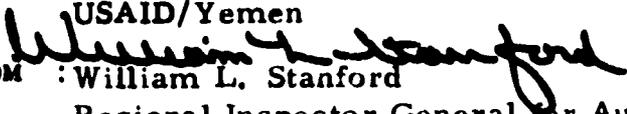


UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Charles Ward, Director
USAID/Yemen

FROM : 
William L. Stanford
Regional Inspector General for Audit - Karachi

SUBJECT: Memorandum Audit Report No. 5-279-82-9
on Human Resources Sector, USAID/Yemen

DATE: August 26, 1982

BACKGROUND

The Yemen Arab Republic Government (YARG) estimates that 30 to 40 percent of its male labor force works in neighboring oil producing countries. As a result, both skilled and unskilled workers are in short supply, particularly in the public sector where the pay scales fall far below those of the private sector. Yemen's long range plan for meeting this problem is to: (a) provide primary schooling for all Yemeni youth by 1996, (b) improve the quality of schooling by upgrading teacher qualifications, (c) emphasize national culture and Islamic traditions, (d) develop a range of schools that stress teacher training at all levels, (e) improve central and regional administration, and (f) expand facilities at Sanaa University.

This report covers the review of two projects that are part of Yemen's educational sector. They are the Development Training II Project and the Basic Education Development Project. The Development Training II Project was initiated in February 1978 as a general participant training program to be implemented under the direction of the Central Planning Organization (CPO), which has responsibility for monitoring manpower utilization. The purpose of the project is to provide Yemen with trained personnel who can occupy positions of responsibility in the government. It concentrates on training up to 440 middle and senior level officials in administration, finance, economics, planning and development, and technical specialties.

The estimated cost of this nine year training project is \$23.6 million. On February 27, 1978 AID provided \$14.9 million in grant funds to help finance the foreign exchange costs of technical assistance, participant training and commodities. Technical assistance for establishing and developing a human resources planning unit within the CPO is to be provided by Action Programs



International under contract No. AID/NE-C-1664 for \$705,000. Support for the Yemen-American Language Institute is provided through contract 279-80-590 in the amount of \$239,000 with Gerald P. Ponasik.

The basic education project was started in August 1979 to improve Yemen's educational system infrastructure. The project was designed to be implemented using the collaborative assistance mode. The Ministry of Education, Eastern Michigan University (EMU), Sanaa University, and the USAID are the collaborators. There are four sub-projects:

- 1. Core - to improve the administrative, planning and development capabilities of the Ministry of Education and to provide administrative, logistical and technical support to EMU.**
- 2. Primary Teachers Training Institutions - to assist the Ministry of Education in building an institutional capacity for improving teacher training and to establish a more effective primary education system.**
- 3. Primary and Science Education - to assist the Sanaa University faculty of science and education establish a new department of primary education, and to develop, equip and staff a program for training science teachers in that department.**
- 4. Instructional Materials and Media - to assist the Ministry of Education in designing and producing high quality instructional materials, and to implement an effective delivery system for the materials. Implementation of this sub-project is expected to begin in fiscal year 1984.**

The estimated cost of this eight year project is \$45.0 million. As of December 31, 1981 AID had committed \$7.4 million through a grant dated August 28, 1979. This grant includes the financing for the technical assistance contract with EMU, contract AID/NE-C-1642 dated September 10, 1979.

The purpose of our audit was to review project implementation and to identify problem areas requiring management attention, with particular emphasis placed upon participant training and technical assistance.

As part of our review we examined records and reports maintained by the USAID and the Government of Yemen, visited the offices of U.S. contractors and inspected project sites. Our examination included tests of records and a review of procedures. The review covered the period April 1, 1979, through March 31, 1982. Approximately \$10.4 million in project expenditures were examined. A draft of the report was furnished to USAID officials for review; their comments were considered in preparing the final report.

DEVELOPMENT TRAINING II PROJECT

Despite a shortage of qualified candidates, the Development Training II Project seems to be meeting the revised project goal of training 440 participants by 1987. To date 98 participants have completed training while 203 are in training in the United States and other countries. However, there have been some difficulties.

Selection and Qualification of Participants

The CPO has not yet developed acceptable criteria for selecting and retaining participants. The grant agreement requires the CPO to provide the mission with a statement to the effect that a specified number of the highest qualified secondary school graduates will be selected for training. This statement is vague and omits important selection criteria. With project emphasis shifting from undergraduate to graduate degrees, we believe the selection criteria should require higher standards for English language proficiency, school grades acceptable to U.S. institutions (a minimum scholastic average of 75 to 85), and an academic background suitable to the field of study to be pursued by the participant.

Lacking established standards, each participating Government of Yemen agency has its own criteria for selecting participants. As a result, candidate selection has not been well controlled and many participants have been selected whose qualifications were questionable. Government officials and their relatives have exerted pressure to select candidates for education in the United States who were not qualified academically or did not have the minimum English language proficiency. Participants have been sent to the United States with an insufficient knowledge of English and have then needed extensive training to meet the language standards of the school where they were enrolled.

Project implementation plans were changed in 1980 when 139 students who were enrolled at the American University of Beirut, returned to Yemen because of the security situation in Lebanon. At the government's insistence the mission sent 70 of these students to U.S. institutions for study and another 27 to other country institutions under the Development Training II Project. Subsequently, however, 42 of the students were dropped because of poor academic records and low English language proficiency.

We believe that failure to establish and enforce better selection criteria for participants has permitted unqualified candidates to be chosen and caused unnecessarily high training costs. Although the Government of Yemen has been reluctant to institute changes in selection criteria, the mission and the CPO recently signed a project implementation letter that clarifies English language requirements. The government has also agreed to not grant permission to participants to change their major training courses. Moreover, during our review, the mission and the CPO developed a draft of suggested selection criteria for participants, which we consider satisfactory and which the mission expects will be used in the future.

Language Training

Government agencies have not been cooperative in sending proposed participants to the AID funded Yemen-American Language Institute. The Institute provides an intensive, short-term English course to assist nominees in meeting language proficiency requirements. Institute estimates show that it takes 1,500 hours of training for a beginner to reach the call forward level of 440 on the Test of English as a Foreign Language. From October 1980 to March 1982, only 46 out of an estimated 300 new nominees attained the call forward proficiency. The reason for this limited success has been the government's unwillingness to release nominees from job obligations to attend classes, despite a grant agreement provision that requires this be done. To alleviate the problem, the mission and the government have arranged with the Institute to hold afternoon classes so that employees will not have to lose more than two hours of work per day. The USAID has also designed language programs at 3 outlying sites, thus making training more convenient to employees of participating YARG agencies.

Participant Follow-Up

The mission has not yet implemented follow-up procedures for monitoring the activities of 98 project funded participants who have completed their training and returned to Yemen. In our previous audit of participant training (Audit Report No. 5-279-79-16, dated June 4, 1979) we found that very few follow-up evaluations had been made, and that there was no organized basis for conducting a participant follow-up program as required by AID Handbook 10. As a result of this report a USAID-financed consultant was hired to design a questionnaire for interviewing returned participants. During September 1979 he interviewed 35 of the returned participants. From our review of mission correspondence and the consultant's report, it was apparent that the government did not cooperate to help find over 100 returned participants working either for the government or in the private sector. Because of this, the USAID made no further effort to continue with the follow-up program.

At the time of our review, the mission had issued a request to Washington for the services of a U.S. contractor to implement all participant training programs. One of the contractor's responsibilities will be to establish a system for follow-up on returned participants. The request to Washington was made on March 3, 1982, but at the time of our audit a contractor had not been selected.

As an example of the need for a follow-up system, the mission has been unable to determine whether 48 AID-financed participants trained in Egypt at a cost of \$107,672 have returned to Yemen. During 1975 and 1976, 23 participants were sent to the Kafr El Shiels University and 25 participants were sent to Al-Mansoina University to earn undergraduate degrees in agriculture. Some of the participants transferred from one school to another in Egypt and eight were known to have graduated during 1979. Although the mission had requested the government to provide further information about these participants, no response has been received.

Four other participants, who have completed their education in the United States at a cost of \$114,285, have not returned to Yemen. Two of the four, Mr. and Mrs. Zaid A. Zabaria, were project funded at a cost of \$60,944 for training at the University of the District of Columbia. Mr. Zabaria earned an advanced degree and Mrs. Zabaria a bachelor's degree in computer science. Both participants had signed the standard AID training statement agreeing to return to Yemen and work for the government after completing their training.

The participants' location has not been known since their graduation in 1980. The USAID has requested Washington assistance in locating them and was informed that the Office of International Training (S&T/IT) would make every effort to do so, but so far without success.

Participant Issam Al-Shami completed his training at the University of Maryland in August 1981 at a cost of \$18,414. He earned one degree in chemistry, but decided to continue at the university to earn a second degree in chemistry without the approval of either the government or the mission. On March 3, 1982 the CPO requested the USAID to take the necessary action to have Mr. Al-Shami return to Yemen since he had completed his training objective. S&T/IT then informed the USAID that the participant could not be located.

Mr. Ahmed Hamididden received a master's degree from the University of the District of Columbia in May 1980 at a cost of \$34,927. He has not returned to Yemen. Although the mission requested S&T/IT assistance in locating him, no further information has been received as to his whereabouts.

AID Handbook 10 requires participants to return to their home countries to apply their skills in development related activities for which training was authorized. In addition, the AID grant agreement requires the government to reimburse AID for the education costs of individuals who fail to return to Yemen upon completion of their education.

Recommendation No. 1

The Director, USAID/Yemen should file a claim in the amount of \$114,285 against the Government of Yemen for the cost of training the four participants who have not returned to Yemen.

Cancelation of Bills for Collection

Contrary to AID policy, the mission rescinded two bills for collection in the amount of \$26,205 issued against the Government of Yemen. The following bills were issued to recover costs incurred for two participants who did not return to Yemen after completing their education:

- (a) No. 00-279-90147, dated September 17, 1980, for \$21,120 covered educational costs of Ms. Noor Omer Gafoor who received secretarial training at Texas Technical Institute.

- (b) No. 00-279-90192, dated February 9, 1980, for \$5,085 covered educational costs of Ms. Amirah Abbas Muhammed Ali who received a bachelor of science in physics and chemistry from American University of Beirut.

The government, through its embassies in the United States and Beirut, determined that both women had married, would not return to Yemen, and refused to reimburse the YARG for the cost of their training. On January 26, 1982, the USAID/Yemen director waived the terms of the project grant agreement requiring reimbursement for the cost of their education. The waiver was justified on the grounds that "... the CPO attempted to collect the amounts due and that further follow-up by USAID would produce more discord than positive results vis-a-vis CPO".

AID Handbook 19, Chapter 7DC requires that claims against cooperating countries cannot be regarded as uncollectible. If the mission determines that the claims are uncollectible, they should be referred to the Office of Financial Management, Bureau of Management (M/FM/CAD) for further action. Our draft report included a recommendation to reissue the bills for collection. This was done on April 19, 1982.

During our review, we found no indication that M/FM/CAD had questioned the unauthorized cancelation of the bills for collection. Apparently, existing monitoring procedures do not cover the status of outstanding bills for collection (AID U-141 Report). We believe this is a breach of agency internal control that should be reviewed by the Office of Financial Management Review Task Force (AID Handbook 19, Chapter 7D2e). A General Accounting Office report (No. AFMD-82-32) issued on January 22, 1982 makes recommendations for improving federal agencies' collection systems and should be considered in establishing AID control procedures.

Recommendation No. 2

The Office of Financial Management Review Task Force should review current monitoring procedures to ensure that controls are in place to prevent the unauthorized cancelation of bills for collection.

BASIC EDUCATION DEVELOPMENT PROJECT

Project Implementation

Implementation of the Basic Education Development Project has been delayed and development of a collaborative assistance mode has not been accomplished. The fiscal year 1982 joint annual evaluation team reported that the project was successfully implementing some components of three of the sub-projects, but the fourth sub-project was not yet underway and was not expected to be started until 1984.

A two-year delay in establishing the Basic Education Development Council has had a negative effect on planning and coordinating the first three sub-projects. The evaluation team reported that the project was severely damaged because (a) specific government officials had not been designated to coordinate the grant and sub-projects, (b) the conditions precedent were not met until December 2, 1981, (c) the Primary and Science Education sub-project scheduled for implementation in fiscal year 1980 was not started until January 1982, and (d) collaborative management was not working well which resulted in all parties to the project making implementation decisions unilaterally.

Although the grant agreement was signed on August 19, 1979, the mission did not issue Amendment No. 1 for implementation of the core sub-project and Amendment No. 3 for implementation of the Primary and Science Education sub-project until January 6, 1981. Project Implementation Letter No. 1, requesting the names of the designated council members, was not issued until November 14, 1981.

Cooperation anticipated among the parties to the project, which was designed to utilize the so called collaborative assistance mode, has not been realized. One sub-project paper describes the collaborative assistance mode as placing more responsibility on the contractor, permitting greater flexibility in the contractor's day-to-day operations, but not reducing USAID responsibility for monitoring the project. The basic objective is to "... maximize and make optimal use of the particular skills and resources of the host country, contractor, and USAID in achieving project goals. "

The successful operation of the collaborative assistance mode also requires regular and systematic assessments of progress to be carried out by all parties involved in project implementation. To make these assessments, both the grant agreement and the Eastern Michigan University contract require periodic progress reporting, semi-annual and annual reviews, joint project reviews, life of project and sub-project work plans, and an annual sub-project work plan. We found that over the past two years, none of the parties to the project have made regular and systematic reviews of the three active sub-projects. The semi-annual reviews and assessments were never made. The first annual review was made in 1980 but only addressed the implementation of the primary teacher training sub-project. EMU officials have not prepared a detailed life of project implementation plan because they felt too many reports were required, and they were not certain that the life of project program work plan was needed. Mission monitoring was limited because the planned review procedures had not been carried out and the project officer had spent considerable time as acting Mission Director.

Contractor Staffing

EMU has not provided the technical assistance advisors for the basic education project as required and has not recruited qualified advisors to fill vacant staff positions. To date, EMU has provided only seven of the eleven advisors programmed for the three sub-projects.

Under the terms of its contract, EMU is responsible for developing a long-term relationship that will provide a source of expertise for basic education that will continue beyond the life of the project. For this reason EMU officials believe that only their faculty members should be used for the project technical assistance advisory positions. EMU submits bio-data on only one pre-qualified nominee from its faculty each time a position is to be filled. The Ministry of Education and Sanaa University, however, want EMU to submit a roster of at least three nominees for each position to be filled.

One chief of party who completed his contract in August 1981 was not replaced for over six months because of delays by the university in finding a suitable candidate and government footdragging in clearing the nominee for the position. The administrative officer position was not filled until June 1981, and until that time the chief

of party was responsible for all administrative tasks as well as directing the Primary Teacher Training Institute sub-project. The Bureau For Near East wrote to EMU on October 13, 1981 objecting to the delay in finding a new chief of party because it had been known for at least a year that the replacement would be needed by September 1981. The bureau indicated that EMU had not made sufficient efforts to recruit team members, and university officials were urged to make every effort to recruit long-term members in a timely manner.

The education administrative planner for the core sub-project is an important advisory position for the Educational Planning Unit of the Ministry of Education that should have been filled by January 1982. As of February 1982 the position was filled 50 percent of the time by the only Arabic speaking member of the EMU staff, who spent the other 50 percent of his time acting in the capacity of intern supervisor/ teacher trained for the institute sub-project. In both positions Arabic language capability is essential.

Because the EMU staff is so short handed, work on the institute multigrade classroom model has been delayed and the intern supervision program for the Group I participants has not been implemented. Although it is policy to fill positions with faculty members whenever possible, EMU is now trying to recruit outside its own staff for an Arabic speaking advisor because its faculty members are not willing to come to Yemen for two years or more.

In summary, if EMU continues its present recruiting policies, it is unlikely the required staff will ever be available. Thus, implementation of the basic education project probably will not be finished by the completion date. We believe the mission should move quickly to require EMU to comply with the contract terms for project staffing, and if it is unable or unwilling to do so, consideration should be given to terminating the contract.

In-Service Training

More than two years after signing the contract, EMU has made little progress implementing the in-service training program for the 3,500 Primary Teacher Training Institute classroom teachers. The university was to implement an in-service program for the professional development of primary school teachers that was to include (1) designing and field-testing a program to up-grade unqualified teachers, (2) designing, field testing and evaluating programs for certified teachers, and (3) developing trial procedures for model programs to test and evaluate the viability of multi-grade teaching in rural areas.

Despite the contract with EMU, the Ministry of Education also arranged for UNICEF to sponsor an in-service training program. University and UNICEF officials were unable to establish an effective working relationship and the ministry requested EMU to postpone its in-service activities. In September 1981 EMU, UNICEF, and the ministry arranged for EMU to provide master degree scholarships for seven in-service unit staff members, short-term consultants for workshops, and project technical advisors for the ministry in-service unit. On October 19, 1981 EMU officials held a one day orientation session for a group of returned participants. They also established a ministry in-service unit for developing further areas of cooperation, and the first three members of the ministry in-service unit began studies at EMU in January 1982. The EMU in-service teacher trainer arrived in Yemen but was reassigned to other project activities because of EMU's in-service activities.

Participants

The institute sub-project is on schedule in meeting the goal of providing qualified primary teacher trainees. Under the sub-project 91 participants were nominated to study programs leading to master degrees in education. Thirty-five of the participants have received their degrees and have been assigned to the institute.

In spite of the success in meeting the numerical goals, the sub-project has faced a number of problems. The group I and group II participants were selected unilaterally by the ministry. The students generally did not meet the minimum English language competency requirement for foreign students and several had weak academic records at in-country schools. In accepting these students, EMU established a precedent of accepting unqualified participants for project training. The ministry and EMU have since agreed to collaborate in selecting and monitoring future participants.

The first project biennial evaluation report dated December 1981 states that approximately 70 percent of the group I participants were assigned and working for the institutes. The balance were assigned but not working because the institutes to which they were assigned were too far from their homes, they objected to the subjects they were assigned to teach, and the ministry had delayed giving them promised salary increases. To combat these difficulties, the ministry changed the national teachers law to provide for an across the board salary increase through the World Bank Education Project,

which provided the funds for the "topping up" of teachers salaries. The ministry also plans to develop new assignment criteria that will take into account the participants' preferences in location and in subjects to be taught.

Selection of Women Participants

The institute sub-project goal of having at least 20 percent women participants will not be met at the present rate of implementation. In the first three groups of participants selected for master degrees only 5 of 91 were women. The mission, the ministry, and EMU considered this a great accomplishment in light of Yemen's cultural restrictions. The grant agreement, nevertheless, requires the government to endeavor to increase the participation of women in every phase of the project to the maximum extent practicable.

A January 1982 joint project evaluation report indicates that the pool of women with bachelor degrees from non-conservative families is not sufficient to meet the great demand for their services. Only about six percent of the students admitted to Sanaa University are women because most Yemeni women are not allowed to associate with men or live in dormitories apart from their families. The ministry has not yet been successful in competing for these women graduates with other sectors of the government or private industry.

LIST OF REPORT RECIPIENTS

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