



USAID
FROM THE AMERICAN PEOPLE

OFFICE OF INSPECTOR GENERAL

**AUDIT OF USAID/COLOMBIA'S
INTERNALLY DISPLACED
PERSONS PROGRAM**

AUDIT REPORT NO. 1-514-05-009-P
July 5, 2005

SAN SALVADOR, EL SALVADOR



USAID
FROM THE AMERICAN PEOPLE
Office of Inspector General

July 5, 2005

MEMORANDUM

FOR: USAID/Colombia Director, J. Michael Deal

FROM: Acting RIG/San Salvador, John Vernon "/s/"

SUBJECT: Report on Audit of USAID/Colombia's Internally Displaced Persons Program (Report No. 1-514-05-009-P)

This memorandum is our final report on the subject audit. In finalizing this report, we considered your comments on our draft report and have included your response in Appendix II.

This report contains three recommendations. Management decisions have been made for the recommendations and final action has been taken to implement the recommendations. As such, the recommendations are closed upon issuance of this report.

Once again, thank you for the cooperation and courtesy extended to my staff throughout the audit.

CONTENTS

Summary of Results	1
Background	2
Audit Objective	2
Audit Findings	3
Was USAID/Colombia’s Internally Displaced Persons program on schedule to achieve planned results?	3
Targets Lost Applicability.	3
Problems with Data Reported	5
Indicators Implied Greater Impact Than Obtained	8
Evaluation of Management Comments	10
Appendix I – Scope and Methodology	11
Appendix II – Management Comments	13

SUMMARY OF RESULTS

The Regional Inspector General/San Salvador conducted this audit to determine whether USAID/Colombia's Internally Displaced Persons program was on schedule to achieve planned results.

We were unable to determine whether USAID/Colombia's displaced persons program was on schedule to achieve planned results. The Mission faced challenges setting levels for the planned results because of the unpredictable, on-going conflict in Colombia. Also, two implementers' reported results were found to be unsupported by the documentation audited (pages 3 - 8).

Nevertheless, this did not prevent us from reporting on problem areas that were identified. The audit found that the Mission's original program targets, established in 2001, lost their applicability over the course of several years (page 3); implementer reports on the number of displaced and vulnerable persons assisted did not always report actual beneficiaries assisted or data could not be verified to source documents (page 5); and the indicators used to measure the results of the program combined numbers of individuals who benefited indirectly from activities such as institutional strengthening with individuals who benefited directly from activities such as job training, job placement, or health care (page 8).

We made three recommendations to address the issues identified in this report. We recommended that USAID/Colombia document the assumptions and rationale for the targets that will be established in the upcoming five-year Internally Displaced Persons Strategic Objective (page 5); devise a system with its implementing partners to allow Cognizant Technical Officers and other officials to conduct data verification procedures (page 7); and develop a set of indicators that will more accurately reflect the program's results (page 9).

Management comments were included in the report at Appendix II. USAID/Colombia agreed with the recommendations except for the second item under recommendation number 3. The second item dealt with reporting on individuals who receive benefits indirectly through activities such as institutional strengthening. Since the Mission has decided to stop using indirect beneficiaries as an indicator, the recommendation is no longer relevant. Management decisions were made and final action taken on the recommendations. All recommendations are closed upon issuance of this report (page 13).

BACKGROUND

According to USAID/Colombia’s fiscal year 2005 Congressional Budget Justification, the Internally Displaced Persons program had a proposed fiscal year 2004 obligation of \$38 million and a proposed fiscal year 2005 obligation of \$43 million. The program was funded through the Andean Counter-drug Initiative. The program was intended to assist persons who were displaced or otherwise made vulnerable by the internal Colombian conflict. Technical assistance and training was provided to enable displaced persons and host communities to improve infrastructure, attend to those who needed emotional counseling, ensure educational opportunities for children, address critical and chronic health requirements, assist in providing housing, promote vocational training leading to job acquisition, and support income generation opportunities.

The Mission had 12 agreements for the displaced persons program beginning in 2001 through December 31, 2004. Implementers included the International Organization for Migration, the Pan American Development Foundation, Profamilia, and the World Food Program. One of these partners, the International Organization for Migration, had two awards—one for assisting internally displaced and other vulnerable persons and one for assisting ex-child soldiers. Most of the agreements with the implementing partners end when the strategy terminates in September 30, 2005. The Mission was developing a new five-year strategy for the displaced persons program for fiscal years 2006 – 2010.

Table 1: Internally Displaced Persons Implementing Partners and Award Amounts

Implementer	Award (in millions)
International Organization for Migration	\$43.3
Pan American Development Foundation	39.2
Cooperative Housing Foundation International	16.6
Profamilia	10.8
International Organization for Migration (Child Soldiers)	6.5
World Vision	6.1
UN World Food Program	5.2
UNICEF	2.8
Organization of American States	0.4
UN High Commission for Refugees	0.3
UN Office for the Coordination of Humanitarian Affairs	0.3
MACRO International	0.1
Total	\$131.6

AUDIT OBJECTIVE

As part of its fiscal year 2005 audit plan, the Regional Inspector General/San Salvador performed this audit to answer the following question:

- Was USAID/Colombia’s Internally Displaced Persons program on schedule to achieve planned results?

Appendix I contains a discussion of the audit's scope and methodology.

AUDIT FINDINGS

Was USAID/Colombia’s Internally Displaced Persons program on schedule to achieve planned results?

We were unable to fully answer the audit objective due to a combination of factors. Uncertainties related to the size of the internally displaced persons population and the unpredictability of the extent and geographical location of the conflict in Colombia kept the Mission from establishing targets based on a defined set of assumptions. Additionally, data reported by the Mission’s implementers did not always represent beneficiaries assisted or could not be confirmed based on reviews of official records. Finally, another problem area identified (although not related to answering the objective) was that the number of displaced persons who received direct benefits such as job training was aggregated with the number reported of those who benefited indirectly through activities such as institutional strengthening.

Targets Lost Applicability

Summary: USAID/Colombia reported that its five-year performance targets for the Internally Displaced Persons Strategic Objective were exceeded by more than 200 percent by September 30, 2004. The targets were exceeded because the Colombian conflict unexpectedly increased in intensity. This increased the internally displaced population and caused the initial targets to lose their applicability. Since the program did not have a documented basis for the original targets, Mission officials, using the actual results for the preceding four years as a baseline, adjusted the cumulative targets for the final year of the program. As stated in the USAID guidance *Establishing Performance Targets* (TIPS 8), targets should be developed based upon the country conditions at the time, among other factors. When country conditions change and there is no documentation explaining the conditions at the time of the initial target setting, then interim targets cannot be adequately adjusted.

In 2001, the Mission defined two indicators to measure results for the program. These indicators were the number of displaced and other vulnerable persons assisted and the number of ex-child combatants and other vulnerable children served. At that time, the Mission established targets for the first indicator of approximately 170,000 displaced persons assisted per year and for the second indicator of approximately 350 ex-child soldiers served per year. By September 30, 2004, the program’s cumulative actual results had exceeded the cumulative planned results by more than 200 percent, as illustrated in the tables that follow:

Table 2 - USAID/Colombia’s Internally Displaced Persons Program – Indicator 1 - Planned and Actual Results at September 30, 2004

Displaced & Vulnerable Persons Assisted		
Target	Actual	Percent Achieved
790,000	2,034,269	258%

Table 3 - USAID/Colombia's Internally Displaced Persons Program – Indicator 2 - Planned and Actual Results at September 30, 2004

Ex-Child Soldiers Served		
Target	Actual	Percent Achieved
985	2,085	212%

As a consequence of the actual results exceeding the targeted amounts as illustrated above, the Mission opted, in December 2004, to update the program's cumulative targets for the final year of the program, 2005. To do so, the incremental annual targets for 2005 were not changed; however, the actual results as of September 30, 2004 were used as a baseline. The revised planned and actual results through December 31, 2004, are illustrated below:

Table 4 - USAID/Colombia's Internally Displaced Persons Program – Indicator 1 - Planned and Actual Results at December 31, 2004

Displaced & Vulnerable Persons Assisted		
Revised Target	Actual	Percent Achieved
2,076,769	2,167,667	104%

Tables 5 - USAID/Colombia's Internally Displaced Persons Program – Indicator 2 - Planned and Actual Results at December 31, 2004

Ex-Child Soldiers Served		
Revised Target	Actual	Percent Achieved
2,173	2,268	104%

After the targets were established in 2001, events in Colombia unfolded in a manner that was not foreseen. In 2002 and 2003, according to Mission officials, there was an unexpected increase in the internally displaced population in Colombia due to an unexpected increase in the size and intensity of the internal conflict. As a result, the number of persons who received assistance also increased proportionally. Because of the unpredictability of the size and reach of the conflict, the targets lost their applicability.

Further complications to setting targets resulted from uncertainty in the size of the displaced persons population. According to the Government of Colombia, the population was 1.6 million as of December 2004. Mission officials said that this represented persons who formally registered with the Government of Colombia. According to a Colombian non-government organization, the Consortium for Human Rights of the Displaced (Consultoría Para los Derechos Humanos y el Desplazamientos), the displaced persons population was 2.7 million. Given the on-going and volatile nature of the Colombian conflict and given that there was disagreement as to the exact internally displaced population in Colombia, determining the number of persons to receive assistance over a five-year span was and remains a challenge.

As stated in *Establishing Performance Targets* (TIPS 8 - the supplement to the USAID Automated Directives System 203, Assessing and Learning), projecting the future is challenging. For this reason, targets should be based on a careful analysis of what is realistic to achieve, given the conditions within the country and other factors. Although the Mission established its displaced persons targets at assisting 170,000 internally displaced persons and 350 ex-child combatants per year beginning in 2001, there was no documentation explaining the assumptions or rationale for determining these numbers. Consequently Mission officials had no basis for adjusting the annual targets except for using the actual numbers from 2004 as a baseline to adjust the cumulative amounts for 2005. Without documenting how targets were developed, Mission officials cannot show how to adjust the targets when the conditions and circumstances underlying the original targets have changed. In light of these circumstances, for the Mission's upcoming 2006 – 2010 five-year strategy, we make the following recommendation:

Recommendation No. 1: We recommend that USAID/Colombia document the assumptions and rationale for establishing its targets for the Internally Displaced Persons Strategic Objective.

Problems with Data Reported

Summary: USAID/Colombia reportedly benefited 2.2 million internally displaced persons, but this total could not be verified. One implementing partner reported incorrect data and two implementing partners had inadequate record keeping. The Mission's planned data quality assessment for 2002, which might have identified these issues, was not performed. As stated in the USAID guidance *Analyzing Performance Data* (TIPS 12), even valid indicators have little value if the data collected does not correctly measure the variable or characteristic encompassed by the indicator. Further, without data that is accurate, current, and reliable, appropriate decisions cannot be made.

Eight of the Mission's implementers had reported results through the end of the year, December 31, 2004. Each implementer reported to USAID/Colombia the number of displaced persons it had assisted, as illustrated in the table below:

Table 6 - USAID/Colombia's Internally Displaced Persons Program Reported Results by Implementer for Indicator 1

Displaced and Vulnerable Persons Assisted	
Implementers	Persons assisted as of 12/31/04
International Organization for Migration	1,078,691
Profamilia	464,287
Pan American Development Foundation	309,310
UN World Food Program	135,132
Cooperative Housing Foundation International	74,694
UNICEF	64,430
World Vision	41,110
Organization of American States	13
Total	2,167,667

Audit procedures were performed on the reported results of four implementing partners: the International Organization for Migration, Profamilia, the Pan American Development Foundation, and the Cooperative Housing Foundation.

Targeted Beneficiaries Were Reported as Assisted Beneficiaries - Of the approximately 2.2 million internally displaced persons assisted through the end of 2004, approximately half, or 1.1 million, were attributable to one implementer, the International Organization for Migration (IOM). The 1.1 million number reported by IOM of displaced persons assisted did not represent the number of beneficiaries assisted but rather the targeted number of persons who were expected to be assisted.

IOM managed its program through approximately 200 sub-implementers managing more than 600 sub-agreements. IOM set targets for each sub-agreement. It was the total of the targeted number of displaced persons to receive assistance from the sub-agreements that equaled 1.1 million. Alternatively, IOM tracked that the number of individuals it had actually benefited was approximately 920,000, which will be explained in the next section. As a result, the Mission's reported total of 2.2 million displaced persons assisted was overstated by approximately 180,000, or 16 percent. This overstatement was due to miscommunication or misunderstanding between the Mission and IOM. The miscommunication was not discovered because the present Mission officials were not familiar with the data quality assessment that was supposed to have been performed in October 2002. A data quality assessment might have uncovered that IOM was reporting targets instead of beneficiaries assisted. As stated in *Analyzing Performance Data* (TIPS 12 - the supplementary guidance to various sections of USAID's Automated Directives System), even valid indicators have little value if the data collected does not correctly measure the variable or characteristic encompassed by the indicator.

Data Reported Could not be Confirmed – As stated above, IOM's reported number of 1.1 million displaced persons assisted was not the number of persons assisted but rather the number of persons expected to receive assistance. The number of persons it reportedly assisted was approximately 920,000. This number, however, could not be confirmed.

As stated in the *Cognizant Technical Officers Guidebook on USAID Acquisition and Assistance*, Cognizant Technical Officers (CTOs) are responsible for ensuring the accuracy of all reports submitted by their respective contractor. For CTOs to do so, implementers should maintain records of reported numbers and describe how those numbers were obtained.

IOM maintained project files of what it called "official records" of each of its more than 600 individual sub-projects. The official records contained the individual sub-agreement with a description of the sub-activity and the number of individuals the sub-activity was intended to benefit. Each official record contained documentation describing progress of the activity including performance narratives, site visit reports, photographs, videos, and, in many cases, names of individual beneficiaries. Many of the files examined supported the number of individual beneficiaries assisted. However, not all of the files examined contained support for the numbers tracking this statistic. In many instances, the numbers reported in the official records did not agree with numbers in IOM's tracking database. In other instances, there was no supporting documentation for the reported numbers. IOM officials maintained that the official records would contain support for all of its reported numbers. But, for those instances where there was no support, or the support varied with the reported numbers,

they maintained that the support might be located either at one of its nine regional offices or perhaps at the sub-implementers' offices. IOM officials informed us that source data from their sub-contractors was gathered by their nine regional coordinators. The coordinators enter this data into IOM's information system. These regional coordinators do not always maintain the supporting documentation because they were never specifically instructed to do so.

Similar documentation issues were noted at the Pan American Development Foundation (PADF). PADF reported 309,310 displaced persons assisted as of December 31, 2004. Some of the items examined could not be verified for the same reasons as described above for IOM. This implementer had approximately 80 sub-implementers. PADF officials asserted that the supporting records might be found at one of these offices.

Although there is no requirement that supporting documentation for statistics reported to USAID be maintained in a central office, given the security constraints imposed on Mission officials, having records centrally located would be advantageous. Further, a CTO could not be expected to visit 200 sub-implementer offices for the purpose of verifying data, as would be the case for IOM. Since most of the examined official records of IOM and PADF did contain support for the numbers of beneficiaries assisted, as well as extensive amounts of progress reports and other information, having all of the records contain such support would not be unreasonable; otherwise, CTOs could not perform data validation procedures as is required by the CTO Guidebook and other guidance and would be forced to simply rely on the information reported.

At the other two implementers visited, Profamilia and the Cooperative Housing Foundation, support for the items selected was verified. These two implementers accounted for only a quarter of the Mission's reported total of displaced persons assisted. Consequently, we could draw no conclusions as to whether the overall Mission total of 2.2 million displaced persons assisted was fairly stated.

We were unable to verify the Mission's reported total of displaced and other vulnerable persons assisted of 2.2 million. As stated in the above referenced USAID guidance supplement TIPS 12, *Analyzing Performance Data*, results-oriented management requires that data reported be accurate and reliable. CTOs are charged with the responsibility of ensuring that data reported by implementing partners is accurate. This requires CTOs to perform data verification procedures. Data verification procedures are dependent upon the data source. In some cases, a data source is sufficiently reliable so that independent data checks are necessary only at rare intervals. In other instances data may need to be spot-checked. In still others, a record-by-record check is needed.

Recommendation No. 2: We recommend that USAID/Colombia, in cooperation with its Internally Displaced Persons Strategic Objective implementing partners, devise a source data system under which Cognizant Technical Officers and implementing partner officials can perform data validation reviews more frequently and efficiently.

The Mission's second indicator, number of ex-child soldiers served, was managed solely by IOM. Audit procedures were performed to verify IOM's reported actual result amount of 2,268 ex-child soldiers served. The reported total was verified. We verified that these children received temporary housing and counseling services so that they could be returned to their communities of origin. We concluded, as a result of the procedures performed, that the total of 2,268 ex-child soldiers served, as of December 31, 2004, was fairly stated.

Indicators Implied Greater Impact Than Obtained

Summary: USAID/Colombia's reported cumulative total of internally displaced and other vulnerable persons assisted of 2.2 million included direct beneficiaries who received assistance such as job training along with an estimated number of indirect beneficiaries who were eligible to receive benefits such as access to local health care. Combining the numbers of indirect and direct beneficiaries assisted was due to the Mission's having created only two indicators (internally displaced persons assisted and ex-child soldiers served) to measure this Strategic Objective's results. This aggregation of beneficiaries tended to create a potentially misleading perception of the program's results. As stated in the April 2003 USAID *Performance Management Toolkit* (a supplement to the changes made to the Automated Directives System sections 200 – 203), managers should strive for a balance between having too many indicators (which increase the cost of collecting and analyzing data) and having too few (which may be inadequate to assess performance).

As stated in the previous section, IOM's reported total of 1.1 million displaced persons assisted was incorrect in that this number was a target number of beneficiaries who were expected to benefit. The actual number of displaced persons reportedly assisted was approximately 920,000 through December 31, 2004.

In addition to the two numbers reported above, IOM also reported a third number. This number, entitled number of beneficiaries attended, was the sum of individual services provided. For example, if a person attended a health seminar at a local clinic and subsequently the same individual received individual health care treatment from a physician, that person was counted twice as having received two benefits. This number amounted to approximately 1.4 million.

The table below illustrates the three numbers reported by IOM.

Table 7 – International Organization for Migration's Reported Numbers for Internally Displaced Persons Assisted through December 31, 2004

Target Number of Beneficiaries	Distinct Number of Beneficiaries	Beneficiaries Attended
1.1 million	0.92 million	1.4 million

An issue related to both the 1.1 million target amount and the 1.4 million beneficiaries attended amount concerned individuals who received indirect assistance through institutional strengthening, technical studies, and related activities. For example, a sub-activity may have involved strengthening a local government's ability to assist its community members in receiving national identification cards, known as "cedulas." If that community's estimated displaced persons population was 25,000 at the end of the project, all 25,000 members would be counted as having received assistance and would be included as part of both the 1.1 million target and as part of the 1.4 million beneficiaries attended amounts. IOM calculated that 214,411 individuals from the 1.4 million beneficiaries attended number received indirect benefits through institutional strengthening, technical studies, and related activities. This amounts to approximately 16 percent of the 1.4 million. The indicator itself, the number of internally displaced and other vulnerable persons assisted, suggests that

these individuals received some type of direct benefit. Direct benefits for individuals included job training, job placement, education, and health care services received from medical professionals.

Aggregating direct beneficiaries with indirect beneficiaries tends to create a misleading representation of the activity's results. When calculating the cost per beneficiary, for example, the cost may be artificially skewed downward when factoring indirect beneficiaries. Further, there is a distinct difference between an individual beneficiary who received a service such as job training and another individual who happens to live in a community in which the local government's ability to issue that person an identification card had been strengthened. This potentially misleading representation was the result of the Mission's attempt to describe the results of its internally displaced persons activities with only one or two indicators.

Mission officials explained that they were limited in the number of indicators they could have to measure the program's results, as USAID guidance discourages Missions from having too many indicators. As stated in the USAID supplementary guidance, the *Performance Management Toolkit* (a supplement to the changes in the Automated Directives System sections 200 – 203), program managers should aim for a balance between having too many indicators, which can increase the cost of collecting and analyzing the data, and too few indicators, which could be insufficient to measure progress. The general rule of thumb is two to three indicators per result, but managers may have more if deemed necessary. The Toolkit also challenges program managers to develop the means of measuring sustainability, particularly at the community level.

Recommendation No. 3: We recommend that USAID/Colombia develop a manageable number of indicators for its Internally Displaced Persons Strategic Objective in order to better reflect: 1) the number of persons who have received direct benefits, 2) the number of persons who benefited indirectly from institutional strengthening and other related activities, and 3) the sustainability of its activities.

EVALUATION OF MANAGEMENT COMMENTS

Management comments are included in appendix II.

USAID/Colombia agreed with the recommendations except for the second item under Recommendation No. 3. That item dealt with reporting on individuals who receive benefits indirectly through activities such as institutional strengthening. Since the Mission has decided to stop using indirect beneficiaries as an indicator, the second part of Recommendation No. 3 is no longer relevant.

Management decisions have been made and final action taken on all the recommendations. All recommendations are closed upon issuance of this report.

SCOPE AND METHODOLOGY

Scope

The Regional Inspector General/San Salvador conducted this audit in accordance with generally accepted government auditing standards. The purpose of the audit was to determine whether the program was on schedule to achieve planned results. Although we followed the standards, we could not fully answer the audit objective because USAID/Colombia management did not have relevant targets as of the audit scope date of December 31, 2004. Also, some implementers could not provide support for their reported results. These factors constituted a limitation upon the scope of the audit because the program could not be evaluated based upon targets with limited applicability or unverified and incorrectly reported results. We were also limited by security restrictions from traveling to certain areas of Colombia. These scope limitations did not preclude us from reporting on problem areas that came to our attention, and we have done so.

In planning and performing the audit, we obtained an understanding of and assessed the Mission's controls related to the management of its Internally Displaced Persons program. The management controls identified included Performance Monitoring Plans; the Mission's Annual Report; the Mission's annual self-assessment of management controls through its annual Federal Managers Financial Integrity Act; and Cognizant Technical Officers' field visits and means of verifying information reported from their respective implementers. We also identified controls enacted by the Mission's largest displaced persons implementer, International Organization for Migration. We identified controls related to how this implementer received and evaluated information from its regional offices and reported this information to USAID/Colombia.

USAID/Colombia awarded \$131.6 million through grants, cooperative agreements and other mechanisms to partners for managing and providing technical and administrative support for the displaced persons program.

The audit was conducted at the offices of USAID/Colombia, offices of the Colombian Government's Institute for the Welfare of Families (Instituto Colombiano de Bienestar Familiar), and at the offices of four of the Mission's implementers in Bogotá from April 4, 2005 through April 22, 2005.

Methodology

To answer the audit objective regarding whether the displaced persons program was on schedule to achieve planned results, we verified reported actual results which had met or exceeded planned levels of results as of the date of our audit scope, December 31, 2004. We interviewed Mission Cognizant Technical Officers and other responsible officials and examined documents such as the Mission's Performance Monitoring Plan and Annual Report. We also interviewed responsible officials from four of the Mission's implementing partners and examined corresponding agreements, work plans, and progress reports.

We used a statistical sampling methodology in which we assumed that the Mission's reported totals were fairly stated within a margin of error no greater than 5 percent and a

precision of plus or minus 4 percent. Mission officials significantly modified the planned results in December 2004 due to the unpredictability of the on-going conflict. Due to this and two implementers' unverified and/or irrelevant reported results, we did not feel it appropriate to answer the audit objective.

MANAGEMENT COMMENTS

June 20 2005

Mr. Steven Bernstein
RIG Director
USAID El Salvador

SUBJECT: Draft Audit of USAID/Colombia's Internally
Displaced Persons Program

Dear Mr. Bernstein:

Attached please find USAID/Colombia's response to the draft RIG audit of USAID/Colombia's Internally Displaced Persons Program. I am hopeful that, based on USAID/Colombia's responses as well as the corrective actions detailed in the attachment, you will be able to show the three recommendations included in the draft report as closed in your final audit report.

On behalf of the USAID/Colombia Mission, I would like to take this opportunity to express our genuine appreciation for the courteous and constructive approach shown by Chris Marotta, Andy Nguyen, Freddy Calderon, and John Vernon during their time in Colombia. Their courtesy and professionalism are appreciated both by Mission staff as well as the staff of our implementing partners.

Cordially,

J. Michael Deal
Mission Director

Audit of USAID/Colombia's Internally Displaced Persons Program
USAID/Colombia Management Comments
June 20, 2005

From April 4-22, 2005, the Regional Inspector General/San Salvador conducted an audit of USAID/Colombia's Internally Displaced Persons Program to determine whether the program was on schedule to achieve planned results. Auditors were unable to determine whether USAID/Colombia's displaced persons program was on schedule to achieve its planned results. However, three audit recommendations were made. Below are USAID/Colombia management comments concerning each of the three recommendations.

Recommendation No. 1: We recommend that USAID/Colombia document the assumptions and rationale for establishing its targets for the Internally Displaced Persons Strategic Objective.

Mission Response: The USAID/Colombia Mission concurs with this recommendation.

Mission Plan for Corrective Action: The RIG audit report itself notes existing obstacles in setting IDP targets, namely: 1) the unpredictability of the size and reach of Colombia's conflict, and 2) the uncertainty and debate regarding the actual numbers of internally displaced persons in Colombia. The Mission notes for the record that these two factors are likely to continue to exist into the foreseeable future. Nonetheless, the Mission has established a target of 150,000 internally displaced and other vulnerable persons assisted per year for FY 2006 to FY 2010, or a total of 750,000 persons assisted during the five-year period. The Mission further notes that it is possible that some of the 750,000 persons to be assisted during the FY 2006 to FY 2010 period may have already been assisted by the ongoing IDP program, because the implementer under the Country Strategy Extension period is yet to be selected.

The assumptions and rationale for establishing the above target are as follows:

- There are 298 municipalities within the four IDP target zones for the USAID/Colombia strategy extension period. Of these 102 municipalities have more than 250 internally displaced persons, which is considered the minimum number to justify program support.
- Within the 102 municipalities with 250 or more internally displaced persons, there are currently 341,500 registered IDPs. Nationwide, it is estimated that only 60% of the internally displaced are actually registered, so the current number of IDPs in the 102 municipalities is estimated to be 569,000 (rounded).
- As of September 30, 2004, there were 1,512,000 internally displaced persons registered in Colombia. It is anticipated that the number of newly displaced persons registering in FY 2005 will be approximately 202,000. USAID/Colombia estimates that the number of new IDPs will decrease by 10% per year over the life of this activity. There would therefore be a total of approximately 745,000 new IDPs

- registered from FY 2006 to FY 2010. Using the estimate that only 60% of IDPs register, this indicates that nationally there will be approximately 1,242,000 newly displaced persons over the FY 2006 - FY 2010 period.
- The current number of registered internally displaced persons in the 102 target municipalities represents 22.5% of the national figure. Applying this percentage to the estimated 1,242,000 newly displaced persons from FY 2006 to FY 2010 results in approximately 280,000 newly displaced persons during this period in the 102 target municipalities.
 - Not all of the 569,000 current IDPs in the target 102 municipalities will have received assistance by 2006. USAID/Colombia estimates that 25% of the current IDPs in the 102 municipalities will require assistance, i.e. 142,000, bringing the total IDPs to be assisted to 422,000 (142,000 plus 280,000).
 - USAID/Colombia estimates that approximately 65,000 internally displaced persons will be assisted in returning to their homes or relocated to new areas.
 - Therefore, of the total of 750,000 persons that will be assisted, 422,000 will be internally displaced requiring transitional assistance, 65,000 will require assistance to return to their place of residence or relocated to new areas, and 263,000 will be other vulnerable persons (principally needy inhabitants co-residing with the displaced).

Rationale for Targets Set for Ex-Combatant IR for SO3: The Mission has established an annual target of 750 ex-combatant children for the Country Strategy Extension period, or a total of 3,750 ex-combatant child soldiers during the FY 2006 to FY 2010 period. The current Government of Colombia official estimate of the population of ex-combatant children is 11,000 (based on a September 2003 Human Rights Watch study). The total number of children who have demobilized and entered the Instituto Colombiano de Bienestar Familiar Support Program had reached 2,370 as of March 31, 2005, leaving approximately 8,600 in the ranks of the illegal armed groups. An average of 188 children per quarter have demobilized from these groups in the last two years, or an average of approximately 750 children annually. The Mission bases the FY 2006 to FY 2010 targets on these figures, estimating a roughly unchanged annual number of children leaving the ranks of the illegal armed groups.

Target Date of Completion: Completed as of June 20, 2005.

Recommendation No. 2: We recommend that USAID/Colombia, in cooperation with its Internally Displaced Persons Strategic Objective implementing partners, devise a source data system under which Cognizant Technical Officers and implementing partner officials can perform data validation reviews more frequently and efficiently.

Mission Response: The USAID/Colombia Mission concurs with this recommendation.

Mission Plan for Corrective Action: The USAID/Colombia Mission now requires that all implementing partners who aren't already doing so maintain their supporting documentation for reports submitted to USAID in a central office. Data validation reviews by Cognizant Technical Officers (CTOs) are required twice a year by spot checking the records of each implementing partner for accuracy, currentness, and reliability, and recording the results of

findings in a Field Visit Report. CTOs are also required to verify that the implementing partner has a system in place for ensuring that direct beneficiaries are only counted once. The number of records checked for each implementing partner is determined by statistical sampling techniques. A copy of the Field Visit Report is filed in the official Mission files.

Target Date of Completion: Completed as of June 20, 2005.

Recommendation No. 3: We recommend that USAID/Colombia develop a manageable number of indicators for its Internally Displaced Persons Strategic Objective in order to better reflect: 1) the number of persons who have received direct benefits; 2) the number of persons who benefited indirectly from institutional strengthening and other related activities; and 3) the sustainability of its activities.

Mission Response: The USAID/Colombia Mission concurs with parts 1) and 3) of this recommendation.

Mission Plan for Corrective Action: 1) Number of Persons Who Have Received Direct Benefits. As noted under Recommendation No. 1 above, the Mission has established a target of 150,000 internally displaced and other vulnerable persons assisted per year, or a total of 750,000 persons assisted during the FY 2006 to FY 2010 period. The indicator title is *Internally Displaced Persons and Other Vulnerable Individuals Assisted*. The indicator definition is:

Internally displaced and vulnerable persons refer to those who are victims of Colombia's ongoing internal conflict and violence. Assisted is defined as those receiving aid directly from USAID through its various implementing partners. Direct assistance comes in various forms: humanitarian (example: emergency aid), social (education, health, nutrition, psycho-social assistance, housing, community stabilization), return to homes or relocation to new areas, and skills and vocational training. Direct assistance does not cover family members or others who may benefit indirectly from USAID assistance.

As further noted under Recommendation No. 1 above, the Mission has also established an annual target of 750 ex-combatant children for the Country Strategy Extension period, or a total of 3,750 ex-combatant child soldiers during the FY 2006 to FY 2010 period. The indicator title is *Ex-combatant children and other vulnerable children served*. The indicator definition is:

Ex-combatant children are defined as those former combatant children given over to the Colombian Family Welfare Institute (ICBF) for treatment, evaluation and/or protection. Children are considered served by ICBF centers when staying at the ICBF centers and evaluated for the following factors: psychological, educational, vocational and familial needs. Other vulnerable children refer to Afro-Colombian or indigenous children that receive similar types of psychological, educational, and vocational services through the program. These children, however, will not necessarily be former child combatants and may be attended through local institutions such as indigenous tribal councils. They do not necessarily have to receive assistance through ICBF to be counted as beneficiaries.

Mission Plan for Corrective Action: 3) Sustainability of Activities. The Mission has determined that the sustainability of the IDP program will be measured by using three of the Andean Counterdrug Initiative indicators, namely:

- The number of new direct jobs created (agricultural and non-agricultural) in USAID-assisted areas, with the intent of limiting the number of existing illicit jobs directly related to coca or opium poppy production.
- Private sector funds (\$000) leveraged by USAID activities to increase licit employment.
- Public sector funds (\$000) leveraged by USAID activities to increase licit employment, including local, departmental, and national government counterpart funds, but not funds provided by other donors.

Reasons for Mission Nonconcurrency with Recommendation No. 3/Part 2): The Mission has determined that the number of persons benefiting indirectly from institutional strengthening and other related activities will not be used as an SO indicator because it will be very difficult to:

a) accurately and consistently identify indirect beneficiaries across the variety of institutional strengthening activities implemented by the program, and b) maintain the records necessary for the verification of these beneficiaries in a cost efficient manner. The Mission feels that two well defined and well monitored direct beneficiary indicators [1. Internally displaced and other vulnerable persons assisted, and 2. Ex-combatant children and other vulnerable children served], plus the three indicators noted above for measuring program sustainability, will give a cost-effective and accurate measurement of the achievement and impact of strategic objective results. Moreover, the Mission believes that not including indirect beneficiaries as an SO indicator is consistent with RIG's recommendation to develop a manageable number of indicators for the Internally Displaced Persons Program.

Target Date of Completion: Completed as of June 20, 2005.

U.S. Agency for International Development
Office of Inspector General
1300 Pennsylvania Ave, NW
Washington, DC 20523
Tel: (202) 712-1150
Fax: (202) 216-3047
www.usaid.gov/oig