



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

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INTERNATIONAL DIVISION

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*Letter on form #103*

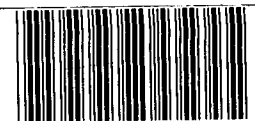
The Honorable Douglas J. Bennet, Jr.  
Administrator, Agency for  
International Development *AGC00097*

Dear Mr. Bennet:

As you know, in our forthcoming report to the Congress on the overall AID education and human resources program, we will address the need for better management of AID training activities for people from developing countries. This letter discusses some administrative problems which directly hamper effective Agency efforts to program, monitor, and evaluate U.S.-supported training of participants traveling from developing countries.

*DC 0003*  
The AID Handbook 10 places responsibility for the planning, development, direction, implementation, followup, and evaluation of the participant training program upon the Office of International Training in the Development Support Bureau. The Handbook also stipulates that the Office of International Training may use the resources of public agencies and private organizations through resources support services agreements and contracts--to fulfill responsibilities. Yet, the Office of International Training is unable to provide current or complete information on the (1) number of participants being trained, (2) participants' U.S. arrivals and departures, (3) occupation of participants who returned home, and (4) contractors supplying the participants with training and related services. Neither was such information or data on participant training costs readily available in other AID Washington offices and bureaus or in overseas missions we visited in June and July 1979.

During our review of participant training data, we became aware that many questions have been raised since the large Agency personnel cuts in the mid 1970s--even from within the Office of International Training--concerning the adequacy of participant training management and recordkeeping. In mid-1976, for instance, the Office conducted a study to determine



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the number of AID-sponsored participants not documented and therefore not in the AID fiscal year 1975 information system. Based on an incomplete response from only 17 of the more than 60 overseas missions and two Washington bureaus, the Office found that 720 participants were not in the Office information system; 479 were trained in the United States, 241 in third countries. Later Office records indicate that 8,358 AID-sponsored participants were in training in fiscal year 1975.

As late as July 1979, the outgoing Director, Office of International Training, estimated that the Office maintains records of one-half of the total AID-sponsored participants. The very favorable low rate of nonreturnees, which AID reported for many years to the Congress--those participants who do not return home after completing training abroad--was based on data representing considerably less than the estimated total number of participants.

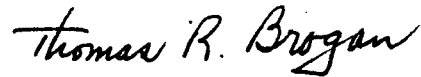
We agree with your Agency's general position that training is an essential component of nearly every facet of development in less-developed countries. Further, we recognize that AID is providing continuous training in the United States and third countries to thousands of people from developing countries. The present information system, however, does not provide complete data on participants and training costs. Without this information, the Agency cannot be sure that all training is contributing effectively to the overall development process.

AID has recently tried to improve the information system and the organizational structure of participant training. For instance, many contracts have been let with private firms for assistance in (1) reducing the backlog of participants not included in the computerized system, (2) studying the need for changes in the Participant Training Information System, and (3) revising the participant health and accident coverage system. To insure that these efforts for improved accountability for the Agency-funded participant training program and for improved overall management of Agency training are pursued, your continued attention and support will be essential in assuring that all necessary actions are taken to develop and maintain a complete repository of management information. Similar continued attention is also necessary to assure the establishment of a system to effectively and

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efficiently program, monitor and evaluate overall participant training activities. Additional details on basic management problems are contained in the enclosures to this letter.

Sincerely yours,

A handwritten signature in cursive script that reads "Thomas R. Brogan".

Thomas R. Brogan  
Acting Associate Director

Enclosures - 2

AGENCY FOR INTERNATIONAL DEVELOPMENT  
DEVELOPMENT SUPPORT BUREAU  
OFFICE OF INTERNATIONAL TRAINING  
PARTICIPANT TRAINING PROGRAM ACCOUNTABILITY

Training of participating nationals from less-developed countries is a component of almost every Agency for International Development (AID) funded development assistance project. Training occurs in either the participant's native country, in the United States, in a third country, or in a combination of sites. For purposes of this enclosure, the participants referred to are those traveling to the United States and/or third countries.

Programing and funding of AID-sponsored participant training can occur several ways. The Office of International Training (OIT) directly arranges training when overseas missions, regional bureaus, and offices in Washington request it. In some instances, however, training may be arranged under various funding agreements by universities and college placement services, which recruit, process, and place participants. Some funding agreements allow these institutions to correspond with, approve, and call forward the participants (specifically, to bring them to the country of training and to schedule registration and enrollment)--without direct involvement of OIT or the missions.

AID sponsorship of training does not necessarily involve direct AID funding, or in some cases, any AID funding at all. Developing-country governments using AID loans, private-institution funding, or their own financial resources, may support those participants trained in the United States or third countries, who are administratively processed by missions and OIT or by universities and placement services operating largely outside AID channels. In addition, other Federal agencies may arrange and support participant training upon OIT's request, using AID funds under interagency resources support services agreements (RSSAs). At least one college placement service uses a combination of AID funds, U.S. university scholarships, and homeland government monies, to provide advanced academic training in the United States for Latin American university faculties.

As of September 30, 1978, Office of International Training records listed 6,721 AID-sponsored participants in training, which we categorized as follows:

- 2,666 funded under AID contracts and grants with U.S. universities and other placement services for training in the United States;
- 3,037 receiving U.S. training and directly programmed by AID and other U.S. agencies using AID RSSAs, grants or loans with U.S. universities or the country governments, or independently funded by country governments; and
- 1,018 receiving training exclusively in "third countries" (those neither in the United States nor participants' homelands) and usually funded directly by sponsoring AID missions.

We believe, however, that OIT records understate the number of participants receiving training, because neither OIT nor the Office of Contract Management was able to provide a list of all contractors providing training. As a result, OIT cannot be certain that all participants are being reported to OIT. In addition, information on the dollar value of AID-sponsored training was not readily available at OIT or elsewhere in AID. The multiplicity of fund sources and training sponsors for AID participants has resulted in a wide dispersion of actual accountability, monitoring, and control of monies and participants.

#### FINANCIAL ACCOUNTABILITY FOR PARTICIPANT TRAINING

AID Handbook 10 does not clearly assign responsibility for financial accountability for participant training to any AID organization. As a result, no specific AID office compiles and monitors all participant training financial information. AID officials maintain that in recent years, financial accountability has been the responsibility of project managers, not OIT.

We attempted to identify and summarize all current AID contracts, grants, RSSAs, and loans for participant training in the United States. From information supplied by the Office of Contract Management, we identified about \$90 million in contracts, grants, and RSSAs that were in effect in fiscal years 1978 and 1979.

	<u>Total Amount (thru life of agreement)</u>	<u>Total Annual Average Amount</u>
<u>AID-direct programing</u> via:		
7 administrative contracts	\$ 8,607,700	\$ 3,949,950
21 RSSAs	4,232,112	4,232,112
107 university contracts and grants <u>1/</u>	<u>31,275,373</u>	<u>9,414,787</u>
total	<u>\$44,115,185</u>	<u>\$17,596,849</u>
<u>AID indirect programing</u> via:		
10 commercial (placement service) contracts and grants	<u>\$45,838,887</u>	<u>\$10,519,319</u>
total	<u>\$89,954,072</u>	<u>\$28,116,168</u>

We are certain, however, that these figures are understated, because

- not all contract agreements were identified,
- of 107 university agreements, 8 were for open amounts and were to be in effect for several years each, and
- several universities which provide participant progress reports to OIT have AID agreements whose purpose is described in very general terms (e.g., "grant support," technical service to AID) that indicate no relation to training or education. The portion of these agreements applying to participant training efforts was not determined.

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1/Includes several thousand "1-page" contracts and task orders, many for less than \$10,000 each, and usually for one participant each. They are summarized and counted as one contract for the purpose of this analysis.

OIT officials recognize that these figures are understated and estimate that annual training costs are roughly \$50 million.

Loan information supplied by the Office of Financial Management (OFM) was similarly difficult to analyze for participant training costs. We identified 13 loans active in fiscal year 1978, with participant training elements involving a total yearly average of about \$1,747,000 over the authorized life of the loans (for an average of \$134,000 per year for each loan). However, an OFM official identified 5 loans active in fiscal year 1979 which he knew "from experience" contained actual participant training elements identified only by such descriptions as "USAID DOLLAR COSTS" and "AID/W." As of August 31, 1979, and this official's update through September 20, 1979, AID had 16 active loans that included participant training involving a total yearly average of \$13,521,000 (or an average of \$845,100 per year for each loan). Of the \$13.5 million, the 5 loans not objectively identified as having participant training components totaled about \$11,689,000. The wide variance between fiscal years 1978 and 1979 totals, in light of the fiscal year 1979 loans identified only by "experience," indicates the extensive lack of centrally compiled information on participant training funds.

#### GAO comment

Determining the resources required to accomplish a given objective is normally a manager's responsibility. We recognize that average cost estimates are established for budgeting purposes. But, the ability of AID to definitively relate the amount of appropriated funds spent to train all participants for the eventual purpose of helping to improve the lives of the poor majority in developing countries is also important. Such information can be a weighted factor in efficient and effective management of the AID resources available for assisting in development of developing countries.

#### ACCOUNTABILITY FOR PARTICIPANT INFORMATION

AID Handbook 10 clearly assigns "centralized responsibility for the planning, development, direction, implementation, followup, and evaluation of the participant training program" to the Office of International Training. Moreover, it states that this "\* \* \* centralized responsibility remains with [OIT] even though the facilities and resources of other public agencies (through RSSAs) and of private institutions (through contracts) may be utilized."

As further outlined in Handbook 10, OIT accountability for participant information is part of this centralized responsibility: OIT

"\* \* \* is responsible for maintaining a central file of information on AID-sponsored participants which is reported and compiled periodically from Mission and Contractor reports."

OIT has not fully carried out its responsibility for maintaining a central file of participant information principally due to insufficient staff, according to OIT. Officials are aware that not every AID contractor involved in training foreign nationals reports to that Office. However, OIT cannot determine the entire universe of contracts involving participant training, because some mission and bureau contracts involve several components other than training. Although training is a small portion of such contracts, the short contract titles or descriptions in Office of Contract Management reports and computer summaries might not indicate any training-related activity. Moreover, many mission and bureau contracts are written without OIT consultation or advice, resulting in the exclusion of the monthly reporting requirements on individual participants status.

One consequence of the inadequate OIT participant information file has been the failure to (1) enroll many eligible participants in the OIT health and accident insurance plan and (2) provide insurance funding for many enrolled participants. In a recent report 1/, the AID Auditor General found that OIT has few controls to ensure that contract participants were being enrolled in the insurance plan, or if enrolled, were being covered by mission or bureau funds that should have been transferred to an appropriate account to pay for insurance premiums. The causes of these deficiencies in contract participant coverage follow.

--Some participant training contracts lack a clause requiring the contractor to report monthly to OIT on individual participants' status, as required in AID Handbook 11, Chapter 4.3.44, and AID Handbook 10, Chapter 34.

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1/"Review of Claim Submitted by Puritan Life Insurance Company of Providence, Rhode Island," (AID AAG/W Report #79-56, April 9, 1979.)



- Even when reporting requirements are included in cost-reimbursement contracts as part of AID procurement regulations, some contractors do not submit reports.
- Missions and bureaus do not provide OIT a copy of every Project Implementation Order/Participant (PIO/P), which is a basic fund-reserving document that OIT could use as a cross-check to determine which contractors are not reporting.
- Missions and bureaus do not insure that a PIO/P is prepared for every contract-funded participant, which allows transfer of funds to an appropriate account to pay for insurance premiums.

#### GAO comments

We are aware that AID officials are now taking steps intended to alleviate these problems. In addition to those cited in the basic letter, OIT officials are working with the Office of Contract Management to develop standard monthly reporting requirements for routine inclusion in mission and bureau contracts or project implementation orders which include training components. In addition, the Acting Administrator of AID recently asked all Assistant Administrators and Mission Directors to take a personal interest in assuring that PIO/Ps on all AID-funded participants are prepared and sent to OIT.

We applaud AID efforts to improve participant training program accountability. We believe, however, that additional steps should be considered in the interest of better program accountability. For instance, clearly assigned responsibilities for monitoring overall participant training costs are important. The AID organization designated for that task should have ready access to financial information on all AID-sponsored participants, regardless of the funding sources. We suggest also that cognizance be given the results of the participant training review now being conducted by the AID Auditor General, particularly if it contains information relative to organizational and manpower requirements for achieving full accountability for all individual participants.

AGENCY FOR INTERNATIONAL DEVELOPMENT  
DEVELOPMENT SUPPORT BUREAU  
OFFICE OF INTERNATIONAL TRAINING  
PARTICIPANT TRAINING PROGRAM NEEDS BETTER  
MONITORING OF PARTICIPANT  
CONTRIBUTIONS TO DEVELOPMENT

The OIT data base on AID-sponsored participant status is incomplete and inaccurate. As a result, AID does not have all the information necessary for carrying out meaningful followups on and evaluation of training quality and, ultimately, its application to development efforts overseas.

The OIT system for monitoring participant training relies primarily on internal documents and periodic reports from contractors and RSSA agencies. Some U.S.-based contractors have authority to recruit participants (with host-government approval), process their initial paperwork, and place them in appropriate U.S. colleges and training institutions, with little or no AID mission involvement and review. Essentially, these contractors have no regular contact with AID other than providing OIT with monthly reports on participant arrivals in the United States, and reports on placement and program completions. The contractors do not report physical departures from the United States. Neither does AID verify the data reported by the contractors. In several instances, OIT has learned that participants did not return home after completion of training when it received a request to waive the requirement that the participants leave the United States.

Participants, whose training is arranged directly by OIT (or another Federal agency pursuant to RSSAs), are monitored through direct contact with the training institution, including semester performance reports. RSSA agencies also make quarterly participant status reports to OIT, in addition to frequent informal contacts.

OIT does not have sufficient controls to ensure that participant information is entered into its computerized data base for monitoring participant status. The lack of information on contract participants was discussed in Enclosure I. The problems associated with information on participants programmed directly by OIT have a somewhat different cause. In some cases, new participants are recorded in the data base many months after arrival in United States. The AID Auditor General found that this resulted from OIT and RSSA agencies

training specialists not always completing the Participant Program and Training Data card accurately or on time. This form is the key data base input document and provides such information as name, type of training, training facility, and the starting and ending dates of training programmed by training specialists. OIT officials and staff told both the AID Auditor General and GAO that the Office has insufficient personnel to handle the workload. As a result, they claim that only the most essential tasks get performed promptly (such as starting participant maintenance allowances, programming school enrollment, and arranging travel). Because the Participant Program and Training Data card is used exclusively for entering and updating the OIT statistical data base, its timely completion has a lower priority.

Even if OIT has compiled accurate and timely information on particular participants, and thus may reasonably predict the time when participants should return home, no system now exists for mission verification of participant return. Handbook 10 requires OIT to produce a quarterly computer list of participant "departures" (actually the data would represent program completions, since the U.S. Government has no effective verification of aliens departing the country) for mission verification. However, OIT personnel told us that this quarterly list has not been produced for some time due to lack of sufficient statistics staff.

The net effect of this entire situation is that neither OIT nor the missions can be certain that every participant returns home and contributes to his nation's development. Neither can AID be certain whether participants remain in the United States or a third country; nor whether the participants indeed returned home but became disenchanted and subsequently departed for the United States or another developed country. In light of this, any AID effort to review and evaluate participant training's overall effect on even a single country's development would be skewed from the outset.

AID regulations clearly contemplate participant training review and evaluation. Besides assigning OIT the centralized accountability for these program elements, AID Handbook 10 specifies several required and recommended actions on the part of OIT and missions alike. Follow-up activities are designed to (1) assess the quality of training and its applicability to AID development projects and programs, (2) help returned participants reinforce and transmit their acquired knowledge to others, and (3) improve U.S. bilateral relations

with participants' homelands. The OIT participant training follow-up surveys of all missions in recent years (fiscal years 1975 through 1978) indicate that some missions are performing the two required follow-up activities, such as maintaining contact with returned participants for at least 3 years and formally presenting Certificates of Achievement to returnees. Recommended follow-up activities, however, such as using returnees in pre-departure orientation of new participants, publishing newsletters and professional journals, and organizing English language refresher courses, are in decline at the missions, reportedly because of the almost total attrition of mission training officers in the past few years.

Evaluation activities to provide quality control to OIT management are principally the responsibility of OIT. They include entry and mid-tour questionnaires and exit interviews with participants, consultant reports on training facility programs, OIT staff reports of visits to training institutions, and other reviews as needed.

Our work at three overseas missions confirmed that mission follow-up activities are not conducted systematically and thoroughly, due primarily to insufficient training staff and incomplete information on all participants. In addition, the AID Auditor General 1/ recently reported that the Egyptian mission does not keep complete, consistent or accurate records on the number of participants trained or on USAID or other funding. The Auditor General also found no evidence of a systematic follow-up and debriefing of participants.

These findings, in light of the fact that the Egyptian mission staff has three of the total five AID training officers worldwide, tend to corroborate our general impression. If neither OIT nor the missions have a complete count of AID-sponsored participants, follow-up and evaluation efforts currently required will be partial and ineffective. Therefore, as long as the current situation exists, overall evaluation of participant training's impact on the poor majority in specific countries or on a worldwide basis will not be accomplished.

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1/"Review of the Participant Training Programs, USAID/Egypt," (AID Area Auditor General/Egypt report #6-263-79-3, dated May 30, 1979.)