age population and that more of those students attending are completing higher levels. While these statistics in themselves indicate that there is much room for improvement, they also reflect a positive trend.

The action groups, DEF and DEM, present disparate levels of effectiveness. Both have the planned numbers of technicians but DEM, more recently formed, lacks the experience necessary to make it more effective. Consequently, DEM's use of the SDSUF team may have been less than optimum. For principally this reason the Mission has not provided the number of consultants originally planned for DEM.

Insufficient emphasis by MEC on planning, reporting, and coordination directly related to the action plan of the project has resulted in the Mission not having detailed, coordinated annual work plans and evaluative reports. There are no formal joint technical assistance teams to regularly aid the State Secretariats. Less than a third of the short-term consultants planned for the last 2 1/2-year period have been utilized. The Mission is aware of these short-falls, but indicated that the action by MEC to date is acceptable as initial effort. We have recommended that the Mission inform MEC that the plans and reports of the past do not satisfy the criteria of the project and request that more emphasis be given to substantive compliance.

The Contractor has generally received good ratings by the Mission. SDSUF effectiveness, on occasions, has been limited by the lack of adequate organization and planning within DEM. The strength of the team has been limited to nine by the Mission, instead of the proposed thirteen, because of MEC's apparent inability to effectively use the greater number. Initial limited Portuguese language skill and single two-year tours of duty have combined to limit the overall effectiveness of the team. Since language training (recently extended) and length of duty are contract elements and the last group of consultants is now forming, no recommendation has been made.

The contribution of participants who received long-term and short-term training in the U.S. has been considered important. Their contribution to the project goals could have been greater if they had received

their training earlier in the project. However, potential candidates often hesitated to be absent from their activities for extended periods. The lack of English language skills initially caused some delays, but SDSF development of some courses for presentation in Portuguese has, for the most part, overcome this problem.

This report contains one recommendation addressed to the Mission for action.

## PART IV - STATEMENT OF FINDINGS AND RECOMMENDATION

### A. PROJECT PROGRESS

#### 1. General

The 12-year period encompassed by this project and its predecessors has seen a considerable amount of change. Most significant was the passage of the educational reform law of 1971 which modernizes the whole system of education in Brazil and provides for the professionalization of teachers. Total realization of the sweeping changes proposed will take many years. For the present, it can be said that a start has been made.

Though the USAID assistance cannot be easily linked to the passage of the education reform law, the Mission is confident that projects such as this one and the \$82 million education sector loans were significant elements in motivating change and in the formulation of the law. Overall, the consensus of opinion is that improvements have been effected in the areas of elementary and secondary education affected by this project and a foundation exists to support future improvements. Future constraints will be the rate of population increase, cost spirals, and the shortage of trained personnel.

#### 2. Progress Measurement

Seventeen states and the Federal District are implementing approved Secretariat reorganization plans. Some of these same states are among 15 who have submitted education plans which have received MEC approval. Other states are in various stages of progress of Secretariat reorganization planning or education plan planning. All of the states have developed the necessary plans to implement the education reform law. These achievements compare favorably with the numerical benchmarks set for the planned September 1976 termination of the project.

The effectiveness of the structural and functional changes is to be determined by measures proposed in the project design such as:

- A larger percentage of the school age group attending school.
- A reduction in average number of student years to produce a graduate.
- A reduction in the percentage of unqualified teachers.

Statistics supplied by MEC indicate that in 1974 about 81 percent of the 7 to 14 year-old group of children are being served by the educational system. This compares to 66 percent in 1966. In 1961, out of each 1,000 children entering the first grade, only 239 completed the

fourth grade. For each 1,000 that started school in 1967, 294 completed the fourth grade, representing a 23 percent increase in completion over the 1961 class. Those gains occurred in spite of the population increase which saw the 0 to 14 year-old age group increase from 30 million in 1960 to nearly 39 million in 1970. While the conditions reflect a tremendous need for further improvement, the trend is positive and reflects progress.

The percentage of unqualified primary teachers has been reduced from about 42 percent of 313,043 in 1965 to 37 percent of 412,160 in 1970. However, in absolute terms this represented an increase of about 20,000 unqualified teachers during the period. Since project effort in this area was not emphasized until the early 1970's, it is unfortunate that more current data is not available at this time.

The reform law addresses itself to this situation by professionalizing the teachers and providing improved salaries to qualified teachers. Each state is at some stage of implementing the new law but the effects are not yet measurable nationally because of the various stages of implementation and the lack of statistical data.

### 3. DEF and DEM Staffs

The DEF staff has attained the desired number of 30 technicians and is active in providing assistance to the various state elementary education units that request it. At this time, DEM is on schedule with a staff of 18 of the planned 30 technicians. However, DEM lacks strong organizational attributes and has yet to develop the capacity for delivering technical assistance.

Another factor that affects the quality of progress in rendering technical assistance to the states is insufficient coordinated planning between DEF and DEM and the failure to develop joint DEF and DEM technical assistance teams. While this may be due, in part, to the incomplete organization of DEM, it is also a result of the independence of the two units and a lack of strong coordinative effort at the ministerial level. The Mission is aware of this problem, and in one manner or another has urged increased effort by MEC to coordinate the activities of DEF and DEM.

The Mission has explained that the same degree of effectiveness is not expected from DEM as from DEF. Assistance to DEF commenced in 1966 but the DEM team was not even formed until late 1972. As a consequence, more time is necessary before comparisons can be fairly made. The Mission, while desiring more progress, is satisfied that DEM is improving in its degree of effectiveness.

## B. PLANNING AND COORDINATION

The Project Agreement (ProAg) specifies that jointly agreed annual work plans will be developed for implementing the activities of the project. The SDSUF scope of activity provides for the team's assistance in the development of the plans. However, none of the required work plans in their entirety are in the Mission's possession. What has been received are quarterly reports with only a modicum of specific future planning which in turn was generally related to quarterly activity.

The project manager informs us that DEF has had him review a detailed annual departmental work plan with the purpose of satisfying the Mission that all of the project activities were included therein. This plan remains in the possession of DEF. DEM has developed an overall technical assistance plan which in detail does not respond to the definition of an annual work plan. Neither of the above plans have been coordinated with the other.

While coordinated action of DEF and DEM may not be necessary to the success of the project, coordinated planning is essential. Formerly, because of the lack of planning there existed the possibility that DEM was not effectively utilizing the long-term consultants which the Mission points out is mostly attributable to that department being in its formative stages. Insufficient forward planning and lack of definition of needs have resulted in utilization of less than 30 percent of the scheduled input of short-term consultants for the 2 1/2-year period ended December 31, 1973.

DEF and DEM reports also reflect the disparity of each team's experience and fall short of being coordinated reporting and an evaluation of the project. The Mission has accepted these as initial steps but expects more sophisticated and comprehensive reports in the future as additional experience is accumulated.

It seems that more involvement of Ministry officials and an assignment of increased emphasis to this project could result in the Mission having plans and reports that satisfy the requirements of the ProAg. The Mission should have possession of the work plans which, at the least, provide evaluation personnel with yardsticks to measure annual progress. This in turn requires coordinated annual reporting.

Consequently, we believe that the Mission should inform MEC that the planning and reporting have not fully satisfied the established criteria and request more substantive compliance in the future.

Recommendation No. 1

That the Mission inform MEC that the submission of planning documents and the reporting to date do not satisfy the criteria of the ProAg, and request more substantive compliance.

### C. CONTRACTOR PERFORMANCE

The Mission has generally given the Contractor good performance ratings. Variations in quality of performance have been mostly a function of the organization and dedication of the MEC counterparts. As noted previously, the lack of DEM organization has affected progress and at times has resulted in less than effective use of some of the team members. As of December 31, 1973, thirteen long-term consultants were supposed to be on board. Because DEM appeared to be unable to effectively use all of the long-term consultants originally scheduled for it, the Mission has limited the authorized number of consultants to be assigned under the project to nine.

Insufficient Portuguese language skill has also often been a contributory factor to less than effective use of the team. The initial language inability of the team member sometimes inhibited contact and the time spent studying language diminished the productive time. The problem was further compounded by the fact that team members rarely stayed more than a two-year tour of duty. Consequently, productivity was limited at the beginning of a tour of duty and as a good level of productive capacity was attained, the process had to start over with another technician.

More recently arrived team members have received more language training but this has reduced the portion of the tour spent with the project. The tour of duty is normally for one two-year period and includes the time spent in language training. The limitation of one tour by a team member is usually the result of the determination that any more time away from the U.S. will jeopardize professional advancement. It is clear that if the team members could be motivated and/or allowed to extend their tours or to return for a second tour, the productive potential of the team could be increased.

Since the present consultants, including those currently in language training, represent the team to conclude the project, we have no recommendation concerning this condition.

#### D. PARTICIPANT TRAINING

The terms of the ProAgs provided for long-term and short-term training in the U.S. for members of MEC and the State Secretariats. A breakdown of the 348 participants involved as of January 31, 1974, is as follows:

	<u>Short- Term</u>	<u>Long- Term</u>	<u>Masters Degree</u>	<u>Ph.D. Degree</u>	<u>Total</u>
Returned:					
Project No. -037.3 & -042.1	127	94	13		234
Project No. -296.1	76		8	2	86
In Training:					
Project No. -296.1	—	—	<u>27<sup>a/</sup></u>	<u>1</u>	<u>28</u>
Total	203	94	48	3	348
	===	==	===	==	===

a/ 25 departed in January 1974.

To date, the numbers of returned participants nearly equal that planned. The more recently returned participants have responsible positions in MEC, the State Secretariats or are active in education at the university level. Both MEC and the Mission have considered the contribution of the participants to the project as very important. However, both we and the Mission believe that the participants' contribution could have been greater if they had received their training earlier in the project.

Language was a barrier and there was a lack of desire by potential candidates to be absent from their activities and sphere of influence. Language no longer is a large problem since SDSUF has developed some courses for presentation in Portuguese. No other training is currently planned.

EDUCATION TRAINING AND PLANNING  
PROJECT NO. 512-11-680-296.1  
SOURCE AND APPLICATION OF FUNDS  
AS OF MARCH 31, 1974 <sup>1/</sup>

	U.S. CONTRIBUTION		GOB CONTRIBUTION <sup>2/</sup>	
	U.S. Dollars	P.L. 480, Title I Loans (Cr\$)      Grants (Cr\$)	Trust Fund (Cr\$)	SUBIN (Cr\$)
<u>Total Contribution</u>	<u>8,049,751</u>	<u>18,581,000</u>	<u>8,791,200</u>	<u>4,203,400</u>
<u>Funds Applied</u>				
<u>U.S. Personnel Costs</u>				
Direct AID	969,567		905,491	
PASA	1,800		7,084	
Contracts	4,014,602		1,584,755	
<u>Local and TCN Personnel</u>				
Direct AID	170,000		3,036,865	
<u>Participants</u>				
Direct AID	1,164,564		767,734	
Contracts	316,104		586,167	
<u>Commodities</u>				
Direct AID	16,145			
Contracts	28,776			
<u>Other Costs</u>				
Direct AID	86,779		1,315,862	
Contracts			169,632	
Project Support				
	<u>6,738,337</u>	<u>18,581,000</u>	<u>8,373,590</u>	<u>3,714,900</u>
<u>Funds to be Applied</u>	<u>1,281,414</u>	<u>18,581,000</u>	<u>13,655,000</u>	<u>3,714,900</u>
<u>TOTAL</u>	<u>8,049,751</u>	<u>18,581,000</u>	<u>13,655,000</u>	<u>488,500</u>
	<u>8,049,751</u>	<u>18,581,000</u>	<u>8,791,200</u>	<u>4,203,400</u>

<sup>1/</sup> Includes amounts applicable to Project No. 512-11-680-037.3, Elementary Education Training and Curriculum Improvement in the Northeast (Pernambuco), and Project No. 512-11-680-042.1, Secondary Education Planning and Consulting Services.

<sup>2/</sup> GOB-owned cruzeiros generated under Commodity Import Program Loans and interest generated under Payment Agreement Options.

EXHIBIT B

DISTRIBUTION OF  
AUDIT REPORT  
NO. 1-512-74-93

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NOTE: All audit work papers are attached to COPY NO. 24 which is on file in the Brazil Audit Residency Office, AAG/LA.