



Auditor General

PROBLEMS ARISING FROM THE IMPLEMENTATION
OF AN AID GRANT TO THE
INTERNATIONAL CONFEDERATION OF MIDWIVES

(AID Grant No. AID/csd-3411
Dated May 15, 1972)

The training of midwives by the International Confederation of Midwives, at a cost of \$2.1 million, was a marginal undertaking that has not produced significant results. Yet, the Agency is preparing a new grant, for \$2.5 million, that does not define how the objectives of the grant are to be achieved.

Audit Report Number 79-82

Issue Date August 22, 1979

Area Auditor General, Washington
Agency for International Development
Washington, D.C. 20523

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REPORT HIGHLIGHTS

Purpose of Review

The International Confederation of Midwives was awarded a specific support grant on May 15, 1972 to promote family planning. In April 1977, with AID approval, the program shifted from promotion to training. Through April 30, 1979, AID had provided about \$2.1 million under the grant which is due to terminate on August 31, 1979. AID plans to award a new grant, approximating \$2.5 million to continue training activities over the next five years. The purpose of our review was to assess the results of the Confederation's program and whether it merited continued funding, to determine whether the program was effectively and efficiently managed and to ascertain whether AID funds were expended properly and in accordance with AID policies and procedures.

Findings

The review disclosed three major findings regarding the terminating grant and the new proposal. Salient comments on these findings are highlighted below.

Lack of Results With In-Country Training Seminars

No significant results have been derived from the Confederation's in-country sponsored seminars to train trainers of traditional birth attendants. Lack of results is due to the inability of host countries to provide funds for the follow-through training. Other factors contributing to lack of results have been the marginal value of the training vis-a-vis the host countries' other funding priorities and inadequate coordination with USAID-funded activities. (See page 5).

Deficiencies in AID's New Project Proposal

The role of the Confederation in the Project Paper supporting a new umbrella project is not adequately defined. It is difficult to determine from the Project Paper just what the Confederation will do and how and/or where it will do it. The paper has not addressed such relevant issues as the amount of training costs involved, non-competitive award of a new grant to the Confederation and implementation procedures. (See page 9).

Inadequacies in AID's Oversight, Control and Evaluation Procedures

AID's oversight and evaluation procedures for the project have not been adequate. Indicative of this is the lack of any AID field visits to those countries where the Confederation conducted its activities. Too much AID reliance has consequently been placed on the Confederation follow-up reports which have been untimely, lacking in details and, in some cases, not even made. (See page 13).

Conclusions and Recommendations

The Confederation's training program was a marginal undertaking that has not produced any significant results. Yet, given this lack of results, AID plans to continue funding the Confederation under a new umbrella project without adequately justifying and supporting its action. The conclusion of this report is that no new funding should be provided to the Confederation until AID has first assessed and justified prior results and projected needs. Then, subject to adequate justification, AID should amend the Project Paper elucidating the Confederation's objectives, how those objectives will be achieved, estimated costs and such other aspects as required by AID Handbook 3, Chapter 5. Accordingly, we recommend that the Assistant Administrator, Bureau for Development Support:

- Reassess the need for continuing its support of the traditional birth attendant training activities carried out by the Confederation prior to awarding a new agreement (page 8).
- Amend the Project Paper to justify any continuation of the activity, including cost, procurement of services, description of objectives and an elaboration of how those objectives will be achieved (page 12).
- Take appropriate action, subject to continuation of the training project, to improve its oversight and evaluation by (1) requiring the grantee to provide more timely and detailed follow-up reporting and (2) requiring the AID project manager and/or the USAID to make periodic field visits to the locations where the training was held (page 15).

The report also contains three other recommendations pertaining to financial aspects in need of corrective action. These recommendations are to be found on page 17.

Management Comments

AID's Bureau for Development Support, Office of Population, does not agree with our major conclusions and recommendations. It stated that it had performed an assessment of the Confederation program during the development of the new Paramedical/Auxiliary Family Planning Training Program (Project 932-0644). From that assessment, "it was determined that, in terms of past performance and projected needs for the future, there was sufficient justification to continue the activity with ICM." The Bureau's position, therefore, is that no reassessment is necessary and the Project Paper does not need to be amended. (See page 8).

Our review indicated that the Project Paper, supporting the new project, is inadequate regarding the Confederation's new program. It is unclear from the Project Paper just what the Confederation will do, how it will do it and how much the program will cost. There is little evidence indicating that the continued AID funding to the Confederation has been adequately justified in terms of prior performance, projected needs and costs involved. In our view, these matters should be clarified prior to any new award.

The Bureau also took exception to our recommendation requiring the Confederation to provide more timely and detailed follow-up reporting. They said there is other reporting information which can substitute for on-site visits by Confederation personnel. (See page 15).

In our judgment, the other reporting information cited by AID is an inadequate substitute for the on-site follow-ups required under the grant agreement. Better reporting requires that the Confederation perform the complete scope of its services, including on-site follow-up. The recommendation has accordingly been retained.

SECTION I

INTRODUCTION AND SCOPE

The International Confederation of Midwives (the Confederation), located in London, England, is a federation of 51 national midwifery associations, representing approximately 100,000 midwives throughout the world. Its constitution, as revised and adopted on June 26, 1975, includes the following purposes:

"to further among its member organizations knowledge and good understanding of all problems relating to reproduction and child birth, including family planning.

"to assist the National Organization in working together for the purpose of promoting family health, improving the standard of maternal care and advancing the training and professional status of midwives.

"to provide means of communication between midwives of various nationalities and with other international organizations to improve the standard of maternal and child care."

The Confederation is governed by an International Council consisting of the general officers and two accredited delegates from each member country. The work of the Council, between triennial meetings, is carried out by an Executive Committee, comprising the general officers and twelve national representatives elected by the Council. In practice, the day-to-day administrative activities of the Confederation are carried out by a part-time Executive Secretary, who is appointed by the President in agreement with a majority of the general officers.

On May 15, 1972, AID awarded the Confederation a specific support grant to promote family planning. The award was predicated on the fact that in developing countries the great proportion of childbirths--an estimated 90 percent--take place at home with the assistance of midwives or traditional birth attendants. When suitably trained and motivated, these women are in a unique position to promote family planning. Because the Confederation is the single recognized and established organization for midwives, it was considered the most appropriate vehicle to reach these midwives and traditional birth attendants.

The Confederation does not have sufficient financial resources to maintain an "in-house" professional capability to undertake professional studies and/or projects. Its revenues, derived from membership fees and donations, are

less than \$15,000 annually. All such services needed to implement the program therefore had to be recruited under the AID-financed grant.

AID has provided approximately \$2.1 million under the grant as of April 30, 1979. About 40 percent of these funds have been used to sponsor regional working parties and in-country training seminars. These costs consist of the travel and per diem expenses of the participants. The other 60 percent of the grant proceeds have been used to recruit and support the Confederation "core" personnel necessary to plan and administer the grant program. The salaries and related costs of six and one-half people are presently funded by the grant plus consultant services.

AID's current grant to the Confederation is scheduled to terminate on August 31, 1979. It is AID's intention to award a new grant to the Confederation under a \$35.3 million umbrella population training project.

The scope of this examination was to assess the results of the Confederation's program, to determine whether the Confederation's program was effectively and efficiently managed, and to ascertain whether the Confederation expended AID funds properly and in compliance with AID policies and procedures. Our examination included a review of the Confederation's records in London, England, as well as discussions with appropriate Confederation, host country and AID officials. Visits were made to Costa Rica and Indonesia to review the results of the Confederation programs conducted in those countries. The examination was performed in accordance with generally accepted auditing standards and procedures.

SECTION II

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

A. Inconclusive Results of the Regional Working Parties

The regional working parties sponsored by the Confederation promoted an awareness of the need for family planning and the role of the midwives. But there is little evidence to indicate that the host countries initiated any specific steps to promote family planning programs as a result of the working parties. This inconclusiveness of the working party phase of the program, which was terminated in 1977, is due to the lack of clarity in the Confederation's follow-up reporting.

AID determined in the early 1970's that, if midwives were equipped with relevant family planning information and education, they could be instrumental in promoting family planning as an integral part of the maternal and child health (MCH) programs in developing countries. Accordingly, as spelled out in the AID Project Paper (PP) dated January 21, 1972, the purposes of the grant were:

"To equip midwives, in as many countries receiving AID assistance as possible, to provide population/Family Planning (FP) information, education, and persuasion as an integral part of their work for maternal and child health (MCH) and to assist in providing FP services; i.e., stimulate midwives to:

- a. promote FP through effective use of their normal personal and professional contacts.
- b. develop overall standards and training recommendations for the profession to include FP.
- c. promote support and participation by midwife organizations and groups in the development of national and local FP programs.
- d. enlist cooperation of birth attendants (those not qualifying as professional midwives) in FP objectives."

The Confederation's strategy to achieve these objectives was to hold a series of regional working parties comprising key representatives selected by attending host country governments. These working parties were to analyze needs, resources, and potentials for the midwife in family planning;

develop recommendations on how to integrate family planning into the midwifery training curricula and practice; and plan the action steps to put these recommendations into effect at national and local levels.

The grant program initially called for the Confederation to hold three to four working parties annually in various regions of the lesser developed world. It was anticipated that this could be completed within the three-year period from 1972 to 1974. This timeframe proved to be much too ambitious. Indicative of this was the fact that only six working parties were held between December 1972 and November 1974. Thus, because of the need for broader coverage, this phase of the program was periodically extended until November 1977.

Through November 1977, a total of 12 regional working parties were held in Africa, Asia, Latin America and the Near East as presented below:

<u>Working Party</u>	<u>Location</u>	<u>Date</u>	<u>Countries</u>	<u>Participants</u>
(1) Anglophone West Africa	Ghana	Dec. 1972	5	16
(2) Central America	Costa Rica	Sep. 1973	6	17
(3) Francophone Central Afr.	Cameroon	Oct. 1973	7	34
(4) Anglophone East Africa	Kenya	Dec. 1973	9	29
(5) Caribbean	Barbados	May 1974	15	26
(6) Francophone West Africa	Senegal	Nov. 1974	7	24
(7) Latin America	Colombia	Jan. 1975	12	29
(8) East Asia	Philippines	Apr. 1975	7	21
(9) West Asia	Malaysia	Oct. 1975	5	16
(10) All India	Delhi	Nov. 1976	1	57
(11) "Cento" Countries	Turkey	Dec. 1976	5	14
(12) Anglophone Middle East	Sudan	Nov. 1977	<u>4</u>	<u>15</u>
Totals			<u>83</u>	<u>298</u>

(Total attendance including speakers, observers and others was 575)

Recommendations were developed from these working parties. Representatives from the host countries attending the working parties in turn presented these recommendations to their respective host country officials for review and implementation. The Confederation then scheduled follow-up reviews in each country to determine whether the recommendations had been implemented.

Of the 83 countries represented at the workshops, the Confederation conducted follow-up reviews in all but ten. Although it was not possible for the Confederation to make follow-up reviews in Laos, Uganda and Vietnam, because of the political situations, it was not clear why follow-up reviews were not carried out in the other seven countries. No information on these ten countries was consequently available to us.

The Confederation's follow-up reports generally indicated that a number of countries took the recommendations seriously. Representative examples of these recommendations were the following developed by the Anglophone East Africa Working Party held in Nairobi:

That those countries which had not accepted family planning into family health service programs should include it in the training program of midwives/nurse-midwives; that teachers should be motivated and be allowed to teach it where relevant in maternal and child health subjects.

That family planning services, where existing, should be incorporated into maternal and child health services. All health workers should be taught family planning in maternal and child health as relevant to their sphere of practice.

That comprehensive clinics be provided to deal with all aspects of maternal and child care simultaneously.

We concluded from the Confederation's follow-up reports that the working parties were generally effective in creating a greater awareness of the need for family planning; that is, the importance of family planning in midwifery services was instilled and positive efforts were made to introduce family planning in the training school curricula for midwives. But the specific steps taken by the host countries to promote family planning was not clear.

Implementation of the recommendations by the host countries was dependent on the persuasive efforts of the representatives and the Confederation. In this regard, the Confederation's follow-up reports provide little information regarding host country action to integrate family planning practices into the maternal child health services. This inadequacy of follow-up reporting is discussed later in this report.

B. Problems With In-Country Training Seminars

No significant results have been derived from the Confederation's in-country training seminars. This lack of results is due to the inability of host countries to provide funds for the follow through training. Other factors contributing to this situation have been the marginal value of the training vis-a-vis other host country funding priorities and inadequate coordination with the USAID-funded activities.

One of the recommendations invariably made by all the working parties was the need to train traditional birth attendants. This recommendation was predicated on the fact that in most lesser developed countries the traditional birth attendants, all of whom lack formal training, account for

most infant deliveries in the rural areas. It was felt that by providing training to these attendants two purposes could be served: (1) to extend family planning information to the poorest and largest segment of the population, and (2) to provide that segment of the population with better child care services.

In April 1977, with AID's approval, the Confederation's program shifted from family planning promotion to training. Under this training phase, the Confederation was to sponsor a series of in-country training seminars for midwives. These midwives in turn were to train the trainers of traditional birth attendants. An apparent assumption of this training concept was that the host countries would utilize the trainers to sponsor host government financed training programs.

The Confederation's role in sponsoring these seminars included developing the curriculum, making arrangements with the host countries for holding the seminars and financing the participants' travel and per diem costs. Training facilities and personnel were to be provided by the host countries.

It is to be noted that this shift to training should have been supported by a definitive description of the program and a detailed implementation plan showing how the objectives were to be achieved. AID procedures required that the Project Paper be amended to reflect these changes. Because this was not done, no formal verifiable parameters were established for evaluating the training program.

The Confederation sponsored its first in-country training seminar in May/June 1977. Through March 31, 1979, it sponsored a total of eight seminars, training 180 participants as shown below:

<u>Location</u>	<u>Started/Completed</u>	<u>Participants</u>
Bangladesh	May/June 1977	24
Afghanistan	January/February 1978	19
Nicaragua	June/July 1978	24
Cameroon	July 1978	28
Costa Rica	September/October 1978	19
Belize	October/November 1978	18
Indonesia	January/March 1979	30
Dominican Republic	January/February 1979	<u>18</u>
Total		<u>180</u>

These courses were usually given over a period of three weeks with much of the training course content being focused on pre and post natal practices. The reason for this training approach was that it would have been impracticable to place sole stress on family planning without relating it to the total concept of maternal child health.

Training the trainers of trainers is only the initial aspect of the Confederation program. The ultimate objective is to transfer the knowledge and techniques to the traditional birth attendants. The effectiveness of the Confederation training activities must thus be measured in terms of what the host countries are doing to train the traditional birth attendants. In this regard, the Confederation was to conduct follow-up reviews evaluating host country progress.

As of May 1979, we found that the Confederation had only made follow-up reviews for two of the eight seminars. One of the seminars, held in Bangladesh from May 9 to June 4, 1977, indicated that the host government had not yet held any follow-on training courses. The other review, covering the seminar held in Cameroon from July 1-14, 1978, indicated that a pilot training session had been set up for 39 traditional birth attendants in two villages but that the training had not yet been provided. Indications are that little, if anything, has been done in any of the other six countries. In Costa Rica and Indonesia, for example, our discussions with host country officials revealed no immediate plans for following through on locally-sponsored training programs. They indicated that this type of training does not have high priority in terms of their limited funding availabilities. There is consequently little evidence to indicate that the Confederation training has had any impact on the traditional birth attendants due to the lack of follow through by the host countries. This need for follow through, in our opinion, could be obtained by programming the training through USAID projects.

Inadequate funding largely accounts for the host countries not providing follow-up training seminars. In this context, we found no evidence that the Confederation or AID had determined whether host country or other funds would be available to continue the training programs. This lack of obtaining host country funding commitments, in our judgment, underlines one of the weaknesses in the program.

Another weakness is the apparent lack of any effort to coordinate the Confederation's training activities with other similar AID-financed projects. In some countries where the Confederation training programs were held, USAIDs operate similar type family planning programs through bilateral agreements with the host country. A case in point is Costa Rica where the USAID had sponsored a training program for traditional birth attendants in 1976-7. The USAID had no knowledge that AID/Washington was centrally funding the Confederation for a similar program in Costa Rica. The Confederation training of trainers to train the traditional birth attendants could have complemented this USAID-financed training. However, not until mid-1978, when the Confederation was arranging its training courses, did the USAID even become aware of the Confederation's training activities. By then the USAID had phased out its training program.

In Indonesia the USAID does not give the training of traditional birth attendants a high priority. Their reasoning is that because of pronounced

traditionalism, coupled with virtually universal illiteracy, the birth attendants are not in keeping with the more sophisticated preventive, maternal health and family planning approach generally favored by the USAID. The USAID consequently does not believe that the funding filtered through the Confederation for a highly marginal activity is very effective.

We believe that the Confederation's type of training program would be considerably more effective if it were programmed through the USAIDs. This would provide much more assurance of host country commitments as well as direct control over project monitoring and implementation. It would also result in more of the AID funds being used for actual training. At present roughly 60 cents of each AID dollar provided to the Confederation is used for its overhead. Channeling the funds through the USAIDs would eliminate the need for this overhead. Accordingly, we question the propriety of continuing to use the Confederation to achieve the purposes of this grant.

The current grant to the Confederation is scheduled to terminate on August 31, 1979. AID plans, however, to award the Confederation a new five-year grant for continuation of the current training program. In our view, the lack of results under the current program should be assessed prior to AID's final decision to continue its support of the Confederation program.

Recommendation No. 1

We recommend that the Assistant Administrator, Bureau for Development Support (AA/DS), reassess the need for continuing its support of the traditional birth attendant training activities carried out by the Confederation prior to awarding a new agreement, and give consideration to funding the program through USAIDs and other AID offices.

In responding to the draft of this report, the Bureau stated that:

"During the development of the new Paramedical/Auxiliary Family Planning Training Program (Project 932-0644) this past year, the Office of Population did assess the need to continue this important training activity with the International Confederation of Midwives (ICM). It was determined that, in terms of past performance and the projected needs for the future, there was sufficient justification to continue this activity with ICM."

It is our opinion that the Office of Population assessment justifying continued AID funding to the Confederation should be included in the Project Paper, the AID design and strategy paper supporting the new project. But there is no such information in the Project Paper which would constitute an assessment and/or justification for continuing AID funding. In fact,

it is unclear from the Project Paper just what the Confederation will do. We are accordingly not satisfied that the needed substantive assessment has been made to support continued AID funding to the Confederation. The recommendation has therefore been retained.

C. Deficiencies in AID's New Project Proposal

The role of the Confederation in the Project Paper supporting a new umbrella project is not adequately defined. It is impossible to determine from the Project Paper just what the Confederation will do and how and/or where it will do it. The paper has not addressed such relevant issues as the amount of training costs involved, noncompetitive award of a new grant to the Confederation and implementation procedures. Thus, in our judgment, further analysis and justification of the proposed training is warranted prior to any AID commitment of funds.

AID plans to continue funding the Confederation for another five years after the present grant expires on August 31, 1979. This funding is to be provided under an umbrella project entitled "Family Planning Training for Paramedics/Auxiliaries." The Confederation will receive approximately \$2.5 million from this \$35.3 million project. This \$2.5 million estimate, in the absence of an AID estimate, is based on first year costs extended over a five-year period.

AID's Project Paper justifying the project states that:

"This program will be monitored through the Office of Population, however, training activities will be conducted in close coordination and cooperation with Regional Bureaus and local missions. Although the technical support is centrally funded there will be input and planning at the regional and mission level. Priority of training under this project will be directed to the training needs of LDC's where there is no A.I.D. bilateral assistance, or A.I.D. bilateral assistance with little or no family planning programs currently in operation."

The Project Paper provides no details on how the Confederation's program will be integrated and coordinated with other AID activities. Nor does the Project Paper provide any substantive details on the Confederation program; i.e., where it will operate and how much it will cost. In effect, it is impossible to determine from the Project Paper just what the Confederation intends to do under the new grant.

In this regard, AID Handbook 3, Chapter 5, states that:

"The PP is the basic project document, the basis for AID action, and, until amended, provides the definitive description of the project which has emerged from the project development process.

The PP shows the methodology used and the results of the analysis of the project, and describes in detail the responsibilities of all the project's participants. Some projects, by their very complexity, may require fairly detailed project papers even with the analytic material supplied in annexes or other forms. Others will require much shorter exposition (training-only activities, for example). Project design officers are free to reduce the size of the PP to less than 35 pages as they see fit providing that the following substantive issues and analytic areas are fully covered:

1. Face Sheet Data.
2. A detailed description of the final project to emerge from the design effort including the purposes behind the undertaking.
3. The methodology used and the results of the project specific analyses of the following topics: (a) economic, (b) social beneficiary, (c) technical, (d) administrative feasibility, and (e) environmental concerns.
4. The Financial Plan.
5. Implementation Plans including a project schedule which spells out concurrent and sequential steps including procurement.
6. An Evaluation Plan...."

The Project Paper developed for the "Family Planning Training for Paramedics/Auxiliaries" project satisfies few of these AID requirements regarding the Confederation. It is unclear to us how the continuation of a new grant to the Confederation can be justified based on the general language of the Project Paper.

One of our concerns with the new proposal is that AID has not addressed the matter of host country commitments. Almost without exception, as noted earlier in this report, host countries have failed to provide the funding to continue follow-on training for additional trainers and traditional birth attendants. It is obvious that without this follow-on training the objectives of the program cannot be achieved; i.e., the training of the birth attendants. In this regard, it is appropriate to note the comments of the Confederation's President spelled out in the earlier 1972 Project Paper:

"The ICM Program is educational - promotional only. As a confederation of national affiliates, each composed of individual members, we can achieve our objective only

through informed persuasion on behalf of recommendations which have received support in organization meetings. We have no capacity to enforce standards except as qualifications for our own membership; neither can we provide midwifery training in any formal sense. What we can do, and try to do intelligently, is to inform and activate public opinion and responsible agencies -- in this case in support of family planning."

For promotional purposes informal persuasion may have been a feasible approach through working parties. However, in a training program, which is dependent on host country support, more than informal persuasion is required. What is needed is firm host country funding commitments. Unless the host countries are firmly committed to carry the training forward we fail to see any rational justification for the project.

Another of our concerns is the duplicative effort where USAIDs and/or AID Population personnel are located. In the past, the Confederation has operated its in-country training seminars in the same countries where USAIDs could and/or had provided similar training. To the extent that the AID/Washington grant supported the Confederation, operating significant portions of its programs through similar channels, AID was supporting a duplicative effort. Therefore, under the new project, the Project Paper states that the Confederation will be "directed to the needs of LDCs where there is no AID bilateral assistance or AID bilateral assistance with little or no family planning programs currently in operation."

The Project Paper does not identify those countries where the Confederation is to conduct its training programs. However, according to its recent proposal, the Confederation indicated that during the first year it would sponsor training seminars in seven countries: Mexico, Chad, Zaire, Cameroon, Togo, Malawi and Swaziland. Of these seven countries, AID officials informed us that there are USAIDs and/or population officers in six. There is no support demonstrating that these USAIDs could not sponsor the training. We are thus not convinced that AID has effectively addressed the issue of duplicative effort. This raises the further question whether there are sufficient countries not having USAIDs to support a centralized training grant.

A third concern is that AID plans to award a new grant to the Confederation. In our judgment a contract, not a grant, may be a more appropriate contractual instrument that should be used for recruiting the services required.

AID Handbook 13, Section I.B.2.a.(2), states:

"It is appropriate to use grants when emphasis is placed on promotion of the independent capacity, integrity and quality of the entity or the programs supported, rather than on specific work and the manner in which it is performed or the day-to-day activities of the entity as a part of the U. S. Government's foreign assistance program.

Insofar as they distribute funds or services or goods, grantees do so as part of their own programs. If the AID purpose is to obtain goods or services to pursue an assistance program arranged by AID, then a contract, not a grant, is the appropriate form of document to formalize the arrangement." (underlining supplied)

There is no discussion in the Project Paper demonstrating how the Confederation's own program serves to foster the foreign assistance objectives thereby justifying the use of a grant. The Confederation was recruited by AID to perform a specific task under the current grant and presumably will continue to perform that same task under the new project. Therefore, according to our interpretation of the above AID Handbook quotation, a contract and not a grant should be used for recruiting the services deemed necessary.

The Confederation estimates that its first year costs under the new grant will be \$484,623. Of this amount, \$328,023 relates to the Confederation's overhead type costs and \$157,600 to direct training costs. Overhead costs as a ratio of training costs is thus about 2:1. This means that for every dollar AID provides to the Confederation only 33 cents will go for training host country participants. These Confederation support costs appear disproportionately high for a training project.

There is no evidence to indicate that private institutions or commercial firms could not perform the same services as effectively as the Confederation and perhaps more cheaply. Thus awarding a grant to the Confederation without the benefit of competition needs to be justified more adequately than is now the case.

AID, in our judgment, has inadequately justified the need for the Confederation's role in this centrally-funded activity. Such issues as the need for the training, noncompetitive procurement of services, and an analysis of how the objective will be achieved remain unresolved. These aspects should be clarified before any firm commitment to award the grant is made.

Recommendation No. 2

We recommend that the Assistant Administrator, Bureau for Development Support (AA/DS), subject to continuation of the training project, amend the Project Paper to provide further analyses and justify any continuation of the activity including cost, procurement of services, description of objectives and an elaboration of how those objectives will be achieved.

In responding to the draft of this report, the Bureau for Development Support stated:

"The Project Paper does not need to be amended. The concept of a Specialty Training Service Agency as defined in the PP on page 24 states 'In addition to the four RTSA's outlined above provision is also made for the selection of one or more STSAs designed to carry out specific unique activities on a worldwide basis as will be determined to be required.'"

We believe that AID Handbook 3, Chapter 5B, quoted at length above, clearly supports our conclusion. Moreover, according to Section 5A, Handbook 3 states:

"The purpose of the Project Paper (PP) is to provide both Mission and AID/W management with: A self-sufficient basis for action and a record of the projects history; a detailed description of the project as it has finally emerged from the project development process; discussions and conclusions of all the appropriate analyses which were carried out to judge the soundness of the project; a realistic assessment of the expected stream of costs and benefits; and finally a clear definition of the responsibilities of AID and the other project participants including a plan of implementation."

It should be noted that the Project Paper also does not contain a logical framework for the Confederation's program. Without this logical framework, there is no basis for making an evaluation which is required under AID regulations. In view of the above, we have retained the recommendation.

D. Inadequacies in AID's Oversight, Control and Evaluation Procedures

AID's oversight and evaluation procedures for the project have been inadequate. Indicative of this is the lack of any AID field visits to those countries where the Confederation conducted its activities. Too much AID reliance has consequently been placed on the Confederation follow-up reports which have been untimely, lacking in details and, in some cases, not even made. Many of the problems raised in this report may not have been addressed because of the absence of these AID field visits.

AID Handbook 13, Chapter 1, delineates AID's management responsibilities for grants. These responsibilities state that:

"The AID Project Officer shall make site visits as frequently as practicable to:

- a. Review program accomplishments and management control systems, and
- b. Provide such technical assistance as may be required."

There is little evidence, except for some trips to London, England, that the AID project manager(s) has made any site trips to those countries where the Confederation conducted working parties and in-country training seminars. In the absence of these trips, AID has relied on the Confederation's follow-up reports and personal contact for its information regarding project implementation.

It is significant that of the two somewhat substantive evaluations performed during the seven years of the project both were critical of the Confederation's follow-up reports. The first evaluation, which was an AID "in-house" effort, done in October 1974, stated:

"An effective follow-up evaluation system is needed for ICM to monitor actions by returning working party participants."

The second evaluation, made by a team of two Public Health nurses in February 1978, indicated:

"Follow-up visits to participating countries are extremely important and should be made within a shorter timeframe."

Though the evaluation reports recommended that more effective and frequent follow-ups be made, little has been done to address this problem. An indication of this is the fact that follow-up reports have been made for only two of the eight in-country training seminars held since June 1977. The Confederation follow-up reports have consequently been an inadequate vehicle for AID oversight of the project.

One way AID could have strengthened its oversight of the project was by delegating some of its oversight responsibilities to the USAIDs in those countries where most of the Confederation's activities were conducted. This approach would not only have improved AID's oversight but would also have provided a basis for coordinating the Confederation and USAID-financed family planning activities. This failure to delegate and coordinate with the USAIDs appears to be a problem common to many AID centrally-funded activities. It is, in our judgement, a problem area that AID must address in order to improve its oversight and coordination of centrally-funded grants such as the one to the Confederation. Any continuation of the training program should therefore address this issue.

Periodic evaluations are a key element of the AID management system. As such, they enable management to appraise whether activities are meeting goals and merit continued funding. In this regard, we found that AID had made the required annual evaluations. Only two of these evaluations did we consider to be somewhat substantive. But neither of the two entailed any site visits to those countries where the programs were conducted. They were based solely on a review of documentation and discussions in AID/Washington and at the Confederation headquarters in London. Without independent field verification

and discussion with host country officials, USAIDs, etc., we believe that it is not possible to effectively evaluate whether the objectives are being achieved and the reasons for the lack of achievements.

This is particularly the case when the Confederation's inadequate follow-up reports are the basis for these evaluations. Thus, in our judgment, no in-depth evaluation has been made of the grant since its inception.

AID's oversight management of this project could have been better. In the absence of AID field trips and USAID on-site monitoring, too much reliance has been placed on the Confederation's follow-up reporting which has been untimely and lacking in adequate program details. This would appear to account for the fact that the problems raised in this report have not been addressed by AID. Therefore, in our opinion, and subject to continuation of the Confederation training project, AID's oversight and evaluation procedures must be improved.

Recommendation No. 3

We recommend that the Assistant Administrator, Bureau for Development Support (AA/DS), subject to continuation of the training project, take appropriate action to improve its oversight and evaluation by (1) requiring the grantee to provide more timely and detailed follow-up reporting and (2) requiring the AID project manager and/or the USAID to make periodic field visits to the locations where the training was held.

Commenting on the draft of this report, the Bureau for Development Support stated it disagreed with that part of the recommendation requiring the Confederation to provide more timely and detailed follow-up reporting. It stated:

"The Office of Population defines follow-up to mean obtaining information on the outcome and/or results of each training initiative through a variety of means. This information can be obtained by on-site visits by project staff, questionnaires and reports, or site visits by AID/W and/or USAID personnel. The Auditors have defined follow-up to mean exclusively on-site visits by ICM project staff. While this is certainly a very good means of ascertaining first hand results, it is also very expensive and not always possible and realistic to expect on-site follow-up for each training initiative. Follow-up is a mandatory component of every training initiative; however, it can and has been effectively accomplished without project staff making site visits and individually interviewing each participant."

It is significant to note that the scope of work under the grant agreement requires the Confederation to perform follow-up visits. Funds are accordingly provided for these visits. These follow-up visits have been considered extremely important since the inception of grant for re-enforcing host country action and evaluation purposes. We believe the Confederation should do what it is supposed to do under the conditions of the grant and that AID officials responsible for the management of this project assure themselves that it is done.

The Office of Population indicates other reporting information is available as a substitute for follow-up visits. This other information was reviewed by us and found to be inadequate. It did not, incidentally, include site reporting by AID/W or USAID personnel as suggested by the response. The recommendation has thus been retained.

E. Minor Financial Deficiencies

The Confederation's accounting procedures and records were maintained in accordance with generally accepted accounting principles and practices. All costs, except for \$15,300, were adequately documented and accepted in accordance with the provisions of the grant. Comments on those excepted costs are discussed below.

1. Grant Costs Deferred and/or Disallowed

During the financial period of our review, from January 1, 1977, to December 31, 1978, the Confederation expended \$565,829 (see Exhibit A). Of these expenditures, we deferred acceptance of \$15,000 subject to submission of the required documentation and disallowed \$300.

The \$15,000 represents AID grant funds which were used to publish a second edition of the book entitled "Maternity Care in the World." Though the book had been published, not all of the financial documentation was available to support the publishing costs. The Confederation's chartered accountant indicated that the documentation would be obtained and submitted to AID. We have therefore deferred acceptance of the \$15,000 until the Confederation has provided this documentation to the AID grant officer for review.

The \$300 is an ineligible portion of a rental payment made in March 1978. The \$300 represents ten percent of a \$3000 rental payment which, according to the AID grant, should have been charged to the Confederation's account. The Confederation concurred with the disallowance.

AID should take appropriate action to ensure that these cost items are resolved.

Recommendation No. 4

We recommend that the Office of Contract Management (SER/CM/COD) take action (1) to obtain documentary support for the \$15,000 relating to publishing costs and (2) request a refund of \$300 for the non-allowable rent payment.

2. AID Financial Records Need to be Corrected

We found that the costs charged to the AID grant by the Confederation do not agree with those recorded by AID's Office of Financial Management (FM). The Confederation's records, as of December 31, 1978, showed grant costs of \$1,773,509 whereas AID's records reflected a total of \$1,776,941.95, a difference of \$3,432.95. The difference resulted from the following duplicate postings in AID's records:

March 14, 1975	\$2,072.80
February 16, 1977	1,402.00
April 18, 1978	(41.85)
	<u>\$3,432.95</u>

AID should therefore take the appropriate action to correct its records.

Recommendation No. 5

We recommend that the Office of Financial Management (FM) adjust its records for duplicate costs totaling \$3,432.95.

3. Transfer of AID Grant Financed Property

The Confederation was authorized and purchased office equipment valued at \$3,700 with AID grant funds. According to Article IX of the Grant, title to this equipment should be transferred to the Confederation upon termination of the grant on August 31, 1979. However, should the Confederation be awarded a new grant, AID should ensure that the office equipment will be available for use during the period of that grant.

Recommendation No. 6

We recommend that the Office of Contract Management (SER/CM/COD) take action to ensure formal disposition of the AID-financed office equipment in accordance with Section IX of the Grant.

SECTION III

LIST OF REPORT RECOMMENDATIONS

Recommendation No. 1

We recommend that the Assistant Administrator, Bureau for Development Support (AA/DS), reassess the need for continuing its support of the traditional birth attendant training activities carried out by the Confederation prior to awarding a new agreement, and give consideration to funding the program through USAIDs and other AID offices.

Recommendation No. 2

We recommend that the Assistant Administrator, Bureau for Development Support (AA/DS), subject to continuation of the training project, amend the Project Paper to provide further analyses and justify any continuation of the activity including cost, procurement of services, description of objectives and an elaboration of how those objectives will be achieved.

Recommendation No. 3

We recommend that the Assistant Administrator, Bureau for Development Support (AA/DS), subject to continuation of the training project, take appropriate action to improve its oversight and evaluation by (1) requiring the grantee to provide more timely and detailed follow-up reporting and (2) requiring the AID project manager and/or the USAID to make periodic field visits to the locations where the training was held.

Recommendation No. 4

We recommend that the Office of Contract Management (SER/CM/COD) take action (1) to obtain documentary support for the \$15,000 relating to publishing costs and (2) request a refund of \$300 for the non-allowable rent payment.

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We recommend that the Office of Financial Management (FM) adjust its records for duplicate costs totaling \$3,432.95.

Recommendation No. 6

We recommend that the Office of Contract Management (SER/CM/COD) take action to ensure formal disposition of the AID-financed office equipment in accordance with Section IX of the Grant.

SECTION IV

LIST OF REPORT RECIPIENTS

Deputy Administrator	1
Assistant Administrator/Bureau for Development Support (AA/DS)	5
Assistant Administrator/Bureau for Program and Policy Coordination (AA/PPC)	1 ;
Office of Population (DS/POP)	5
General Counsel (GC)	1
Controller (FM)	1
Office of Financial Management, FM/PAD	3
Office of Contract Management, Director	1
Office of Contract Management, CM/COD/PE	1
Office of Contract Management, CM/SD/SUP	5
Auditor General (AG)	1
AG/IIS	
AG/PPP	1

EXHIBIT A

THE INTERNATIONAL CONFEDERATION OF MIDWIVES (ICM)
Grant No. AID/csd-3411

Summary of Costs Claimed and Costs Accepted Per Audit
(May 15, 1972 through December 31, 1978)

Category	Costs	Current Period 1/1/77 to 12/31/78			Total
	Accepted At 12/31/76	Costs Claimed	Costs Questioned	Costs Accepted	Costs Accepted At 12/31/78
Salaries and Fringe Benefits	\$ 471,102	\$224,463	\$ -	\$224,463	\$ 695,565
Consultants	30,049	4,672	-	4,672	34,721
Travel and Per Diem	379,866	126,309	-	126,309	506,175
Other Direct Costs	135,323	82,211	300 (a)	81,911	217,234
Pre-Grant Costs	3,984	-	-	-	3,984
AID Contribution to ICM Congress, 1972-1975	113,650	-	-	-	113,650
HEW Contribution to ICM Congress, 1972	20,000	-	-	-	20,000
HEW Contribution to ICM/FIGO Joint Study Group	39,476	524	-	524	40,000
Working Parties/Seminars	14,230	78,349	-	78,349	92,579
Publications	-	34,301	-	34,301	34,301
AID Contribution to Publication of Second Edition "Maternity Care in the World"	-	15,000	15,000 (b)	-	-
Totals	<u>\$1,207,680</u>	<u>\$565,829</u>	<u>\$15,300</u>	<u>\$550,529</u>	<u>\$1,758,209</u>

Explanatory Notes:

- (a) On March 24, 1974 ICM agreed with SER/CM that ICM would absorb ten percent (10%) of rental costs. The full amount of an invoice amounting to \$3,000 for negotiating a sublease was charged to the grant. The \$300 adjustment represents the ten percent which ICM should have absorbed as agreed.
- (b) The second edition of "Maternity Care in the World" has been published, but ICM has not yet collected all necessary financial documentation to support costs charged to the grant. Our acceptance of these costs is deferred until complete financial data to support the costs is submitted by ICM to the grant officer and it has been reviewed and accepted by SER/CM.