



March 12, 2003

MEMORANDUM

FOR: Larry Garber, Director, USAID/West Bank-Gaza
FROM: David H. Pritchard, Acting RIG/Cairo /s/
SUBJECT: Risk Assessment of USAID-financed Assistance to West Bank and Gaza (Report No. 6-294-03-001-S)

This memorandum presents the results of our Risk Assessment of USAID-Financed Assistance to West Bank and Gaza. This is not an audit report and does not contain any recommendations for your action; however it contains suggestions for your consideration. Management comments are included in their entirety in Appendix II. I appreciate the cooperation and courtesy extended to our staff during the risk assessment.

Background

Base funding for the USAID/West Bank-Gaza program is about \$75 million per year. However, during fiscal year 2000 through fiscal year 2002, the program received \$400 million as a result of the Wye River agreement, an agreement to facilitate implementation of prior Israeli and Palestinian agreements and carry out their reciprocal responsibilities, including those relating to further redeployments and security.

Since January 2001, USAID/West Bank-Gaza has operated under an approved transition plan. The plan's purposes are to support the successful conclusion of a final status agreement between the Palestinians and the Israelis and to lay the economic and political foundations for a viable, stable Palestinian entity in the West Bank and Gaza.

Implementation of the plan was disrupted at the end of September 2000 by the outbreak of the Al Aqsa Intifada and the subsequent sustained violence and unrest throughout the West Bank and Gaza. These events have also taken their toll on the Mission's project oversight as travel of U.S. staff is limited by security concerns. For periods of time, foreign national staffs

living in the West Bank and Gaza have been unable to travel to the USAID office in Tel Aviv and, at times, contractor staff has not been able to travel to project sites. Further, since the September 2000 intifada, the Office of Inspector General (OIG) has curtailed performance audit coverage of the West Bank and Gaza program due to security considerations. Due to the level of funding and the implementation conditions described above, the Mission, the OIG, and congressional staff have envisioned more oversight and more detailed accountability for USAID's West Bank and Gaza program activities, such as:

1. Concurrent audits (audits conducted while the project is still on-going) of some high risk programs with the objective of reporting on the progress of the project and verifying the accuracy of the Implementing Partner's reporting to the Mission.
2. Audits of local West Bank and Gaza operations of U.S.-based nonprofit organizations will be contracted through RIG/Cairo using local audit firms. RIG/Cairo will inform IG/A/FA of this work and IG/A/FA will inform the U.S.-based nonprofit that its primary auditors should consider this work in connection with the annual Single Audit conducted in accordance with Office of Management and Budget (OMB) Circular A-133.
3. Audits of local West Bank and Gaza operations of USAID contractors will be contracted through RIG/Cairo using local audit firms. RIG/Cairo will inform IG/A/FA of this work. IG/A/FA will inform M/OP/PS that this work is being performed and that these audits should be incorporated by Defense Contract Audit Agency (DCAA) into the contractors' annual incurred cost audits.
4. Extending audit coverage to recipients and sub-recipients that spend less than A-133's \$300,000 per year audit threshold. This work is to be contracted through RIG/Cairo and performed by CPA firms that operate in the West Bank and Gaza region.
5. Increasing the depth of performance audit coverage through agreed-upon-procedures reviews to address project implementation at the recipient level rather than just at the strategic objective level.

The Office of Management and Budget's circular No. A-123 states that managers are responsible for the quality and timeliness of program performance, and must also take proactive measures to (1) assess the adequacy of management controls in programs and operations and (2) take corresponding corrective action when needed improvements are identified. The General Accounting Office's "Standards for Internal Control in the Federal Government" notes that internal controls should provide reasonable

assurance that agency objectives are being achieved, operations are effective and efficient, and assets are safeguarded against loss.

This review focused on risk assessment. Regional Inspector General/Cairo performed the review at the Mission's request to determine (1) USAID's current and planned activities and funding levels for the West Bank and Gaza, (2) who are the U.S. and local implementers of USAID/West Bank-Gaza activities, and (3) the significant risk areas that should be covered in future audits.

Discussion

USAID/West Bank-Gaza provides development assistance to the West Bank and Gaza through six strategic objectives (SO) and 39 projects under those objectives.

SO 1 - Extended private sector economic opportunities.

SO 2 - Greater access to and more effective use of scarce water resources.

SO 3 - More responsive and accountable governance.

SO 5 - Higher education and training.

SO 7 - Healthier Palestinian families.

SO 8 - Improved community services.

This review assigned an audit priority of high, medium, or low for each of the Mission's projects. A higher priority simply indicates that the particular activity is more vulnerable to its objectives not being achieved or irregularities occurring, and should be a high audit priority. It does not imply that irregularities are actually occurring. Appendix I describes in detail our risk assessment scope and methodology.

We identified a universe of 39 projects that we included in our audit strategy. Some large projects, which have not yet been awarded, were included because of the high dollar amount of the project. Other projects that have ended were excluded from the audit strategy.

Of the 39 projects reviewed, we concluded that 7 projects were rated as high priority for audit, 23 projects were rated medium and 9 projects rated low.

Audit Priority and Number of Projects per Strategic Objectives

Strategic Objective	Total Number of Projects	Number of High Priority Projects	Number of Medium Priority Projects	Number of Low Priority Projects	Obligations 06/30/2002	Expenditure 06/30/2002
1 – Extended private sector economic opportunities	11	2	6	3	37,749,274	26,852,786
2 – Greater access to and more effective use of scarce water resources	9	2	7		89,066,003	58,671,783
3 – More responsive and accountable governance	6	2	3	1	44,069,359	33,143,070
5 – Higher Education & Training	3	1	1	1	9,188,354	5,546,765
7 – Healthier Palestinian families	6		2	4	25,050,645	10,842,427
8 – Improved community services	4		4		120,472,646	62,752,825
Total	39 ¹	7	23	9	325,596,281	197,809,656

See Appendix III for more detail on the risk assessments.

In addition to the risks that projects may not be implemented as planned, we identified 2 USAID/West Bank-Gaza direct awards and 121 sub-awards totaling \$16.5 million that were awarded to non-U.S. organizations. Many of these awards are not currently audited under recipient contracted audits or agency contracted audits because they fall under the audit threshold of \$300,000. However, the Mission has an audit plan to audit all foreign recipients' awards over \$300,000 and other select awards over a \$100,000 threshold. The following table shows the number of awards to non-U.S. organizations by Strategic Objective.

¹ Each of the 39 individual project risk assessments was provided separately to USAID/West Bank-Gaza. These individual risk assessments identify risks to project implementation and also those controls that mitigate and reduce these risks. The Mission requested individual assessments by project, which may assist them in periodically updating its project implementation risks and revising its audit plan as needed.

Mission Direct Awards and Sub-awards to Non-U.S. Organizations by Strategic Objectives

Strategic Objective	Total Number of Awards identified	Total Dollar amount of awards
1 – Extended private sector economic opportunities	2	\$3,991,901
2 – Greater access to and more effective use of scarce water resources	0	0
3 – More responsive and accountable governance	53	5,106,340
5 – Higher education and training	0	0
7 – Healthier Palestinian families	9	2,148,729
8 – Improved community services	59	5,278,681
Total	123	\$16,525,651

For fiscal year 2002, the Mission’s plan included auditing 8 out of the 123 awards identified above with obligations totaling \$9.4 million.

Using the results of the risk assessments, RIG/Cairo, in collaboration with the Mission, plans to implement a preliminary audit strategy for providing more oversight over USAID/West Bank-Gaza program activities. In developing the strategy, we considered the following types of audits or reviews. Further, we decided that due to security conditions in the West Bank and Gaza, local audit firms under the oversight of RIG/Cairo should do these audits.

1. Financial Audits of Contractors and Grantees - These audits would include in-country costs for all awards to an entity (contracts, grants, and cooperative agreements) and would also involve testing of transactions for in-country sub awardees. Audits of U.S.-based nonprofit organizations and USAID contractors will be contracted through RIG/Cairo using local audit firms. All construction contracts related to water resources are fixed price contracts and therefore not subject to financial audits. Also, personal services contracts, purchase orders, Participating Agency Service Agreements (PASAs), and awards to UN and Public International Organizations would be excluded.
2. Agreed-Upon-Procedures Reviews - These performance reviews would address individual project activities, individual recipients, or specific issues to maintain a degree of surveillance over reported performance in achieving results.
3. Concurrent Audits - These would be either financial or performance audits that would usually start near the beginning of the project or activity. Audit results would be periodically reported throughout the implementation period. Specific audit objectives would be developed

during the audit planning process. Generally, performance audit objectives would report on the progress of the projects and verify the accuracy of the Implementing Partner's reporting to the Mission. Financial audits would generally report on whether costs are allowable, allocable and reasonable.

4. Quality Control Reviews - These reviews would assess the auditing procedures used by the local auditing firms conducting the above audits or reviews. RIG/Cairo would perform the quality reviews.

Conclusion

We suggest that USAID/West Bank-Gaza:

1. in collaboration with RIG/Cairo, finalize and implement a plan to audit all projects, starting with high priority projects and
2. formalize a system for regularly assessing the risks it faces in implementing projects and revising the audit plan accordingly.

Based on the assessments of risk, we suggest that the Mission first focus on finalizing a plan to audit the seven high priority projects shown below.

1. Sustainable Microenterprise Industry
2. Emergency Financial Services
3. West Bank Bulk Water Supply Program
4. Village Water and Sanitation Program
5. Strengthening Civil Society Organizations (TAMKEEN)
6. Higher Education Support Initiative (HESI)
7. Palestinian Legal system

The management of USAID West Bank/Gaza agreed with our risk assessments and suggestions.

Management Comments

USAID West Bank/Gaza appreciated the opportunity to comment on the report. The Mission worked closely with us during the risk assessment and had provided us with written comments to the discussion draft report. The Mission had also discussed concerns and issues during our meeting at the Mission in December.

Since we adequately addressed the Mission's previous comments and concerns, the Mission did not have any additional substantive issues to address at this time. Therefore, the Mission concurred with the risk assessment and the report's suggestions and looked forward to finalizing and implementing the audit plan.

**Scope and
Methodology**

Scope

Regional Inspector General/Cairo's risk assessment of USAID/West Bank-Gaza's strategic objectives and projects considered all major projects that were active as of March 31, 2002. The risk assessment fieldwork was conducted at the USAID office in Tel Aviv, Israel from August 11 to August 29, 2002, and from December 1 to December 5, 2002.

Methodology

We interviewed officials and reviewed relevant documentation on the strategic objective activities performed by USAID/West Bank-Gaza. These discussions and documents covered background, organization, management, budget, staffing responsibilities, prior reviews, internal controls, and vulnerabilities as we considered necessary to gain an understanding of the actual and potential problems in implementing projects.

We determined risk exposure for all projects in each of USAID/West Bank-Gaza's strategic objectives, e.g., the likelihood of significant abuse, illegal acts, misuse of resources, failure to achieve program objectives, and noncompliance with regulations and management policies. We assessed overall risk as high, moderate, or low. A higher risk exposure simply indicates that the particular function is more vulnerable to its program objectives not being achieved or irregularities occurring. We considered the following key areas in assessing risk:

1. significance and sensitivity;
2. susceptibility of failure to attain program goals, noncompliance with regulations, inaccurate reporting, or illegal or inappropriate use of assets or resources;
3. management actions to mitigate the implementation risks identified by strategic objective teams;
4. competence and adequacy of number of personnel;
5. relevant internal controls; and
6. what is already known about internal control effectiveness.

Our risk assessments of USAID/West Bank-Gaza's strategic objectives have the following limitations in their application.

- First, we assessed risk at the project level, not at the strategic objective level.

- Second, we assessed risk only. Our risk assessments were not sufficient to make determinations of the effectiveness of internal controls for major functions. Consequently, we did not generally determine (a) the adequacy of internal control design, (b) if controls were properly implemented, and (c) if transactions were properly documented.
- Third, higher risk exposure assessments are not definitive indicators that program objectives were not being achieved or that irregularities were occurring. A higher risk exposure simply indicates that the particular function is more vulnerable to such events.
- Fourth, risk exposure assessments, in isolation, are not an indicator of management capability due to the fact that risk assessments consider both internal and external factors, some being outside the span of control of management.



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Memorandum

DATE: February 13, 2003
TO: David H. Pritchard, Acting RIG/Cairo
FROM: Larry Garber, Mission Director /s/
SUBJECT: Draft Report -Risk Assessment of USAID-Financed Assistance to West Bank & Gaza (Report No. 6-294-02-xxx-S)

Mission appreciates the opportunity to comment on subject report. We have worked closely with your office on the risk assessment review over the last six months both during RIG/C visits and in response to previous drafts. We provided written comments to the discussion draft report and discussed concerns and issues with your office at our meeting at the Mission in December. We appreciate that these comments were addressed and incorporated into the report.

Since you have adequately addressed our previous comments and concerns, we do not have any additional substantive issues to address at this time. Therefore, we concur with the risk assessment and the report suggestions and look forward to finalizing and implementing the audit plan.

We have noted a couple of minor points pertaining to the report presentation which follows:

- In Appendix II for SO 2 please note that the second page for this SO shows SO 1. This should be SO2.
- In Appendix II for SO 3 there are two Program Components and Risk Rating sections. These should be combined.

The Mission greatly appreciates the effort and guidance your office has provided during your risk assessment review. We look forward to working collaboratively to address the Mission's exposure of our project activities and to implement the report's suggestions.

Clearance: William Hammink, Deputy Director /s/

Risk Assessments

Extended Private Sector Economic Opportunities

Strategic Objective 1	Risk Exposure	
Sustainable Microenterprise Industry	High	
Emergency Financial Services (Save the Children)	High	
Emergency Financial Services (CHF)	Moderate	
Banking Supervision	Moderate	
Promoting Industrial Zones and Investment Mobilization (PRIZIM)	Moderate	
Market Access Program	Low	
PALTRADE	Moderate	
Accounting and Auditing	Low	
Capital Markets Development Initiative	Moderate	
Agribusiness Support Initiative	Low	
Palestinian Enterprise Revitalization (DIA)	Moderate	
06/30/2002		
Obligations	Expenditures	Pipeline
37,749,274	26,852,786	10,896,488
Implementing Partners:		
Chemonics International, Save the Children, Cooperative Housing Foundation, Barents Group International, The Services Group (TSG), Development Alternatives, Inc. (DAI), Palestinian Trade Center – Paltrade, Deloitte Touche Tohmatsu, Financial Markets International (FMI), PASA with USDA		
Program Components and Risk Rating		
<p>Sustainable Microenterprise Industry is to produce a sustainable microfinance industry in the West Bank and Gaza. We assessed the risk high because of the difficulty in providing new financial services in the current economic climate.</p> <p>Emergency Financial Services is to continue and expand its current Group Guarantee Lending and Saving programs. We assessed the risk high because the portfolio quality has deteriorated within current the economic climate.</p> <p>Emergency financial services, CHF seeks to attain the activity’s purpose by expanding Gaza’s Home Improvement Loan Program. We assessed the risk moderate because of low dollar amount of loan size, high demand and past repayment experience.</p> <p>Banking Supervision Program seeks to strengthen the banking supervision capabilities. We assessed the risk moderate because much of the project was technical assistance and the project was near completion.</p> <p>Promoting Industrial Zones and Investment Mobilization (PRIZIM) gives institutional support to the Palestinian Industrial Estate and Free Zone Authority. We assessed the moderate because the project was rescope after construction activities are put on hold.</p> <p>Market Access Program seeks to expand economic growth through increasing the competitiveness, as well as domestic and export market share of Palestinian products. We assessed the risk low because much of the project was technical assistance to comply with international standards and an outside evaluation was recently completed.</p>		

Strategic Objective 1	
Program Components and Risk Rating	
<p>PALTRADE's main focus is on increasing the volume and value of exports from the West Bank and Gaza. We assessed the risk moderate because of support from other donors.</p> <p>Accounting and Auditing program is involved with the development of an Accounting Society; development of the Auditing Association; curriculum development; and training. We assessed the risk low because of adoption of accounting standards and the project was near completion</p> <p>Capital Markets Development Initiative is to develop the legal and regulatory framework for non-bank financial institutions. We assessed the risk moderate because efforts were focused on adopting best practices even though drafted legislation was not adopted.</p> <p>Agribusiness Support Initiative provides technical assistance services to the Palestinian agriculture sector and to support agribusiness development, which will facilitate increased agribusiness trade and investment opportunities. We assessed the risk low because USDA submitted a new work plan for implementation after the project was put on hold.</p> <p>Palestinian Enterprise Revitalization (DIA) is to stabilize existing enterprises, revitalize languishing businesses and stimulate the creation of new businesses to contribute to economic growth and job creation. We assessed the risk moderate because this is a new project.</p>	

Greater Access to and More Effective Use of Scarce Water Resources

Strategic Objective 2		Risk Exposure
Gaza Desalination Plant		Moderate
Gaza Regional Water Carrier		Moderate
Gaza Coastal Aquifer Management		Moderate
West Bank Bulk Water Supply Program		High
Village Water and Sanitation Program		High
Emergency Water Pipeline Ein Sultan		Moderate
Emergency Water Pipeline Jalameh		Moderate
Emergency Water Operations Center		Moderate
Gaza Demonstration Projects		Moderate
06/30/2002		
Obligations	Expenditures	Pipeline
89,066,003	58,671,783	30,394,220
Implementing Partners: Metcalf & Eddy, Camp, Dresser & McKee, Contrack International CH2MHill, Environmental Health Project		
Program Components and Risk Rating		
<p>Gaza Desalination Plant seeks to augment the water supply in Gaza and prevent further deterioration to the aquifer from over extraction and seawater intrusion. This project is still in the planning stages. Even though the contract for this project has not yet been awarded, we assessed the risk moderate because of the proposed high dollar amount of the project.</p> <p>The Gaza regional water carrier is to deliver desalinated and other water to local distribution points within Gaza. Even though the contract for this project has not yet been awarded, we assessed the risk moderate because of the proposed high dollar amount of the project.</p> <p>Gaza Coastal Aquifer Management Program (CAMP) is to manage the limited capacity coastal aquifer system to exploit fully, in an environmentally safe manner, its utilization as a sustainable source of water supply. We assessed the risk moderate because the much of the project has been completed.</p> <p>West Bank Bulk Water Supply Program is constructing production wells, transmission pipelines, and monitoring wells in the West Bank in accordance with the Master Plan developed under Water Resources Program Phase I and adopted by the Palestinian Water Authority (PWA). We assessed the risk high because the project is a high dollar project with a completion date in early 2003.</p> <p>Village Water and Sanitation Program purpose is to provide safe and sustainable water and sanitation services to rural towns in the West Bank. We assessed the risk high because much of the project is on hold.</p> <p>Emergency Water Pipeline Ein Sultan purpose is to respond to emergency water needs in Ein Sultan Refugee Camp and connect new source of water from Duyuk Spring. We assessed the risk moderate because of the emergency nature of the project.</p> <p>Emergency Water Pipeline Jalameh purpose is to respond to emergency water needs in Jalameh Village area and connect new source of water for northern Jenin. We assessed the risk moderate because of the emergency nature of the project.</p>		

Strategic Objective 2	
Program Components and Risk Rating	
Emergency Water Operations Center	purpose is to increase water security in the West Bank and Gaza by repairing damaged infrastructure, replacing depleted stocks, and providing equipment essential to emergency preparedness, especially in response to military damages in the West Bank. We assessed the risk moderate because of the large dollar amount of commodities involved.
Gaza Demonstration Projects	purpose is to provide a way for the PWA to measure well discharge from the Agricultural wells, to better understand the patterns and rates of withdrawal from these wells and set a framework for the future introduction of agricultural water tariff. We assessed the risk moderate because the much of the project is technical assistance.

More Responsive and Accountable Governance

Strategic Objective 3		Risk Exposure
Strengthening Civil Society Organizations TAMKEEN (Chemonics)		High
Civil Society (PASSIA)		Low
Civil Society (IRI)		Moderate
Palestinian Legislative Council (ARD)		Moderate
Rule of Law (DPK)		High
Rule of Law (AMIDEAST)		Moderate
06/30/2002		
Obligations	Expenditures	Pipeline
44,069,359	33,143,070	10,926,289
Implementing Partners: Chemonics International, The Palestinian Academic Society for the Study of International Affairs (PASSIA), International Republican Institute (IRI), World Learning, Associates in Rural Development, Inc. (ARD), DPK Consulting, Inc., AMIDEAST		
Program Components and Risk Rating		
<p>Strengthening Civil Society Organizations (TAMKEEN) provides grants to Palestinian civil society organizations for programs to strengthen the Palestinian democratic process by advocacy across sectors including health, education, etc. We assessed the risk high because the program is relatively new, is projected to increase in size, and there are large numbers of sub-awards to administer.</p>		
<p>Civil Society (PASSIA) trains civil society leaders in policy analysis, communication skills, strategic planning, management and conflict resolution. We assessed the risk low because this is a direct cooperative agreement to a think tank which is audited annually.</p>		
<p>Civil Society (IRI) provides resources and technical assistance to two Palestinian civil society organizations and is expected to enhance their ability to effect positive change in Palestinian policies through the provision of objective and timely information and policy and public opinion analysis to policy makers. We assessed the risk moderate because activities were suspended once under this cooperative agreement.</p>		
<p>Palestinian Legislative Council (ARD) project seeks to strengthen the Palestinian Council (PC) by working with elected members and staff, related executive branch units and ministries, and civil society. We assessed the risk moderate because USAID plans to do an evaluation and the program is ending.</p>		
<p>Rule of Law (DPK) is to develop the elements of an effective Palestinian Legal System. The program is providing training via video conferencing even though security concerns make it difficult for some partners to devote much attention to reform programs. We assessed the risk high because the Strategic Objective team has not had previous experience with the two sub-awardees.</p>		
<p>Rule of Law (AMIDEAST) rule of law project seeks to improve the quality of legal services in the West Bank and Gaza by increasing the capacity of Palestinian lawyers to contribute to the rule of law, and to protect the rights and freedoms of parties in civil and criminal cases. The project was cancelled after spending \$2 million. We assessed the risk moderate because these expenditures will be audited under the A-133 program.</p>		

Higher Education and Training

Strategic Objective 5		Risk Exposure
Higher Education Support Initiative (HESI)		High
Arab American University of Jenin		Low
University Linkages (UPLINK)		Moderate
06/30/2002		
Obligations	Expenditures	Pipeline
9,188,354	5,546,765	3,641,589
Implementing Partners: Academy for Educational Development, Utah State University, The Association Liaison Office, World Learning-AMIDEAST		
Program Components and Risk Rating		
<p>Higher Education Support Initiative (HESI) focuses on the immediate needs of local Palestinian higher education institutions and local student body by providing local undergraduate (2 & 4 year) scholarships to talented and needy students. We assessed the risk high because Students may delay their return from the U.S. due to the economic conditions in West Bank and Gaza thus undermining program goals.</p> <p>Arab American University of Jenin provides administrative and academic guidance, including faculty and curriculum development and mentoring, to the Arab American University of Jenin to render the Department of Agriculture functional. We assessed the risk low because the dollar amount of funding is small.</p> <p>University Linkages (UPLINK) seeks to increase the capacity of the higher education system to address public and private sector needs through activities such as faculty and staff upgrading, curriculum development, faculty/staff/student exchanges, short-term studies, joint research ventures, revenue generation, and outreach activities. We assessed the risk moderate because of the difficulty in arranging conferences due to restrictions on Palestinian travel.</p>		

Healthier Palestinian Families

Strategic Objective 7		Risk Exposure
Emergency Medical Assistance Program (EMAP)		Moderate
Community Psychosocial Support Project		Low
Improved Maternal Child Health (MARAM)		Moderate
Child Health Research		Low
Field Epidemiology Training Program		Low
Pilot Health Project (Macro)		Low
06/30/2002		
Obligations	Expenditures	Pipeline
25,050,645	10,842,427	14,208,218
Implementing Partners: CARE International, Save the Children Federation PricewaterhouseCoopers, The Johns Hopkins University, Centers for Disease Control and Prevention , Macro International		
Program Components and Risk Rating		
<p>Emergency Medical Assistance Program (EMAP) plans to sustain and strengthen the healthcare system in the West Bank and Gaza, in order to maintain the well-being of Palestinians who are threatened by violence and economic and social dislocation associated with the Israeli-Palestinian conflict. We assessed the risk moderate because there are many sub-awards varying from \$50,000 to \$270,000.</p> <p>Community Psychosocial Support Project assists children and youth in dealing with the current conflict situation, through appropriate psychosocial interventions. We assessed the risk low because of a strong U.S. implementing partner and USAID is in very regular contact and receives voluntary weekly updates.</p> <p>Improved Maternal Child Health (MARAM) is to improve the accessibility and sustainability of quality primary health care services with a focus on women and children through clinical training, capacity building, physical refurbishment, provision of equipment, surveillance, and health prevention, counseling and education. We assessed the risk moderate because some portions of the project have been put on hold.</p> <p>Child Health Research is to improve the quality of antenatal and postpartum care provided for mothers and infants. We assessed the risk low because the project is a long term study with a strong Palestinian implementing partner.</p> <p>Field Epidemiology Training Program is to assist in building capacity in the areas of applied epidemiology and to enhance public health practices. We assessed the risk low because the dollar amount of funding is small.</p> <p>Pilot Health Project (Macro) is to improve To improve the quality of antenatal and postpartum care provided for mothers and children and to upgrade the research capabilities of Palestinian research institutions. We assessed the risk low because the project has been put on hold since FY 2001.</p>		

Improved Community Services

Strategic Objective 8		Risk Exposure
Community and Rural Services Program		Moderate
Village Services Program (VSP)		Moderate
Emergency Employment Generation		Moderate
Job Opportunities through Basic Services (JOBS)		Moderate
06/30/2002		
Obligations 120,472,646	Expenditures 62,752,825	Pipeline 57,719,821
<p>Implementing Partners: YMCA, Cooperative Housing Foundation, Catholic Relief Services, Save the Children Federations, American Near East Refugee Aid, International Youth Foundation, United Nations Development Program, CARE International, World Vision, Inc., United Palestinian Appeal Inc.</p>		
Program Components and Risk Rating		
<p>Community and Rural Services Program (CRSP) awarded funds to five organizations. These organizations undertook activities in 90 communities in the West Bank and Gaza. The activities began in late 1999 and resources are being used to construct or rehabilitate basic community infrastructure, improve access to social services, and develop small-scale sustainable income and employment generation opportunities. We assessed the risk moderate because there are many sub-awards, spread out over many sites which at times are difficult to implement and monitor because of closures. The risk is mitigated by the Mission's plan to audit the sub-awards.</p>		
<p>Village Services Program (VSP) began in late 2000, during the first months of the Intifada. Grants were made to seven organizations. This program expands upon the work being done in the CRSP, adding 85 more communities, with a population of almost 400,000 people. As with CRSP, VSP is being implemented in needy, under-served, rural communities. There is a focus on working in clusters of communities, maximizing impact. The types of activities being implemented are similar to those being carried out under CRSP. We assessed the risk moderate because there are many sub-awards, spread out over many sites which at times are difficult to implement and monitor because of closures. The risk is mitigated by the Mission's plan to audit the sub-awards.</p>		
<p>Emergency Employment Generation (EEGP) began in June 2001. USAID made awards to five organizations. The EEGP emphasis is on job creation activities. This program is being implemented in needy communities, both rural and urban, throughout the West Bank and Gaza. It is expected that this program will increase the total number of Palestinian communities being served by the overall Community Services Program to 243. We assessed the risk moderate because there are many sub-awards, spread out over many sites which at times are difficult to implement and monitor because of closures. The risk is mitigated by the Mission's plan to audit the sub-awards.</p>		
<p>Job Opportunities through Basic Services (JOBS) began in July 2002. USAID made awards to six organizations. This program is an employment generation/rural development program. Interventions include: 1) construction, rehabilitation and extension of educational facilities; 2) construction of a health and emergency center; 3) development of basic municipal infrastructure; 4) vocational training and skills development of laborers. We assessed the risk moderate because there are many sub-awards, spread out over many sites which at times are difficult to implement and monitor because of closures. The risk is mitigated by the Mission's plan to audit the sub-awards.</p>		