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**OFFICE OF INSPECTOR GENERAL**

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# **AUDIT OF USAID/EGYPT'S FAMILY PLANNING ACTIVITIES**

AUDIT REPORT NO. 6-263-06-001-P  
September 28, 2006

CAIRO, EGYPT



**USAID**  
FROM THE AMERICAN PEOPLE

*Office of Inspector General*

September 28, 2006

**MEMORANDUM**

**TO:** USAID/Egypt Director, Kenneth C. Ellis

**FROM:** Regional Inspector General/Cairo, David H. Pritchard /s/

**SUBJECT:** Audit of USAID/Egypt's Family Planning Activities  
(Report No. 6-263-06-001-P)

This memorandum transmits our final report on the subject audit. We have considered your comments on the draft report and have included your response in its entirety in Appendix II.

This report includes one recommendation to increase oversight by the Activity Manager of the family planning program. Based on your comments and documentation provided, a management decision has been reached for the recommendation. Determination of final action will be made by the Audit Performance and Compliance Division (M/CFO/APC).

I appreciate the cooperation and courtesy extended to my staff during the audit.

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# SUMMARY OF RESULTS

The Regional Inspector General/Cairo performed this audit to determine if USAID/Egypt's family planning program had progressed towards its intended outputs within selected components of the program. (See page 2.)

USAID/Egypt's family planning program progressed as intended for 29 of 59 activities tested during the last two quarters of calendar year 2004 and the first two quarters of calendar year 2005. (See page 3.) For the items tested, the program successfully implemented a broad range of planned activities that emphasized youth, gender, and sustainability issues that improved the lives of recipients through such initiatives as:

- provision of family planning training to religious leaders,
- promotion of family planning and reproductive issues on radio and television,
- establishment of the popular Shabab Tahseen Week for youth, and
- creation of a national pharmacy and physician electronic consultation database. (See page 3.)

Nonetheless, the program has not met the planned progress for 30 of the 59 activities tested, primarily because of insufficient monitoring of the project's progress and funding cuts. In addition, the program implementer's quarterly reports did not accurately report or document outputs in 21 instances. (See page 7.) As a result, we recommend that the Director, USAID/Egypt, increase oversight of the measurement, evaluation, and achievement of the approved objectives of the family planning program. (See page 8.)

In its response to our draft report, USAID/Egypt stated that the Mission had awarded a contract for an integrated reproductive health services project in order to increase the level of management control over the contractor. The Cognizant Technical Officer will institute guidance that will ensure the linkage of all quarterly reports to annual workplans, and the linkage between projected activities and actual results. Under the contract, the Mission plans to document all significant changes affecting the new project through amendments to the award. (See page 16) Therefore, we consider that a management decision has been reached on the recommendation. Appendix II contains management's comments in their entirety (without attachments).

# BACKGROUND

Since 1977, USAID/Egypt has provided assistance to the Government of Egypt in the area of population and health. As of September 30, 2005, USAID/Egypt had obligated approximately \$900 million for its Population and Health Strategic Objective, which is currently comprised of three intermediate results. Family planning and reproductive health is one of these intermediate results. USAID/Egypt provided family planning and reproductive health assistance to (1) improve demand, (2) improve the quality of clinical services, (3) ensure adequate supplies of contraceptives, and (4) establish population policies, management, and support systems.

Family planning and reproductive health accounted for \$374 million or about 42 percent of the total \$900 million obligated by USAID/Egypt as of September 30, 2005. In calendar year 2003, USAID/Egypt obtained technical assistance through a cooperative agreement that USAID/Washington awarded to the Catalyst Consortium. For this cooperative agreement, USAID/Egypt obligated about \$50 million as of September 30, 2005. According to the approved statement of work and initial workplan, the purpose of the project was to sustain the gains from three decades of USAID investments in family planning, leave a sustainable program, and help Egypt reach its replacement-level fertility goal by 2015. This audit selected for review the Tahseen/Catalyst<sup>1</sup> Project since other activities had less funding.

USAID/Egypt's family planning and reproductive health project had been implemented by the Catalyst Consortium through a USAID/Washington central cooperative agreement led by Pathfinder International. The activity's projected end date was December 31, 2007. USAID/Egypt bought into this agreement in 2003. This arrangement ended in September 2005 because the Population and Health Office favored the use of a contract over a cooperative agreement. During the bridge period from October to December 2005, the Population and Health Office utilized a temporary arrangement with the same implementer, Pathfinder International, in order to retain project continuity. According to the Activity Manager, these changes were necessary to better monitor and manage the project.

## AUDIT OBJECTIVE

The audit was conducted as part of the Office of Inspector General's audit plan for fiscal year 2005 to answer the following question:

- Has USAID/Egypt's family planning program progressed towards its intended outputs within selected components of the program?

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

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<sup>1</sup> "Tahseen" is an Arabic word meaning "improving." "Catalyst" is the name of the implementing organization.

# AUDIT FINDINGS

USAID/Egypt's family planning program progressed as intended for 29 of 59 planned activities tested for the period from July 1, 2004, until June 30, 2005. This program, through the Catalyst Project, undertook a broad range of planned activities that emphasized youth, gender, and sustainability issues. For example, among the 29 planned activities that showed progress as intended, the Catalyst Project:

- provided health education to family members and underserved communities through direct contacts, workshops, and printed materials;
- trained 103 teachers in Minia Governate to provide health education and literacy classes to communities;
- established a National Youth Hotline in January 2005 to provide accurate reproductive health information to Egyptian youth;
- trained 120 male and female religious leaders to increase family planning and reproductive health knowledge in three governates;
- worked alongside media professionals to promote family planning and reproductive issues through articles and television and radio programs;
- produced, in collaboration with the trained media professionals, 25 radio and 19 television programs aimed at teens and young adults in Upper Egypt;
- established the popular event, Tahseen's Shabab<sup>2</sup> Week, in conjunction with schools and communities;
- partnered with non-government organizations and commercial entities; and
- established and expanded an Ask/Consult national electronic database of pharmacies and physicians.

However, as discussed below, half of the activities needed to make better progress. In addition, the Catalyst Project quarterly progress reports to USAID/Egypt did not accurately report or document outputs in 21 instances.

## Many Activities Needed Further Progress

Summary: The annual USAID-approved workplans encompassing the last two quarters in calendar year 2004 and the first two quarters of calendar year 2005 projected the completion of 117 activities. Of 59 activities tested, the program showed progress in only 29, primarily because of insufficient monitoring of the project's progress and funding cuts. As a result, the lack of progress and the unapproved changes jeopardized the achievement of sustainable progress set forth in the original planning for the components of the project tested.

The annual USAID-approved workplans encompassing the last two quarters in calendar year 2004 and the first two quarters in calendar year 2005 projected the completion of 117 planned activities. Of the 59 activities tested, the program, through the Catalyst Project, showed progress in 29 of them. However, the program had not progressed towards its intended outputs in 30 of 59 planned activities tested. Specifically, 6 of 18

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<sup>2</sup> Shabab means "youth."

youth activities, 14 of 24 non-governmental organization sector activities, and 10 of 17 commercial sector activities had not progressed toward intended outputs.

**Youth Activities**—We reviewed 18 of 50 (36 percent) youth activities listed in the Catalyst Project’s approved workplans for the last two quarters in calendar year 2004 and the first two quarters in calendar year 2005. The Catalyst Project progressed towards intended outputs for 12 of the 18 youth activities (67 percent). Following are some examples of the six activities that had not progressed towards intended outputs:

- The Project dropped plans to complete a curriculum for youth-friendly services due to budget constraints.
- Budget constraints led to suspension of plans to provide training and technical assistance for a peer educator program at Minia University.
- The Project intended to establish several youth clinics at Egyptian universities, but due to budget constraints, it suspended plans to do so.

Appendix III, Table 1, shows the status of progress for all 18 youth activities.

**Non-Governmental Organization Activities**—We reviewed 24 of 32 (75 percent) non-governmental organization activities listed in the Catalyst Project’s approved workplans for the last two quarters in calendar year 2004 and the first two quarters in calendar year 2005. The Catalyst Project progressed towards intended outputs for 10 (42 percent) of the 24 non-governmental organization sector activities. Following are some examples of the 14 activities that had not progressed towards intended outputs:

- USAID agreed to fund plans to assess the capacity of the Ministry of Health and Population’s Non-Governmental Health Unit and help it to expand its role. However, the project missed its target dates and did not perform the assessment.
- To further collaboration among the different working groups of the Ministry of Health and Population and the Ministry of Insurance and Social Affairs, the project planned to conduct four meetings. However, the meetings were not held because the Ministries’ representatives were not available.
- Project activities included linking non-governmental organizations with non-health programs of national and international organizations by identifying programs and establishing alliances based on mutual interests. This was not accomplished due to the lack of interest shown by the organizations.

Appendix III, Table 2, shows the status of progress for all 24 non-governmental organization sector activities.

**Commercial Activities**—We reviewed 17 of 35 (49 percent) commercial activities listed in the Catalyst Project’s approved workplans for the last two quarters in calendar year 2004 and the first two quarters in calendar year 2005. The Catalyst Project progressed towards intended outputs for 7 of the 17 commercial sector activities (41 percent). The following are examples of the 10 activities that had not progressed towards intended outputs:

- The Project initially planned to link family planning community workers to selected pharmacies for social marketing purposes. However, the Project dropped this activity because the Ministry of Health and Population did not grant its approval due to lack of involvement by physicians and pharmacists.

- The Project explored the possibility of making large pharmacies into stockists, or storage places, for small pharmacies. The Project dropped the activity after determining it was more suitable for another ongoing USAID project.
- The Project developed plans to conduct two national pharmacy audits of contraceptives and reproductive health and maternal child health products. However, because the audits were outside the Catalyst Project's mandate, the Mission authorized the transfer of this activity to another USAID project.

Appendix III, Table 3, shows the status of progress for all 17 commercial sector activities.

\* \* \* \* \*

As described, the program, through the Catalyst Project, had not progressed towards intended outputs for 30 of the 59 activities tested. As shown in Appendix III, the three primary causes for this were:

- insufficient monitoring by Mission staff to measure and evaluate recipient progress,
- budget constraints for 14 activities, and
- 4 activities being transferred or deemed more suitable for other USAID projects,

USAID officials said that they monitored the project implementers through emails, verbal, and telephonic communications on a regular basis. Nevertheless, they needed to perform additional monitoring steps. Specifically, USAID officials needed to (1) analyze the linkages between the annual workplans and quarterly reports and (2) document approval of changes to workplans.

USAID project officials told us that they did not handle a lot of formal documentation but were aware of some differences between the workplans and what had been achieved as reported in the quarterly reports. Furthermore, the Activity Manager was aware of changes to the workplans made by the Catalyst Project implementers. However, the Population and Health Office did not document official changes to the annual workplans. Automated Directives System 202.3.6.3 urges the making of adjustments to programs in coordination with the Agreement Officer when necessary or when conditions warrant. Furthermore, according to Automated Directives System 202.3.6, outputs are critical to achieving results.

In addition to insufficient monitoring, during the period audited, budget constraints accounted for 14 of the 30 activities lacking progress. According to Mission officials, the lack of progress occurred primarily because of funding cuts, which led to changes in planned activities.

The Catalyst Project was part of a larger Population and Health portfolio consisting of many more hundreds of millions of dollars that were subject to adjustment by USAID/Washington. In fact, USAID/Washington officials made the decision to cut Project funding. A responsible Catalyst official told us that because of these funding cuts, the implementers focused available resources on previously established activities and community mobilization activities. The Catalyst Project's quarterly progress reports warned that budget constraints would limit the extent of the project's capability and some areas would be cut. For example, the implementer postponed four quarterly meetings and a workshop for Government of Egypt ministries' non-governmental organizations



committees and 15 training courses for community workers in three governorates and urban poor areas.

In commenting on the draft report, the Mission highlighted that even though 30 of 59 activities did not achieve planned progress for intended outputs, overall project goals were met (see Management Comments in Appendix II). Even so, the lack of progress and the unapproved changes jeopardized the achievement of sustainable progress set forth in original planning for the components of the project-tested youth activities, non-governmental organization activities, and commercial activities. We have included a recommendation to address insufficient monitoring at the conclusion of the following section.

## Some Reported Outputs Within Quarterly Progress Reports Were Not Accurate or Documented

Summary: The United States Government Accountability Office's *Standards for Internal Control in the Federal Government* requires accurate recording and clear documentation of transactions and events. Of 59 activities tested for the period from July 1, 2004, until June 30, 2005, the Catalyst Project quarterly reports did not accurately report or document outputs in 21 instances. USAID project officials were unaware of the inaccurate or undocumented results in the quarterly reports because of the lack of analysis that linked annual workplans and quarterly reports. These instances misrepresented the effect of actual results achieved and lessened the reliability of reported results. Inaccurate reports impair the effectiveness of decision makers.

The United States Government Accountability Office's *Standards for Internal Control in the Federal Government* requires accurate recording and clear documentation of transactions and events. However, of 59 activities tested, the Catalyst Project quarterly reports did not accurately report or document outputs in 21 instances. Specifically, the quarterly reports included:

- unsupported work products and milestones in 10 instances,
- same work products and milestones reported more than once in 6 instances,
- incomplete data for work products and milestones in 4 instances, and
- work products and milestones inaccurately reported in 1 instance.

Specific examples of inaccurate or unsupported reporting of outputs are:

- The Catalyst Project reported in the third quarter of calendar year 2004 that it had performed an assessment of the Ministry of Health and Population's non-governmental organization unit. Yet, despite the claim by Catalyst Project staff that they performed the assessment, they could not provide a formal written copy.
- In two instances, Catalyst Project officials did not document meetings held with non-governmental organizations to discuss collaboration for non-governmental organization partners.
- The Ministry of Health and Population told us the Catalyst Project gave the Ministry 6,000 family planning and reproductive health brochures and not the 10,000 reported in the quarterly reports.
- One quarterly report repeated and incorrectly included third quarter training module updates with fourth quarter totals.
- The database pertaining to private sector physicians and pharmacists collected on a national level had only been collected in 22 governorates rather than the 27 listed in the quarterly report for the second quarter of calendar year 2005.

These instances misrepresented the effect of actual outputs achieved and lessened the reliability of reported outputs. USAID project officials were unaware of the inaccurate or undocumented outputs in the quarterly reports because of the lack of analysis that linked annual workplans and quarterly reports. According to Mission officials, they maintained contact with Catalyst Project implementers through email, verbal, telephonic, and some written communication on a regular basis. The Activity Manager also made site visits to participate in clinic openings, observe youth activities, and attend meetings. According to Automated Directives System 202.3.6, outputs are critical to achieving results. The monitoring of the quality of outputs produced by implementing partners should be performed as a major task of the Cognizant Technical Officer and Strategic Objective Teams.

*Recommendation No. 1: We recommend that the Director, USAID/Egypt, initiate actions to increase oversight by the Activity Manager in the measurement, evaluation, and achievement of the approved objectives of the family planning program.*

# EVALUATION OF MANAGEMENT COMMENTS

USAID/Egypt highlighted some positive aspects of the family planning/reproductive health program and further stated, “it would be helpful to cast the tone of the report in a more positive light.” The Mission provided several clarifications and suggested changes that we have examined and incorporated into the report in order to present a balanced, objective view of the activities we audited. Our final report dropped Recommendation No. 2 because the Mission effectively incorporated the monitoring aspect of the program into its proposed guidance for the new contract award.

USAID/Egypt stated that the Mission had awarded a contract for an integrated reproductive health services project in order to increase the level of management control over the contractor. The Cognizant Technical Officer will institute guidance that will ensure the linkage of all quarterly reports to annual workplans and the linkage between projected activities and actual results. Under the contract, the Mission plans to document all significant changes affecting the new project through amendments to the award.

Based on the action the Mission took to address the recommendation, we concluded that a management decision had been made. When this action is completed, please coordinate final action on the recommendation with the Audit Performance and Compliance Division of USAID’s Office of the Chief Financial Officer.

# SCOPE AND METHODOLOGY

## Scope

The Regional Inspector General/Cairo conducted this audit in accordance with generally accepted government auditing standards. We designed this audit to determine whether USAID/Egypt's family planning program had progressed towards its intended outputs within selected components of the program.

The audit covered the Catalyst Project's planned outputs for the last two quarters of calendar year 2004 and the first two quarters of calendar year 2005, as detailed in the 2004 and 2005 workplans. Since January 2003, USAID/Egypt had obligated about \$50 million to the cooperative agreement for the Catalyst Project. The audit fieldwork was conducted from September 26, 2005, to March 6, 2006, at the offices of USAID/Egypt and Pathfinder International in Cairo, Egypt. We also visited the Ministry of Health and Population offices of the Government of Egypt in Cairo.

According to the Catalyst Project's statement of work, three cross-cutting issues support four important themes and underlie the entire project. The issues are youth, gender, and sustainability. The four themes are (1) Focusing Attention on Priority Groups; (2) Improved Quality for the Customer; (3) Stronger Institutional Capacity and Systems; and (4) Sustainable Sectoral Shares. According to the statement of work, ten results areas derive from these themes, and each result contains its own planned set of activities to be achieved. The Catalyst Project's first year of activity began in January 2003. Each of the 10 results areas contained numerous outlined activities, further broken down into their simplest forms, or tasks.

We reviewed the data and written information from quarterly activity reports, annual workplans, project implementers, and USAID/Egypt project files, and conducted interviews with USAID program officials and Catalyst Project officials. The audit tested 59 of the 117 reported outputs within the themes of Focusing Attention on Priority Groups and Sustainable Sectoral Shares. We selected outputs from each area to review and determine whether Catalyst's stated outputs had been achieved in accordance with its annual workplans. The audit included annual workplans encompassing the last two quarters in calendar year 2004 and the first two quarters in calendar year 2005.

The audit scope included assessing significant management controls over the reporting of outputs. Such controls included:

- Collection of data – USAID officials collected data from the implementer through quarterly progress reports and annual workplans.
- Verification of data – USAID officials verified data through field trip visits.
- Reporting of data – Before the Mission reports results in the Annual Report, the program office initiates discussion with the technical office. The program and

## APPENDIX I

technical offices work together to ensure the completion of required data quality assessments.

Audit evidence included documentation such as annual workplans, quarterly progress reports, and project files, as well as meetings and interviews with USAID, the implementer, and Government of Egypt officials. There were no prior audit findings affecting this audit.

### **Methodology**

As part of our audit scope, we gathered documents and information from the Population and Health Office, which included annual workplans for the years 2004 and 2005 along with quarterly progress reports from July 2004 to June 2005. We examined initial scopes of work submitted to USAID and various news accounts.

Based on reviews of reported outputs from the quarterly progress reports, working conferences with Catalyst Project implementers, and discussions with USAID program officials, we made conclusions on 59 sampled outputs. We held discussions with the Catalyst Project Program managers and visited the offices of the implementing partner, Pathfinder International. To assess the progress made during the scope period, we gathered project data, including annual workplans, quarterly activity reports, and various media. It was not necessary to perform an audit step to test the reliability of computer-accessed data as data had not been manipulated by computer processing. We undertook the audit to answer the question: *Has USAID/Egypt's family planning program progressed towards its intended outputs within selected components of the program?*

Our approach included selecting activities and tasks and comparing reported outputs of three results areas—Youth Better Informed, Promoting Non-Governmental Organization Sector Role, and the Commercial Sector Role—with those set forth in the annual workplans for years 2004 and 2005. We chose for audit the youth, non-governmental organization, and commercial areas because they focused on the basic issue of program sustainability. We held personal interviews with recipient staff, observed operations, collected documentation of reported outputs, and verified reported outputs through follow-up telephone interviews with third parties, community workers, and the National Youth Hotline operators.

We reviewed 18 (36 percent) activities of the 50 listed for the results area, Youth Better Informed. We chose these 18 because they were readily quantifiable. For the non-governmental organization sector area, we reviewed 24 of 32 activities (75 percent). For the commercial sector area, we reviewed 17 of 35 activities (49 percent). We selected the 24 non-governmental activities and the 17 commercial activities because they more clearly represented ongoing activities.

**Memorandum**

**To:** Regional Inspector General, David H. Pritchard

**From:** DIR, Kenneth C. Ellis

**Subject:** Mission Response to Draft Report -- Audit of USAID/Egypt's Family Planning Activities for the Period July 1, 2004 to June 30, 2005, Report No. 6-263-06-00X-P, Dated June 25, 2006

**Date:** August 23, 2006

The Mission would like to thank the staff of the RIG Office for the time and effort it put into the audit of the Mission's family planning/reproductive health (FP/RH) program and specifically, the Tahseen/Catalyst project. It made an effort to understand both the technical aspects of the project as well as its many processes, procedures, inputs/outputs, and results. The audit highlighted some lessons learned that will be taken into account as we move forward with our next project (see Mission responses to audit recommendations).

If one analyzes the overall impact of this activity on family planning in Egypt, one cannot help but note the tremendous strides that have been made. Everything that USAID set out to do in family planning by 2005 did not materialize (i.e., progress was not achieved as planned for 30 of the 59 activities tested); yet the overall project goals were met. For example, the Tahseen/Catalyst project achieved the following over its life of project (January 2003 - September 2005):

- the contraceptive prevalence rate in project intervention areas increased significantly for all older, married women from 50% to 80% and for young, married women from 38% to 73%;
- the total quality of care in Project clinics improved from 58.3% to 86.1%;
- more women received antenatal care (30% to 83%);
- more women received FP counseling (31% to 84%);
- over 250,000 people were served in Tahseen-assisted clinics;
- Tahseen/Catalyst's Corporate Social Responsibility initiative leveraged over \$1.8M, or 10% of total project expenditures.

In this context, I think that it would be helpful to cast the tone of the report in a more positive light. Close and detailed inspection of the documents reveals the findings to be more positive than they first may seem. In order to present an accurate portrayal of USAID/Egypt's family planning program, we provide below a number of suggested factual corrections, clarifications, and modifications to the report. After that, we will respond to the audit recommendations since they are, in large part, conditioned upon the suggested changes/clarifications provided below.

## **Suggested Changes/Clarifications**

- **Pg. 1**
  - 2<sup>nd</sup> para, 1<sup>st</sup> sentence: “fiscal” should be changed to “calendar” (2 occurrences).
  - In order to present a clear and complete overview of the report’s findings, we suggest rewording the first/second sentence of the last paragraph to: “Nonetheless, the program did not meet planned progress for 30 of the 59 activities tested due to a combination of budget and implementation constraints, and monitoring or reporting inaccuracies”.
  - Last para: the wording of the last paragraph implies that the program did not achieve planned progress in 30 activities due solely to the inadequacy or fault of the program implementer and/or the Activity Manager. For the majority of the 30 activities however, planned progress was not achieved because of implementation or funding issues which were beyond the control of the implementer.
- **Pg. 2**
  - 1<sup>st</sup> para, 2<sup>nd</sup> sentence: “six” should be changed to “three”.
  - 1<sup>st</sup> para, last sentence: we suggest changing “access” to “demand”.
  - 2<sup>nd</sup> para, 2<sup>nd</sup> sentence: “Tahseen/Catalyst” should be changed here to simply “Catalyst”, because the relevant cooperative agreement was called Catalyst; the project name (only) in Egypt became Tahseen later.
  - 2<sup>nd</sup> para, last sentence: we suggest clarifying this sentence since at the time of the audit field work, Tahseen/Catalyst was not at the mid-point but rather at the end of implementation (the agreement ended on September 30, 2005, the month the field work began). At that time, the Population and Health (PH) portfolio was undergoing significant transition and streamlining: the Healthy Mother/Healthy Child project had ended but the plan was for both FP and MCH projects to end and then be merged together into an integrated project in 2006. The FP and MCH projects have always been the most heavily funded projects in PH and this will continue through the new Integrated Reproductive Health Services project.
- **Pg. 3**
  - 2<sup>nd</sup> para (after bullets): rather than “needed better progress,” it would be clearer and more accurate to say “...half of the activities did not progress as intended due to a combination of budget and implementation constraints as well as monitoring or reporting inaccuracies”. Also, a better title for this section might be, “Some activities did not progress as planned”.
  - Text box, 2<sup>nd</sup> sentence: it might be clearer to say, “...of the 59 activities tested, 30 activities did not progress as planned due to budget and implementation constraints, reporting inaccuracies, and insufficient...”
  - Text box, last sentence: also, the conclusion that there was a “lack of progress” which “jeopardized the achievement of sustainable progress” is inaccurate. Although some project activities were not completed with the same projected outputs because of programmatic/budget constraints, this did not compromise either the success of the project or its impact on the sustainability of project activities. Indeed, despite the absence of some expected outputs, Tahseen/Catalyst was a very successful project, especially in terms of the achievement of overall results.

Also, please note that four years after project design and three years after on-the-ground program implementation, strategic and theoretical thinking which was



- relevant in 2001/02 was often no longer pertinent or politically/programmatically feasible in 2004/5. Further, in retrospect, we recognize that the cooperative agreement's detailed output requirements were unnecessary and left little room for flexibility in addressing implementation issues that arose during the project.
- Pg. 4 (and Appendix III)
    - Entire page: attached to this memo is a copy of the activity-by-activity responses by the project implementer (Pathfinder) to each of the report's findings on activity progress.
  - Pg. 5
    - First para after bullets, 2<sup>nd</sup> sentence: "activity" should be changed to "portfolio".
    - First para, 3<sup>rd</sup> sentence: "clinic projects" should be changed to "community mobilization activities".
    - First para, second to last sentence and elsewhere: "missed targets" should be clearly and accurately defined. For example, Appendix III notes that Youth activity #4, "distribute youth question and answer books to service providers," was a missed target. For that activity, however, the implementer was instructed by USAID to design a distribution strategy that was efficient and cost-effective. As they explained to the auditors, the MOHP ended up requesting a different number of books than the implementer's original, estimated number to distribute. Consequently, due to a change in the number of books requested by the MOHP, the target was changed, not missed.

**Pages 5 and 6 references to recipient/contractor salary levels  
Deleted – Relates to Matter Not Included in Report**

- 2<sup>nd</sup> para, 3<sup>rd</sup> sentence: please add to the end of the sentence "on a regular basis". This is an important point as the report infers that program management was less than adequate or at least was not as informed as it could be. That was not the case since we had weekly meetings and almost daily phone calls and emails with project staff.
- 2<sup>nd</sup> para, last sentence: this is not an accurate statement; every quarterly report and work plan was thoroughly reviewed and commented on or discussed at length with project staff. However, what was missed by the program management staff was an analysis of the linkage (or sometimes the lack thereof) between the workplans and the quarterly reports. This led to the discrepancies between what was projected in the workplans and what was actually reported as accomplished in the quarterly reports. However, the award of the new Integrated project, the change in USAID PH staff, and this audit, all created an opportunity to do things differently. As a result, close attention has been paid to the start up documentation of the new project. All quarterly reports will be closely linked to annual workplans and there will be clear linkages between projected activities and actual results.
- 3<sup>rd</sup> para, 1<sup>st</sup> sentence: "Cognizant Technical Officer" should be changed to "current Program Manager". Under Tahseen/Catalyst, the official CTO was located in USAID/W. Brenda Doe was the Activity Manager from January 2003 – July 2005 and Lisa Childs was the Activity Manager from July – September 2005. Only when the new contract was awarded on March 1 for the Integrated project did Lisa Childs officially become the CTO.
- 3<sup>rd</sup> para, 3<sup>rd</sup> sentence: We understand that ADS 202.3.6.3 refers primarily to significant changes/adjustments in program direction or content rather than more minor changes that occur because of normal implementation difficulties. It is also

- our understanding that cooperative agreements are designed to be flexible and therefore can be responsive to typical implementation issues.
- 3<sup>rd</sup> para, 6<sup>th</sup> sentence: while we recognize that ADS 202.3.6 stipulates that outputs are critical to achieving results, the PH Office made significant efforts to monitor the **quality** of outputs. For example, we received copies of most documents, reports, curricula, studies, etc. that were produced by the project and most of these were read and/or studied. However, and as stated previously, we could indeed have been much more vigilant in ensuring that outputs were clearly linked to stated objectives as outlined in the workplans. As a result, although project outputs themselves were invariably of high quality, they did not always correspond to what was projected as outputs in the workplans. This would include the numerous outputs that were produced over and above what was anticipated in the workplans.
  - 3<sup>rd</sup> para, last sentence: per the last bullet under “Pg. 3” above, we recommend reconsideration of the statement regarding “lack of progress” and “jeopardizing the achievement of sustainable progress”. While typical problems arose during project implementation (often resulting in some minor changes in direction or outputs), the implementers also produced outputs not originally envisioned, which led ultimately to results beyond those originally envisioned. As a result, despite having not achieved certain outputs, the overall assessment of the Tahseen/Catalyst project by the PH Office -- as well as by the Mission -- is that it achieved its intended results and was, therefore, very successful. In fact, the Egypt program of the Catalyst project has often been held up as a technically excellent model and, as a result, other USAID Missions have replicated its activities and models.
  - Pg. 7
    - Text box, sentences 2 & 3: the report is accurate in what it says here; as a result, new requirements were put in place for the new Integrated project that require strict linkage of workplans to quarterly reports, i.e., projected outputs to actual outputs. In addition, USAID program management staff will institute regular reviews of the quality of a sample of outputs included in quarterly reports in order to ensure their accuracy.
    - Text box, 4<sup>th</sup> sentence: we do not believe that most of the inaccuracies presented necessarily impacted the higher level “results” of the project. Some outputs were affected but these did not affect overall project results, nor the overall success of the project. And as mentioned previously, no attention is given in the report to the outputs and results achieved over and above those originally envisioned.
  - Pg. 8
    - 1<sup>st</sup> para, 1<sup>st</sup> sentence: see last bullet under “Pg. 6” above.
    - 1<sup>st</sup> para, 3<sup>rd</sup> sentence: to be clear, it might be better to say: “The **current** Cognizant Technical Officer knew about one of the changes but ~~did~~ **the previous Activity Manager did** not document approval of them in the ~~contract~~ **project files**”. This clarifies the fact that there was a change in leadership managing the project as well as the fact that the project was implemented through a cooperative agreement, not a contract.
    - 1<sup>st</sup> para, 4<sup>th</sup> sentence: again, the issue was not a lack of close review of the individual documents but rather a lack of analysis of the linkage between the workplans and the quarterly reports.
    - 1<sup>st</sup> para, 6<sup>th</sup> sentence: “Cognizant Technical Officer” should be changed to “Activity Manager”.

The subject audit report included two recommendations requiring Mission response:

**Recommendation No. 1**

**We recommend that the Director, USAID/Egypt, initiate actions to increase oversight by the Cognizant Technical Officer in the measurement, evaluation, and achievement of the approved objectives of the family planning program.**

**Following is the Mission Response to Recommendation No. 1:**

To reiterate briefly some of the points made above, during the audited period numerous measures were taken in order to provide oversight of project implementation and results. For example, frequent field visits were conducted; many clinic openings were attended; numerous project events (from higher level formal events to training sessions to everyday project meetings) were attended; close inspection was made of project documentation; hundreds of documents/emails/reports/presentations/notes, etc. were read and filed; and almost daily contact by phone and email was maintained with project staff by the PH Office.

In addition, taking into account the responses and statements outlined above, as well as several lessons learned from the audit report, the current CTO of the Integrated RH Services project has already taken several significant steps in order to ensure increased oversight of MCH/FP/RH outputs and results. First, the decision was made by USAID PH staff to design and award a contract for its new Integrated RH Services project; this was done specifically in order to increase the level of management control over the new Contractor. In particular, increased control was sought in order to have a better grasp of expenditures and costs (including salaries, staffing levels, etc.), to more adequately manage and control the project budget, and to have more control over project directions, activities, and outputs.

Second, since the award of the new Integrated RH Services project on March 1, 2006, the CTO has worked extensively with the Contractor in order to put in place and refine all project-related documentation (workplans, quarterly/annual reports, PMP, budgets, vouchers, etc.). Although this is still a work in progress, close attention is being paid to the quality, accuracy, and consistency of all reporting documentation. In addition, the CTO instituted very strict and clear guidance so that the Contractor ensures the close linkage of all quarterly reports to annual workplans, and the clear linkage between projected activities and actual results.

Finally, as a contract, all significant changes in program direction, activities, and funding will be fully documented in amendments to the award. Increased attention will also be paid to ensuring that PH files and documentation are up-to-date and complete in terms of USAID approvals, changes to discrete activities, challenges and steps to overcome them, new opportunities, etc.

**Mission Response to Recommendation No. 2**

**Deleted – Relates to Matter Not Included in Report**

### APPENDIX III

**Table 1: Progress Towards Intended Outputs of Youth Activities**

	Intended Outputs for Second Half of Calendar Year 2004	Progressed?		If No, Cause
		Yes	No	
1	Produce question and answer booklets for youth	Yes		
	Support media campaign, Communication for Healthy Living Project	Yes		
3	Work with local media professionals	Yes		
4	Distribute youth question and answer books to service providers		No	Missed target; No agreement reached
5	Conduct dissemination seminars for Ministry of Health and Population, service providers, and others	Yes		
6	Adapt existing curriculum for youth-friendly services		No	Budget constraints; suspended plans
7	Replicate Center for Development and Population Activities youth programs in each governorate	Yes		
8	Support to develop and implement Family Life Education projects at schools	Yes		
9	Provide training and technical assistance for Peer Education Program		No	Budget constraints
10	Produce curricula to raise awareness of soldiers regarding family planning and reproductive health	Yes		
11	Create youth TV program in Minia Governorate	Yes		
<b>Intended Outputs for First Half of Calendar Year 2005</b>				
12	Insert family planning and reproductive health messages in youth-oriented TV and radio programs	Yes		
13	Establish youth-friendly clinics at Egyptian universities and train providers		No	Budget constraints
14	Implement 53 Tahseen Youth Week programs	Yes		
15	Train 100 religious leaders to increase family planning and reproductive health knowledge in communities	Yes		
16	Train 20 female religious leaders to increase family planning and reproductive health knowledge in communities	Yes		
17	Support marketing of National Youth Hotline		No	No interest from others; sponsorship lagging
18	Implement premarital counseling curriculum in two selected communities		No	Budget constraints
	<b>Total=</b>	<b>12</b>	<b>6</b>	

**Table 2: Progress Towards Intended Outputs of Non-Governmental Organization Activities**

	Intended Outputs for Second Half of Calendar Year 2004	Progressed?		If No, Cause
		Yes	No	
1	Identify non-governmental organizations to work within additional Minia districts	Yes		
2	Continue working with non-governmental organizations and follow up activities in the five selected communities	Yes		
3	Establish a Ministry of Health and Population central-level internal committee	Yes		
4	Assess the capacity of the non-governmental organization unit and assist the Ministry of Health and population to expand its role		No	Missed target; formal assessment not performed
5	Adapt existing training curriculum for non-governmental organizations	Yes		
6	Train non-governmental organizations on issues related to institutional capacity	Yes		
7	Train outreach workers in community outreach, referral, and reproductive health issues	Yes		
8	Establish non-governmental organizations training groups through training of trainers		No	Budget constraints
9	Link selected non-governmental organization activities to other ongoing programs	Yes		
10	Assist Clinical Services Improvement Project to implement its strategic plan		No	Budget constraints
<b>Intended Outputs for First Half of Calendar Year 2005</b>				
11	Assess and complete the non-governmental organization selection and subgranting/contracting processes	Yes		
12	Conduct four meetings of Ministry of Insurance and Social Affairs and Ministry of Health and Population working group		No	Ministry representatives not available
13	Conduct four meetings for non-governmental organizations committees of various ministries		No	Budget constraints
14	Conduct one workshop for all non-governmental units in various ministries	Yes		
15	Conduct a strategy development workshop for the Ministry of Health and Population/Population Sector non-governmental organization unit		No	Budget constraints
16	Conduct four meetings with Ministry of Health and Population's Health Sector Reform Task Force		No	Budget constraints
17	Conduct 15 training courses for non-governmental organization outreach workers in 3 governorates and urban poor areas		No	Budget constraints 1st quarter; changed to on-the-job-training 2 <sup>nd</sup> quarter

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<b>18</b>	Conduct three training courses for non-governmental organization boards of directors in Beni Suef, Fayoum, and urban poor areas		No	Budget constraints 1st quarter; changed to on-the-job-training 2 <sup>nd</sup> quarter
<b>19</b>	Provide support to local specialized non-governmental organization union		No	Budget constraints
<b>20</b>	Conduct fundraising training for specialized non-governmental organization union members		No	Budget constraints
<b>21</b>	Provide technical assistance in organizational development and assist Clinical Services Improvement Project to establish independent non-governmental organization status		No	Budget constraints
<b>22</b>	Identify ongoing programs and establish collaboration		No	No interest from others
<b>23</b>	Establish at least three strategic alliances based on mutual interests		No	No interest from others
<b>24</b>	Link family planning and reproductive health messages	Yes		
	<b>Total=</b>	<b>10</b>	<b>14</b>	

Table 3: Progress Towards Intended Outputs of Commercial Activities

	Intended Outputs for Second Half of Calendar Year 2004	Progressed?		If No, Cause
		Yes	No	
1	Expand Ask-Consult Network in new geographical areas	Yes		
2	Develop an electronic database for all Ask-Consult pharmacies	Yes		
3	Conduct a seminar to disseminate results of assessment of Ask-Consult Network	Yes		
4	Link family planning community workers to selected pharmacies or distributors		No	Ministry of Health and Population did not approve; activity dropped
5	Explore possibility of making large pharmacies into stockists for smaller pharmacies		No	Determined more suitable for another USAID project; activity dropped
6	Develop a mechanism to ensure family planning and reproductive health product availability in all pharmacies		No	Missed target; incomplete dissemination of study results
7	Launch a corporate social responsibility activity in Minia Governorate to encourage private sector support and participation in family planning and reproductive health		No	Missed target; sustainability not addressed; activity not on track
8	Conduct two national pharmacy audits of contraceptives and other reproductive health and maternal child health products		No	Transferred to other USAID project; activity dropped because outside Tahseen/Catalyst's mandate
9	Involve private sector in the membership of technical committees responsible for reproductive health and family planning program at both central and regional levels		No	Transferred to other USAID project; activity dropped
<b>Intended Outputs for First Half of Calendar Year 2005</b>				
10	Expand Ask-Consult Network to include pharmacists and physicians to a national level	Yes		
11	Start expanding the electronic database to a national level	Yes		
12	Review and validate Ask/Consult network electronic database for the entire country	Yes		
13	Promote Ask-Consult through TV, radio, and local newspapers in collaboration with USAID/Egypt's Communications for Healthy Living Project	Yes		
14	Train up to 4,700 Upper Egypt network pharmacists in family planning and reproductive health counseling skills		No	Missed target; trained 1,088 pharmacists
15	Train up to 2,391 Upper Egypt physicians in family planning and reproductive health issues		No	Missed target; trained 599 physicians

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<b>16</b>	Produce quarterly Critically Appraised Topics newsletter in collaboration with USAID/Egypt's Communications for Healthy Living Project		No	Missed target; produced only 3 newsletters
<b>17</b>	Support pharmaceutical companies with research findings related to reproductive health and family planning and invite them to participate in the discussions of these studies		No	Transferred to other USAID project; deemed outside Tahseen/Catalyst's mandate
	<b>Total=</b>	<b>7</b>	<b>10</b>	