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AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

OFFICE OF THE AUDITOR GENERAL
AREA AUDITOR GENERAL - LATIN AMERICA

AUDIT REPORT
USAID/BRAZIL
STATISTICAL DEVELOPMENT PROGRAM
LOAN NO. 512-L-076
(PROJECT NO. 512-21-780-282)

For the period October 1, 1971
through December 31, 1974

Audit Report No. 1-512-75-75
April 24, 1975

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INTRODUCTION

Loan No. 512-L-076 (Project No. 512-21-780-282), Statistical Development Program, in the amount of \$5.8 million ^{1/}, was signed by the Government of Brazil and A.I.D. on August 13, 1969. The objective of the loan is to develop and improve within the Brazilian Institute of Geography and Statistics Foundation, over a five-year period:

- the managerial and technical capability to plan, organize, execute and evaluate current statistical programs and censuses;
- the technical ability for conducting basic research and development in technical methods and operational procedures necessary to solve future statistical problems; and
- the electronic data processing capability to meet the demands of the programs to be undertaken.

The means to be used to achieve this objective include the provision of specialized U.S. technical assistance; training of the Foundation's staff, both in Brazil and the U.S.; and the procurement of electronic data processing equipment necessary to carry out the statistical programs planned.

The primary purposes of this examination were to determine the degree of attainment of the program's objectives, and the effectiveness of planning, implementation and the utilization of resources. Other purposes were to evaluate the effectiveness of financial and administrative management of the loan and the degree of compliance with A.I.D. policies, regulations and procedures.

SUMMARY

The Statistical Development Program, although generally behind schedule, has been a successful conduit of U.S. expertise to improve the operational effectiveness of the Foundation. Concomitantly, an increase of interest was noted among its leaders and high officials toward the application of modern statistical techniques, upgrading of personnel and introduction of such statistical changes that became imperative to cope with the accentuated expansion of the Brazilian economy during the recent years.

The various sub-projects have displayed a highly variable degree of progress. While the Management and Technical Information Center was never established as an organizational unit, the Improvement of Data Processing Capabilities, by contrast, has been highly successful. Equally successful

^{1/} Reduced to \$3.5 million through a subsequent deobligation of funds.

was the Expansion and Improvement of the On-going Household Sample Survey Program which served to introduce the Foundation to modern statistical techniques. After a slow start, the Creation of an Agricultural Statistical System has experienced some progress, partially due to P.L. 480 funds provided. Reasonable progress has been attained for the Introduction of Work Standards and Quality Control into the Economic Statistical Services, while limited achievements have been made under the Development of the Quality Control and Evaluation System for Alternative Sample Designs.

Higher priority given to the remaining sub-project, Conducting the 1970 Census for Population, Housing, Industry and Agriculture, which has been quite successful, and a shortage of personnel with graduate education in statistics are viewed as causal factors for the varying degree of progress under other sub-projects. This discloses the need for a more vigorous training program toward the M.S. and Ph.D. levels - an important component of the anticipated \$500,000 to \$800,000 training program to be implemented during the two-year extension period recently approved by AID/Washington based on a reformulated program.

Areas which we believe warrant the immediate attention of USAID management are as follows:

- Appropriate action needs to be taken to ensure that the revised implementation plan is updated yearly and that joint program evaluations are performed annually. (See pp. 8 to 10).
- Compliance is needed with regard for independent audits to encompass the financial and progress aspects of the program. (See pp. 10 to 11).
- The USAID active loan portfolio should be reviewed to determine that, where appropriate, borrowers are reasonably complying with the audit provisions contained in the respective loan agreements and implementation letters. (See pp. 10 to 11).

STATEMENT OF FINDINGS AND RECOMMENDATIONS

Implementation Progress

General

The Foundation, under new leadership since March 1970, has made significant progress in adopting new techniques, improving its organization, upgrading its personnel, and expanding its facilities to cope with its new responsibilities as defined by recently enacted statutes.

Although the degree of contribution of the U.S. effort to these achievements is difficult to measure, the Foundation's management recognizes that the availability of project resources and the results of the U.S. technical assistance are among the factors that have contributed to the improvement experienced by the technical sector of the Foundation.

From a financial standpoint, the loan program is behind schedule. As of November 30, 1974, when about 88 percent of the then effective project implementation period had elapsed, 34 percent of the loan amount had been disbursed.

Operationally, there has been considerable variation in the progress achieved under each of the seven sub-projects. Also, training in the U.S. is generally behind schedule.

However, a recent reassessment of the program in light of future needs has resulted in a reformulated program. This program was approved by AID/Washington in December 1974, in conjunction with a two-year time extension. It will principally involve a technical assistance/consultation effort with emphasis on training and the utilization of technical personnel having various areas of specialization. A detailed implementation plan is now being prepared.

A more detailed discussion of implementation progress under the loan follows in the succeeding paragraphs.

Initial Program Delays

Authorized on June 28, 1968, the Loan Agreement was executed on August 13, 1969. Technical assistance was initiated in July 1970 with the transfer of a U.S. advisor from the previous Statistical Development grant project to the loan. The chief-of-party of the U.S. Bureau of Census team, accompanied by a second technical advisor, arrived in December 1970, nearly 16 months after the Loan Agreement was signed. Twelve additional technical advisors arrived in 1971 and 1972.

The delay in signing the Loan Agreement was due to major changes which occurred in the Foundation's organization, as well as in its leadership. A concurrent change in the Ministry of Planning, to which the Foundation is responsible, was another causal factor. The major delaying factor after the Loan Agreement was signed was that the Foundation could not meet the conditions precedent to loan disbursement due to extenuating circumstances.

Originally conceived to be implemented during the period of 1969 - 1973, the program time span was subsequently changed for the period July 1, 1970 through June 30, 1975. More recently, an additional two-year extension was granted through June 30, 1977.

Sub-Projects

As originally envisioned, the program involved seven sub-projects (see "Background" section for a detailed listing of the sub-projects). Progress has been highly variable in relation to the sub-projects. The major causal factors for the variations are: the critical need for the 1970 census, one of the sub-projects, which generally resulted in a lower priority being assigned to the other sub-projects by the Foundation; and a shortage of qualified personnel. Progress under each of the sub-projects is discussed briefly below:

The Improvement of Data Processing Capabilities sub-project involved the acquisition of a modern computer system along with related technical assistance. During the initial two years of the program, considerable time was spent by both U.S. and Brazilian personnel to establish specifications for the computer, for which almost \$2.7 million of the total loan amount was originally earmarked.

It was planned that a computer system would be operational in early 1971. However, import of a computer system with loan funds did not materialize because the Brazilian agency with responsibility for granting import licenses would not approve the dollar/cruzeiro arrangement of the purchase contract with IBM. Subsequently, in April 1972, the Foundation leased an IEM computer with its own funds for its newly established Center of Informatics. Consequently, the purchase contract and some advisory services were cancelled resulting in a \$2.3 million deobligation of loan funds.

Obviously, the long delay experienced in resolving the problem of computer operations directly or indirectly handicapped progress under the program. In fact, this required a supreme effort to process the 1970 census, thus resulting in giving the remaining sub-projects a lower priority.

Significant accomplishments can be claimed for this sub-project both in terms of facilities and personnel. In April 1972, the Foundation substituted its obsolete electronic data processing equipment with a leased advanced IBM 370-155 computer system. Such capacity was doubled in December 1973, representing nearly eight times that initially planned. Moreover, at the time of our field review, Foundation plans anticipated increasing the capacity. With the adoption of an upgraded salary scale, the Center was able to attract a core of capable Brazilian data processing technicians who had previously received adequate training either in Brazil or abroad.

Since the capability of the Center increased rapidly, the U.S. advisory services to this area were almost completely phased out by January 1973. This was consistent with the U.S. team's opinion that the Center, at that time, needed only a minimum of technical assistance.

The broad objective in the Creation of an Agricultural Statistical System is to provide current information about production and other data related to the agricultural sector. The initial action to develop such a system took place in 1968 with the establishment of the Brazilian Center of Agricultural Statistics within the Foundation. Subsequently, a commission for planning, controlling and evaluating agricultural statistics was created by federal decree with responsibility for programming and reviewing all agricultural surveys being conducted either by the Foundation or by the Ministry of Agriculture.

Planning for this sub-project commenced early in the program and pre-testing was performed in 1971. The formal conduct of a cattle sample survey started in July 1972 when P.L. 480 funds became available. Also, an expanded agricultural sample survey was planned and conducted in 1973, the results of which are in the final stage of reporting.

Still limited in scope as compared with the original plan, in terms of resources made available (both funding and trained personnel), this sub-project has shown significant progress.

The Development of a Management and Technical Information Center involved the establishment of a centralized unit which would provide the Foundation with operational information for effecting planning and coordination of its activities. It was anticipated that the Center would be fully established by 1972.

The Center has not been established as a separate unit; however, much of the work that was to be performed under its jurisdiction is now being accomplished under some of the other sub-projects. Also, the Foundation, in accordance with the recently approved reformulated plan, plans to formally establish a centralized Statistical Methods and Standards group which will fulfill the remaining needs in this area.

The Expansion and Improvement of the On-going Household Sample Survey Program may be considered as generally successful. Initial action began in 1966. A special work group was established with the responsibility for preparing and conducting demographic and labor force surveys. Assisted by the previous USAID grant-funded project, this program, in a broad sense, introduced the Foundation to modern statistical techniques. Subsequently, it served as a basis for updating data on population and manpower since the 1960 census had not been completed. Completion of the latter census is currently underway.

The size of the sample was increased from 32,500 households in the first surveys to 145,000 in the most recent. Also, the scope of the content was increased by expanding, in particular, the basic demographic data.

However, because of the present critical shortage of mathematical and applied statisticians at the M.S. and Ph.D. levels in the Foundation's staff, it is apparent that technical assistance in this area will still be needed for some years ahead.

The objective of the Introduction of Work Standards and Quality Control into the Economic Statistical Services is to establish systems for production and quality standards for all routine-type operations.

Efforts by the Foundation to establish work standards and quality control have met with a reasonable degree of success. Quality checks in essentially all phases of data collection and processing have been based on manual procedures, visual inspection and comparisons with a few trials of computer quality checks. Operational manuals have been prepared and personnel trained in the operations and post-enumeration surveys.

Progress in the Development of the Quality Control and Evaluation System for Alternative Sample Designs has been quite limited. Higher priority given to other sub-projects coupled with a shortage of personnel with graduate education in statistics have been constraints on the Foundation's capacity to plan and conduct research on the many problems in the broad areas of this sub-project.

In its proposal for extending the life of the program, however, the Foundation has provided for the establishment of the aforementioned centralized Statistical Methods and Standards group. This is intended to "double and re-double attention being given technical and operational methods in use and standards of statistical output".

The sub-project for Conducting the 1970 Census for Population, Housing, Industry and Agriculture has been delayed because of the late acquisition of a computer. Nevertheless, the overall progress has been excellent.

The completion of the 1970 census was established by the Foundation as a potential benchmark for Brazilian statistics; hence, the principal thrust during the life of the loan program has been directed towards the tabulation and publication of the census data. The 1970 population census was completed in 1973 and the housing census was completed in 1974. It is anticipated that the industry and agricultural censuses will be completed during 1975.

Training

A major component of the U.S. technical assistance was the provision for on-the-job training and instruction of Brazilian counterpart personnel. The major portion of the training was to be accomplished in Brazil through utilization of Foundation resources. Training in the U.S. was planned for 60 participants.

At the local level, considerable technical assistance has been rendered in providing on-the-job training, preparing operational manuals and instructional materials, and conducting seminars and workshops for the Foundation's staff.

The status of the U.S. training, at the time of our review, is summarized in the following table:

	<u>U.S. Training (No. of Participants)</u>				
	<u>Planned</u>	<u>Actual</u>			<u>Total</u>
		<u>Completed</u>	<u>In Training</u>	<u>In Process</u>	
Technical training	25	23	6	-	29
Academic training	25	1	4	7	12
Workshops and observational training	10	1	-	6	7
<u>Totals</u>	60	25	10	13	48
	==	==	==	==	==

As shown, academic training and workshops and observational training are behind schedule. Consequently, only about 31 percent of the total estimated U.S. training cost of \$400,000 had been disbursed at the time of our review; due in part to several months lag in billing by the U.S. Bureau of Census and others.

The major reason for the shortcoming in the academic training area was the tremendous expansion of the Foundation's work commitments from 1970 onward which precluded release of the most desirable candidates for long-term training abroad. As a result, the Foundation still has an acute shortage of mathematical and applied statisticians at the M.S. and Ph.D. levels.

The Foundation, however, has become increasingly concerned with establishing a stronger academic training program as evidenced by its proposal for a two-year program extension, wherein a significant portion of the budget is designated for training. This includes 9 people for graduate training in the U.S.: 2 at the M.S. level and 7 at the Ph.D. level.

Advisors and Consultants

Thus far, the U.S. input totals more than 300 man-months of advisory services plus numerous short-term visits by U.S. consultants.

Notwithstanding some reported disagreements between the U.S. advisors and members of the Foundation staff on certain technical aspects, e.g. data processing matters, the Foundation's top management has indicated their general satisfaction with the technical assistance received under the loan program. In fact, it took the initiative of proposing an extension of these services for a period of two additional years. In management's view "the project activity has made it easier and possible to initiate a number of urgently needed statistical programs and to accelerate statistical development in Brazil more quickly than would otherwise have been possible".

Commodities

Commodity procurement under the loan has consisted of the following computer software which has been integrated into the Foundation's data processing operations:

6,000 electronic data processing tapes	\$ 63,455
MARK IV Computer software for generating computer programs	<u>\$ 64,711</u>
<u>Total</u>	<u>\$128,166</u> =====

Current Status

As previously indicated, a reformulated program, incorporating a two-year time extension through June 30, 1977, was recently approved at the A.I.D. Deputy Administrator level after an extensive review.

This program primarily involves a technical assistance/consulting effort with a substantial component for training in the U.S. and a small amount of funding for bibliographical and training materials. A detailed implementation plan is now being prepared.

The total cost of the reformulated program is estimated at between \$1.4 million and \$1.7 million. Consequently, it is anticipated that there will be a sizeable deobligation of loan funds. Estimated costs for the technical assistance portion are about \$900,000 (260 man/months), while training (614 man/months) is estimated at approximately \$500,000 to \$800,000.

In extending the program period, AID/Washington has specified that A.I.D. funding will be completed as of June 30, 1977, and that any remaining costs of participants still in training in the U.S. would thereafter be the responsibility of the Foundation.

Areas which we believe warrant the immediate attention of USAID management are discussed in the following sections of this report.

Implementation Plan Updating and Evaluations

The program implementation plan has not been updated annually as anticipated under the terms of the Loan Agreement to conform with changing conditions.

Section 5.03 of the Loan Agreement requires the Foundation to annually update the comprehensive implementation plan which time-phases the major steps and resource inputs required to carry out the activities included in the program.

Significant institutional changes occurred within the Foundation during the life of the program which undoubtedly have contributed to this lack of updating. For example, Federal Law No. 5878, enacted May 11, 1973, resulted in a complete reorganization and integration of the Foundation's activities and a reformulation of its objectives. Some additional contributing factors include an initial lack of qualified personnel, hiring and training of new personnel, and key personnel changes. This process, however, has been necessary in order to achieve the desired institutionalization of the Foundation.

Furthermore, annual joint Foundation/USAID program evaluations have not been conducted annually as contemplated by Section 5.04 of the Loan Agreement.

The essential purpose of evaluation is to improve project design and implementation. This is accomplished by comparing planned results with actual results at a given point in time and by subsequently revising plans for future action. Unless evaluations are performed in a timely manner, project implementation may drift off target and preclude the achievement of desired objectives. This may partially explain the varying degree of success under the sub-projects.

Although U.S. technical assistance commenced in July 1970, the first joint evaluation was not scheduled until March 1973. However, it was delayed at the Foundation's request in view of a proposal then before the Brazilian Congress relating to changes in the Foundation's organization and operations. It was then assumed that if the proposal was passed it could significantly alter plans for utilization of loan resources and for implementation of certain sub-projects. This proposal was subsequently passed and became Law No. 5878.

Because of the legislation's impact, a joint meeting was held in August 1973, whereby it was decided that the Foundation should prepare a report encompassing an analysis of institutional development through successive reforms, project activity status and results, and a proposal for project reformulation.

Shortly thereafter, in September 1973, the USAID initiated action to have an independent program evaluation performed. A contract was signed in December 1973 with the Research Triangle Institute of North Carolina to perform the evaluation.

The Foundation report, issued in January 1974, was made available to the contractor to consider in the overall evaluation. Conversely, the contractor's final report, published in June 1974, was furnished to the Foundation to serve as a basis for modifying the project reformulation plan. This plan was finalized in October 1974 and presented to the USAID, along with a request for a two-year extension of the program.

After an extensive review by AID/Washington, the finalized reformulation plan and extension were approved in late December 1974.

Since the program still has 2 1/2 years remaining until termination and based on historical experience with regard to the lack of yearly updating of the implementation plan and the performing of annual evaluations, we believe that the USAID should take appropriate steps to ensure that, in the future, these required actions are taken.

Recommendation No. 1

That the USAID take appropriate action to ensure that the reformulated implementation plan is updated yearly and joint program evaluations are performed annually, as required by Section 5.03 and 5.04 of the Loan Agreement, respectively.

Auditing Requirements

Although independent audit reports relating to the financial and progress aspects of the program, including the agreement, are required under the terms of the loan, there was no evidence that these provisions had been complied with.

Section 4.09 of the Loan Agreement stipulates that books and records relating both to the project and the agreement shall be audited, in accordance with sound standards, and at such intervals as A.I.D. may require. Further elaboration contained in Implementation Letter No. 1, dated September 17, 1969, required that the Foundation provide A.I.D., within 60 days, information concerning which agency within the federal government would perform the audit, the scope of the audit plan, the period to be audited and the interval between audits. The scope of the audit envisioned by A.I.D. was to include, in addition to a review of expenditures, a review and evaluation of the progress of the program.

There was, however, no evidence that the Foundation had provided the USAID with the information requested or that such audits had actually been performed. Routine short-form audit reports concerning the Foundation's financial activities are being prepared, on a yearly basis, by staff members of Financial Inspectorship, Ministry of Planning. The last such report was for the year ended December 31, 1973, but it did not comment on program expenditures or a review and evaluation of the progress of the program. Also, there was no indication that the USAID had followed up to ensure compliance with the auditing requirements.

Furthermore, the lack of enforcement of auditing requirements relative to the USAID's active loan portfolio appears to be a prevalent problem. For example, three separate audit reports issued by the Brazil Audit Residency in the last six-month period have contained similar deficiencies on the lack of borrower's compliance with loan agreement auditing requirements.

These audits can represent an important management tool for the borrowers in addition to enhancing the USAID's effective monitoring of the loans. In the latter case, this is very important due to reduced USAID staffing. Therefore, we believe there is adequate justification for the USAID to review its active loan portfolio to ensure that, where appropriate, there is reasonable compliance with the auditing requirements set forth in loan agreements and implementation letters.

Recommendation No. 2

That the USAID request the Foundation to ensure: that the auditors of the Financial Inspectorship, Ministry of Planning, are aware of the need to include in their examination a review of loan expenditures and a review and evaluation of the progress of the program; and that copies of these audit reports will be submitted to the USAID.

Recommendation No. 3

That the USAID review its active loan portfolio to ensure that, where appropriate, the borrowers are reasonably complying with the audit provisions contained in the respective loan agreements and implementation letters.

BACKGROUND AND SCOPE

Background

The Brazilian Institute of Geography and Statistics Foundation was established as an autonomous agency in 1937 to compile, interpret and report national statistics. Initially, it purportedly functioned effectively. However, in the subsequent years, the agency found that it had to rely increasingly on funding sources subject to political maneuvering. The concomitant effect was an erosion of autonomy and strong leadership. Operational effectiveness accordingly sank to a low level. More importantly, the agency's output was characterized as being unreliable and untimely. For economic and national planners, this was an intolerable situation.

In the early 1960's, the Ministry of Planning decided to correct the situation. A task group was appointed to formulate a national statistics plan. Among its findings, the group noted that the agency lacked institutional flexibility, adequate financing and coordination among its various executing units.^{2/} Subsequently, in February 1967, the agency was reorganized as a Foundation^{2/}. Other improvements included strengthened management through better qualified officials; an increased training program; a

^{2/} A Foundation is a technique whereby a government institution, in lieu of being ruled by public laws, functions under commercial law. Thus, it achieves more administrative and financial autonomy.

better salary structure; and development of statistics programs in industry, agriculture, and construction.

During the early stages of the Foundation's upgrading, representatives from the U.S. Bureau of Census held discussions with various Government of Brazil officials interested in statistical assistance. Particular emphasis was given to a household survey called, "Latin American Sample of Household" that had been adopted successfully in other countries. Shortly thereafter, on January 1, 1966, the Ministry of Planning, the Foundation, and the USAID entered into a grant-funded project agreement. The purposes of this agreement were twofold: to develop and establish a household survey on a continuous basis; and to ascertain the Foundation's technical assistance needs. Pursuant to the agreement, the USAID agreed to finance the services of two U.S. Bureau of Census technicians.

The subsequent success of the household survey encouraged the Government to expand these sampling techniques to agriculture and other fields. Moreover, it was found that additional improvements were necessary if the Foundation was to produce accurate and timely statistical information. Hence, the Foundation with grant assistance developed a "Five Year Statistical Development Program". The plan, prepared in February 1968, was the basis for the \$5.8 million A.I.D. loan signed on August 13, 1969. Such A.I.D. loan proceeds were to finance technical assistance, training and electronic data processing equipment. The total estimated cost of the program was about \$12.6 million.

According to the original loan implementation plan, assistance was to be provided, over a five-year period, to the following seven sub-projects:

- Improvement of Data Processing Capabilities.
- Creation of an Agricultural Statistical System.
- Development of a Management and Technical Information Center.
- Expansion and Improvement of the On-going Household Sample Survey Program.
- Introduction of Work Standards and Quality Control into the Economic Statistical Services.
- Development of the Quality Control and Evaluation System for Alternative Sample Designs.
- Conducting the 1970 Census for Population, Housing, Industry, and Agriculture.

In addition to the above, training was to be provided to Foundation personnel, both in Brazil and in the U.S.

Subsequently, the cruzeiro equivalent of \$1,203,389 ^{3/}, generated u P.L. 480, Title I, Wheat Sales Agreements, was made available to defray certain local currency costs of the program.

The financial status of the loan as of November 30, 1974 is shown b (for a detailed breakdown, please see Exhibit A):

	<u>(in 000's)</u>			
<u>Loan Amount</u>	<u>Committed</u>	<u>Disbursed</u>	<u>Undisbursed</u>	<u>Uncommitted</u>
\$3,500	\$3,140	\$1,198	\$1,942	\$360

Scope

The Brazil Residency of the Area Auditor General/Latin America has performed an examination of the Statistical Development Program finance A.I.D. Loan No. 512-L-076. This was the second such examination and c the period from October 1, 1971 through December 31, 1974. The audit was performed intermittently during the period from August 6, 1974 thro January 10, 1975.

The examination was made in accordance with generally accepted audi standards and accordingly included such tests of the Borrower's financi records and loan related documents as were considered necessary in the circumstances. We also held discussions with concerned USAID, Foundat and U.S. Bureau of Census officials.

FOLLOW-UP ON PRIOR AUDIT REPORTS

There was one prior audit report involving this loan program. Thi was the Area Auditor General/Latin America (South) Audit Report No. 2-5 dated March 6, 1972, which covered the period from loan inception throu September 30, 1971. The report contained one recommendation which con the completeness and comprehensiveness of the U.S. technicians' quarter reports. This recommendation was satisfactorily cleared by the USAID.

Before issuance, the contents of this report were reviewed with app USAID officials and their comments were given due consideration.

^{3/} Exchange rate of Cr\$5.90 to US\$1.00.

EXHIBIT A

STATISTICAL DEVELOPMENT PROGRAM
LOAN NO. 512-L-076
Financial Status as of November 30, 1974
(In U.S. Dollars)

	Disbursement Auth. No.	Committed	Disbursed	Undisbursed
U.S. Technicians *	001	\$2,760,000	\$ 947,165	\$1,812,835
Commodities	007	70,500	63,445	7,055
	011	30	10	20
	020	65,100	64,711	389
		135,630	128,166	7,464
Participants	002	4,992	4,992	-
	003	9,516	9,516	-
	004	3,470	3,470	-
	009	12,880	12,880	-
	010	4,500	3,402	1,098
	016	3,179	3,179	-
	019	158,605	63,617	94,988
	021	42,021	20,681	21,340
	022	5,500	1,190	4,310
			244,663	122,927
<u>Totals</u>		\$3,140,293	\$1,198,258	\$1,942,035
Uncommitted Balance		\$359,707		

* Agreement between A.I.D. and the U.S. Bureau of Census.

EXHIBIT B

Distribution of Report

Mr. Marvin Weissman, Mission Director, USAID/Brazil 6

State Department - Country Director - Office of
Brazil Affairs (ARA-LA/BR) 1

State Department - Inspector General of Foreign
Assistance (IGA) 1

AID/W - Executive Director (ARA-IA/MGT/EX) 1

AID/W - Office of Program Operations (LA/OPNS) 1

AID/W - Office of Audit (AG/AUD) 13

AID/W - Operations Appraisal Staff (AG/OAS) 1

AID/W - Office of Inspections and Investigations (AG/IIS) 1

AID/W - Director, Office of Public Affairs 1

U.S. General Accounting Office (GAO) 1

Office of the Area Auditor General, Latin America
(AAG/LA) - Panama 1