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REPORT BY THE
Comptroller General
OF THE UNITED STATES

9005

**Agency For International Development
Needs To Strengthen Its Management
Of Study, Research, And
Evaluation Activities**

AID needs better information on the amount it spends for studies, research, and evaluations. AID needs to strengthen its management control over these activities because it does not

- give adequate consideration to information already available before contracting for more studies and research,
- assure itself that it has received the product which it contracted to buy, and
- disseminate this information effectively to others.

The report was made at the request of the Chairman, Subcommittee on Foreign Operations, Senate Committee on Appropriations.



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FEBRUARY 12, 1979





COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-133220

The Honorable Daniel K. Inouye
Chairman, Subcommittee on Foreign
Operations
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

This report identifies weaknesses and deficiencies which continue to exist in the Agency for International Development management of contracts and grants for study, research, and evaluation activities. We made this review pursuant to your June 29, 1978, request. The scope of the review was determined during subsequent meetings with your office.

In accordance with your wishes, we have not obtained written comments from the Agency, but did discuss our findings with Agency officials and considered their comments in preparing the report.

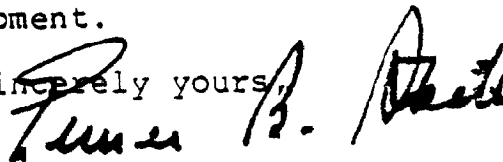
The report contains several recommendations to the Agency Administrator concerning improvements needed in various areas of management. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the Agency's first request for appropriations made more than 60 days after the date of the report.

B-133220

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.

Copies of the report will be sent to the Director, Office of Management and Budget; and the Administrator, Agency for International Development.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Heath". The signature is written in a cursive style with a large initial "J" and "H".

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE SUBCOMMITTEE
ON FOREIGN OPERATIONS, SENATE
COMMITTEE ON APPROPRIATIONS

AGENCY FOR INTERNATIONAL
DEVELOPMENT NEEDS TO
STRENGTHEN ITS MANAGEMENT
OF STUDY, RESEARCH, AND
EVALUATION ACTIVITIES

D I G E S T

During fiscal years 1977 and 1978, the Agency For International Development (AID) obligated \$109 million and \$90 million for services from contractors such as studies, research, and evaluations. The amount projected for fiscal year 1979 was \$105 million. (See p. 2.)

Some categories of Agency-funded studies and research were not included in fiscal year 1977 such as

- Host-country technical services--
about \$600,000;
- Support of the international agriculture research centers--about \$19 million; and,
- Research components of development projects. (See p. 4.)

The Agency cannot readily determine the full amount it spends for studies, research, and evaluations because its management reporting systems are not designed to provide this.

The Agency needs better information on how much study, research, and evaluation it is supporting to judge whether amounts expended are proportionate to the size of the Agency's program. This information would allow the Agency to review and assess its overall research to assure proper balance. (See pp. 4 and 5.)

ID-79-13

The Agency does not

- give adequate consideration to information already available to the U.S. Government before contracting for more studies and research;
- assure itself that it has received contracted for products; and,
- disseminate systematically its information to others within the Agency and the Federal Government.

These conditions may lead to buying information already available to the U.S. Government and to a reduction in the impact on Agency programs. (See pp. 11 to 17.)

A recent development in this area is a tentative proposal to introduce a Foundation for International Technological Cooperation in fiscal year 1980 as a means of improving technological cooperation with developing countries. (See p. 18.)

RECOMMENDATIONS TO THE AGENCY ADMINISTRATOR

The AID Administrator should:

- Require that the Agency's management information system identify research and study efforts and their costs. (See p. 5.)
- Require responsible officers to certify that available information has been obtained, analyzed, and considered before contracts or grants for studies and research are authorized. (See p. 11.)
- Expand coordination and information exchange within the Agency and with other Federal agencies and donors. (See p. 11.)

--Act to assure that Agency managers exercise appropriate surveillance over contractor activities and complete and use properly contractor performance evaluation reports. (See p. 14.)

--Require that appropriate information on Agency-funded studies and research be sent to the National Technical Information Service and the Smithsonian Science Information Exchange. (See p. 17.)

In accordance with the wishes of the subcommittee, GAO did not obtain written comments from the Agency, but did informally discuss its findings with Agency officials and has considered their comments in preparing this report. These officials agreed with the intent of the recommendations to strengthen management control and improve coordination of study, research, and evaluation activities.

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ABBREVIATIONS

AID	Agency for International Development
DIU	Office of Development Information and Utilization
FITC	Foundation for International Technological Cooperation
GAO	General Accounting Office
NTIS	National Technical Information Service
SSIE	Smithsonian Science Information Exchange

CHAPTER 1

NEED FOR BETTER INFORMATION ON STUDIES, RESEARCH, AND EVALUATIONS

INTRODUCTION AND SCOPE

The Chairman, Subcommittee on Foreign Operations, Senate Committee on Appropriations requested us to review Agency for International Development (AID) contracts and grants for studies, research, and evaluations. (See app. I.) AID provided the subcommittee with a listing of such contracts and grants for which there were obligations in fiscal year 1977. The subcommittee requested us to obtain comparable amounts for fiscal years 1978 and 1979. For selected cases we were also requested to examine the need for, and the quality, use, and dissemination of the end products of studies, research, and evaluations.

We reviewed AID legislative authority for awarding contracts and grants for studies, research, and evaluations; its policies, procedures, and practices for initiating, monitoring, and evaluating them; and the uses of their results. We examined files for selected contracts and grants and had discussions with AID officials in Washington, D.C. and AID missions in the Philippines, Thailand, Pakistan, Jordan, Kenya, Senegal, Chile, Jamaica, and Guatemala.

The Foreign Assistance Act of 1961, as amended, provides that AID should use, to the maximum extent possible, the facilities and services of the private sector in carrying out its assistance programs. Studies, research, and evaluations are specifically authorized under various provisions of the act. Examples follow.

- Sec. 104(e)(2). The President is authorized to study the factors affecting population growth in developing countries.
- Sec. 106(a)(3). The President is authorized to carry out programs of research into, and evaluation of, the process of economic development in less developed countries and areas.
- Sec. 118(c). The President shall carry out studies to identify the major environment and natural resource problems, and the institutional capabilities to solve those problems, which exist in developing countries.

--Sec. 125. The Administrator of AID is directed to improve the assessment and evaluation of the programs and projects carried out under this chapter.

--Sec. 281(c). In the allocation of funds for research under this chapter, emphasis shall be given to research designed to examine the political, social, and related obstacles to development.

FUNDING OF STUDIES, RESEARCH,
AND EVALUATIONS

In November 1977, the subcommittee requested AID to provide a listing of AID-sponsored study, research, and evaluation funded during fiscal year 1977. (See app. II.) AID responded to this request in June 1978. (See app. III.) In November 1978, AID completed similar listings showing funds obligated during fiscal year 1978 and projected obligations in fiscal year 1979. The following table reflects these figures.

<u>Category</u>	<u>Fiscal Year</u>		
	<u>1977</u>	<u>1978</u>	<u>1979</u>
	------(000 omitted)-----		
Studies			
Regional bureaus	\$ 47,561	\$24,048	\$ 32,895
Central bureaus	<u>10,364</u>	<u>9,318</u>	<u>9,869</u>
Total	\$ <u>57,925</u>	\$ <u>33,366</u>	\$ <u>42,764</u>
Research			
Regional bureaus	1,933	2,388	3,742
Central bureaus	<u>45,335</u>	<u>51,441</u>	<u>54,145</u>
Total	\$ <u>47,268</u>	\$ <u>53,829</u>	\$ <u>57,887</u>
Evaluations			
Regional bureaus	1,485	1,643	3,074
Central bureaus	<u>1,995</u>	<u>879</u>	<u>1,340</u>
Total	\$ <u>3,480</u>	\$ <u>2,522</u>	\$ <u>4,414</u>
TOTAL	\$ <u>108,673</u>	\$ <u>89,717</u>	\$ <u>105,065</u>

Details showing the various categories of these activities and AID organizational elements involved are in appendix IV.

For fiscal years 1978 and 1979, the significant decrease in the amount for studies for the regional bureaus was attributed to reduced funding of certain security supporting assistance projects in Egypt.

AID generally described its activities as follows.

Studies

- Problem and sector analyses to (1) identify obstacles to social and economic development and (2) propose a means for removing these obstacles. Such analyses identify areas in need of attention by recipient countries and development assistance donors. AID projects are developed based on issues presented in such analyses.
- Prefeasibility, feasibility, and project design studies to (1) ensure project success and (2) minimize project costs.
- Women in development studies seek to assess and promote the participation of women in the development process in developing countries.
- Environmental studies are usually related to proposed projects and are used in project analyses.
- Macroeconomic studies develop overall strategies for programs and contribute to project and sectoral decisions.

Research

- Research is a very general category that includes efforts to gather data and undertake basic investigations on areas of primary concern to AID. We were advised that there is no uniform definition of research.

Evaluations

--Evaluations ensure that projects are proceeding as planned and assess whether projects achieved their intended objectives.

Certain categories were not included in the AID listing for 1977, including

--AID-funded, host-country technical services contracts, amounting to about \$600,000 and

--centrally funded support of the international agriculture research centers, amounting to about \$19 million.

In addition, the research components of development projects were not included in the listing for fiscal years 1977, 1978, and 1979. AID does not know the full amount of such research. Further, such information would not be easy to accumulate. AID estimated that for fiscal year 1978 the amount of such research was about \$26 million.

AID officials told us that research components of development projects were not included in the listings because, in addition to research, the projects primarily included the delivery of goods and services and were, therefore, outside the context of the subcommittee request.

AID cannot readily determine the full amount of appropriated funds it spends for studies, research, and evaluations. Further, it cannot readily determine the amount of research in specific areas of development because its accounting and control systems do not provide such information.

AID required substantial time to compile the information the subcommittee requested because it was necessary to manually screen computer listings of all contracts and grants to identify these activities.

CONCLUSIONS AND RECOMMENDATION

AID reported obligating about \$195 million for studies, research, and evaluations in fiscal years 1978 and 1979. It should be recognized that substantial amounts of research components of development projects were omitted. AID cannot readily determine the full amount it spends for studies, research, and evaluations, nor can it readily determine amounts spent on research for specific development areas through its present reporting systems.

We were advised that AID is currently reviewing the effectiveness of its management of studies, research, and evaluations and plans to strengthen its computer system to facilitate future reporting. We believe AID should have better information on how much research it is supporting to judge whether this is proportionate to the size of the total program. Such information would also allow AID to review and assess the distribution of its overall research by activity to assure proper balance. Accordingly, we recommend that the AID Administrator require that AID's management information system identify study, research, and evaluation efforts by functional assistance areas.

CHAPTER 2

IMPROVEMENTS ARE NEEDED IN AID MANAGEMENT OF STUDIES, RESEARCH, AND EVALUATIONS

The purpose of awarding contracts and grants for studies, research, and evaluations is to obtain information that is not otherwise available. Our review has shown that AID does not (1) give adequate consideration to information already available to the U.S. Government before contracting for more studies and research, (2) assure that it has received the product for which it contracted, and (3) disseminate the information to others systematically within AID and the Federal Government. We attribute this to several weaknesses in AID management procedures and practices for justifying, coordinating, monitoring, and utilizing studies, research, and evaluations.

The subcommittee, GAO, and AID have previously expressed concern about the volume of study and research and with the AID management of these activities. During fiscal year 1979 appropriations hearings, the Chairman of the Subcommittee on Foreign Operations, Senate Committee on Appropriations raised serious and pertinent questions on AID's need to contract for studies. He was concerned that AID did not use its own experienced resources for developing information. The AID Administrator had stated that

"* * * too much of the Agency's funds are spent on studies and preparing to act and too little in actually delivering goods and services to the poor majority * * *."

However, in June 1978 the Administrator stated that the amount spent on studies, research, and evaluations is proportionate to the size and diversity of AID's program.

A November 1977 internal AID draft report pointed out that about 20 percent of total grant funding within AID regional bureaus was used for research-type activities. This same report stated that a sizable part of regional research would apply outside the specific geographical areas in which the research was done, and that a greater exchange of information and coordination among AID bureaus would enhance the usefulness of research results, possibly preventing some duplication.

We issued several reports on AID contracting and grant practices which pointed out weaknesses in AID procedures for determining need and using the information purchased. Examples of our report comments follow.

1. ID-78-22, "Need to Improve AID's Project Management and Contracting Practices and Procedures"

In this March 14, 1978, report, we pointed out that (1) the development of requirements for proposed procurements has not been given sufficient attention and (2) AID monitoring of the contract or grant implementation and the contractor efforts to satisfy goals and objectives was weak.

2. ID-76-57, "Strengthening and Using Universities as a Resource for Developing Countries"

In this May 5, 1976, report, we pointed out that (1) agreements for services were often based on the unsolicited proposals of universities, (2) services procured were not always directly related to the immediate AID programming needs, and (3) AID generally made awards on the basis of subjective consideration without competitive cost or technical proposals.

3. ID-76-56, "Agency for International Development Relationships with Airlie Foundation and George Washington University's Department of Medical and Public Affairs"

In this April 29, 1976, report, we pointed out that AID has not systematically and independently evaluated the products produced by the foundation. Further, it has not evaluated the effectiveness of the grant's primary activity.

In our view the concerns of the subcommittee and some of the management weaknesses we previously reported and AID recognized continue to exist. Information obtained during this review reemphasized the need for AID to improve its management controls in determining need, assuring quality through meaningful evaluation, and making effective use of studies, research, and evaluations.

DETERMINING THE NEED FOR INFORMATION

Over the years, AID and other international donor organizations have devoted significant resources to gathering information on such subjects as food, nutrition, education, population, and health. This information is used, and could

be used further, to develop projects which deliver goods and services to less developed countries. Recognizing this, in 1978 the AID Administrator stressed the importance of making program management decisions on organized and broadly based analyses of relevant prior experience. He said that most of today's questions can at least partially be answered through a serious examination of AID's vast development experience.

AID procedures do not require that managers requesting information through contracts and grants for studies and research first determine the extent of information already available and then analyze it to assure themselves that their new information needs could not be satisfied with study and research already completed and paid for.

We selected 25 study and research activities (see app. V) for which AID obligated \$10.2 million through September 1978. We screened them against available reference listings detailing the topics of study and research efforts ongoing or already completed and paid for by AID, other U.S. Government agencies, and international organizations. The results of this screening produced numerous studies and research with information related to the subjects of the contracts or grants awarded by AID. For example, on one contract awarded by AID for population policy analysis, we found numerous studies have been completed or were ongoing over the past 9 years on the same general subject.

We believe AID should analyze information already available before awarding contracts for information about the same general subjects. The following example illustrates our point.

Kenya agricultural development

In January 1977, AID issued a \$53,984 contract work order to a U.S. firm to review Kenya's manpower, training, and research needs in support of the Integrated Agriculture Development Program. The contractor team was asked to

- investigate total Government of Kenya manpower needs in agriculture, including extension service, manpower utilization, and appropriateness of development of manpower, and identify manpower constraints which will affect future agricultural development activities;

--deal with agricultural training institutions in Kenya with emphasis on analysis of preservice training requirements, including needs; and

--deal with Government of Kenya's research establishment and research requirements with reference to methodologies and technologies related to small farmers.

The scope of work was completed in February 1977 and the same contractor returned to Kenya in June 1977 to carry out the proposed studies. The contract period was extended to April 1978 so the contractor could define the impact of alternative policy options on Government of Kenya operating methods and reorganization. Total cost of these studies was about \$231,000.

Over the years, AID has sponsored many agricultural research projects which we believe should have been analyzed before awarding contracts. We asked AID personnel whether a literature search had been done before contract award and learned that none had been done.

In January 1979, we queried several data banks to determine whether other studies had been done by AID or other agencies that related to the scope of the Kenya study. We found that many studies and reports were available from 1970 through 1977 that may have served AID purposes. A few of the references are cited below.

1. "Books and Periodicals for Agricultural Education and Training in Africa." This 103-page document prepared by the Food and Agriculture Organization refers to books listed under 49 subject headings relevant to all aspects of agriculture.
2. "Agricultural Education in Kenya." This article appeared in a March 1970 edition of the Agricultural Education Magazine.
3. "Agricultural Education and Rural Development; Some Problems and Approaches in Kenya." This paper, prepared in 1976, cites problems relating to agricultural education in Kenya and describes innovations introduced at Kenya's training institute at Bukura.

4. "Guinea Agricultural Production Capacity and Training Project." AID sponsored the design and development of this project in 1976.

AID analyses of existing information in tandem with its experience and expertise may have satisfied some needs without awarding contracts. In the absence of a reasonable attempt to satisfy information requirements from available data sources before contracting for information, there is no assurance that the limited resources for development assistance are not needlessly expended.

NEED TO IMPROVE COMMUNICATION AND COORDINATION

Adequate coordination of activities is essential if the most effective use of resources invested in development assistance is to be realized. Just as it is important to determine the availability of existing information, it is equally important for the various AID organizations to maintain adequate internal communication and coordination. AID, however, has no formal system for coordinating agencywide study, research, and evaluation activities and, in our opinion, has no assurance that it is not buying information that is already in the U.S. Government inventory.

Each AID bureau operates somewhat independently in initiating and approving studies and research. There is no central supervision of the total program. Consequently, other bureaus and missions are not always aware of other research or anticipated results. Likewise, central bureau offices are not always informed of research efforts at the mission level. We were advised that most research funded by central bureaus is reviewed by AID's Research Advisory Committee. We think this is important, however, as pointed out in an internal AID report, a substantial amount of AID's research occurs in regional bureaus. This research receives no such scrutiny. Washington and field project managers claim to obtain much of their information on other activities through informal discussions with their counterparts within the bureau and, occasionally, outside the bureau.

Our analysis of AID listings of studies, research, and evaluations disclosed several topics, such as rural electrification and agriculture, farm, and rural credit, where various AID bureaus and missions had undertaken numerous studies and research in the same general development areas.

For example, rural electrification feasibility studies have been done in Jordan, Pakistan, and Indonesia. There is no formal exchange of information on the progress and problems experienced by other countries. Sharing and coordinating the information developed in regional locations is important because, as AID itself recognized, a substantial part of regional research has interregional application.

CONCLUSIONS AND RECOMMENDATIONS

AID needs a more effective system for determining and using the extensive study and research previously done by AID and others, and needs to take full advantage of study and research existing outside AID. Also, there is limited communication and coordination between the AID central and regional bureaus even though they are often involved in study and research in the same functional development areas. To avoid purchasing information that may be already available and to expand the use of research findings for a greater impact on current programs, we recommend that the AID Administrator

- require officers responsible for requesting information through contracts or grants for study and research to certify that specifically identified information data banks, both within and outside AID, have been screened and that available information will not satisfy the requirements for which contracts or grants are authorized; and

- expand coordination and information exchange within AID and with other Federal agencies and donors.

NEED TO ASSURE QUALITY PRODUCTS

Effective investment of public funds in studies and research depends largely on the quality and use of the information purchased. We found that AID needs to exercise a greater degree of surveillance over contractor performance to assure itself that the information purchased could be used in the form provided. To assure quality products, AID needs to take vigorous action to improve its study and research monitoring.

A tool available to AID staff for assuring that contractor performance meets standards is the contractor performance evaluation report. Project managers are required to prepare this document (1) 6 months after contracts are awarded, (2) annually, and (3) on contract completion. We were told there is no comparable document for rating grantee performance.

Contractor performance evaluation reports were not in the project files for some of the contracts we reviewed, and those that were prepared generally gave the contractors satisfactory ratings. Some AID personnel questioned the reliability of the ratings because they were not considered accurate reflections of contractor work and were not used in contracting decisions. In our May 5, 1976, report, "Strengthening and Using Universities as a Resource for Developing Countries," we pointed out that AID technical personnel often did not prepare the regular contractor performance evaluation reports, and that the Inspector General of Foreign Assistance found that many evaluation reports did not accurately reflect actual situations.

Our review of AID files and discussions with project officials showed instances of inadequate monitoring which led to unnecessary expenditures and products that could not be used. The Guatemala education-sector assessment illustrates this point.

Guatemala education-sector assessment

Our analysis showed that AID did not determine the availability of existing information before awarding a contract for an assessment of the Guatemala education sector, and that numerous studies and research on education in Guatemala had been done by AID, other U.S. Government agencies, and international organizations. When we asked AID why it could not do the work itself--with its broad experience in both education and Guatemala--we were told that the mission and headquarters were understaffed. Three separate contractors, however, could not satisfactorily complete this assessment. Ultimately, AID had used its own personnel to obtain an acceptable product. AID spent \$32,668 on the three contracts, not including staff travel and salary costs.

First contract

On September 5, 1975, AID signed a contract with a U.S. educational institution for \$38,000 to provide an assessment of the education sector in Guatemala, to act as team leader for other contractors providing input to the assessment, and to synthesize their work by January 30, 1976.

The contractor's draft of the assessment was received by the Guatemala AID mission in late July 1976, approximately 6 months past the scheduled completion date. AID officials reviewed the draft and found it to be substantially inadequate because conclusions and recommendations were not included and

the assessment did not adequately outline program guidelines for AID. Consequently, AID could not use the contractor's product.

According to AID officials, the contractor's product was inadequate because (1) the contractor overextended himself on other commitments and did not devote as much time to the assignment as originally planned and (2) AID monitoring of the contract was inconsistent. AID disbursed a total of \$17,793 for this contract.

Second contract

On March 15, 1977, AID signed a second contract with another U.S. contractor for \$6,241 to rewrite and edit the draft prepared by the first contractor and to include a summary section with conclusions and recommendations. This was 8 months after receiving the first contractor draft.

AID terminated this contract on July 12, 1977, because the contractor was unable to complete the work requirements satisfactorily. One AID official who reviewed the contractor's work stated that it was completely inadequate and could not be used. Total disbursements for this contract were \$4,175.

Third contract

On August 12, 1977, AID signed a contract with a third U.S. contractor for \$10,700 to produce a final assessment report using the first contractor's draft and conducting additional data and materials analysis. The contract specifically required an executive summary and recommendation section, and a section on the implications of the 1976 earthquake in Guatemala.

In December 1977, AID received the contractor's final draft, but was dissatisfied with it because the draft did not

- include recommendations for AID and Government of Guatemala action;
- identify constraints to education-sector improvement;
- provide an analytical, action-oriented treatment of issues; and
- have an executive summary.

AID officials told us that the third contractor's product was inadequate because (1) the Guatemala mission education unit was inadequately staffed to effectively monitor this effort and (2) the contractor did not spend enough time in Guatemala. According to AID officials the contractor was in Guatemala for approximately 3 weeks--insufficient time to properly complete the assessment. AID disbursed a total of \$10,700 for work performed under this contract.

To produce an acceptable assessment, the Guatemala AID mission requested that AID send a team to reorganize, rewrite, and edit the third contractor's final draft. The AID headquarters team, assisted by an employee of the contractor, completed the assessment in February 1978. AID reviewed and approved the assessment on June 6, 1978. Although the information finally developed was used to propose four educational development projects in Guatemala, we believe it was on the basis of the AID internal input and knowledge as opposed to the products submitted by the contractors.

Moreover, even though AID requires a contractor performance evaluation report, we found that AID only prepared the evaluations on one of three contractors. Furthermore, we could not determine what, if any, action AID took against the contractors for not complying with the contract terms.

CONCLUSIONS AND RECOMMENDATIONS

AID should monitor and review all studies, research, and evaluations performed by contractors to assure that their products are usable and of high quality. We believe AID needs to exercise a greater degree of surveillance over contractors performing studies, research, and evaluations to assure itself that the information purchased could be used in the form provided. Accordingly, we recommend that the AID Administrator take action to assure (1) appropriate surveillance over contractor activities and (2) proper completion and use of contractor performance evaluation reports.

NEED TO IMPROVE DISSEMINATION OF INFORMATION

The effectiveness of development assistance efforts largely depends on the quality and availability of information managers use in making policy and project decisions. In addition to AID, numerous other agencies as well as international organizations support various forms of development assistance and generate a great deal of information. Without a system to collect, catalog, analyze, and disseminate pertinent information so it can be used by other donor

organizations in decisionmaking processes, there is likelihood that available information will not be used most effectively.

Our review of AID procedures showed that AID did not have an effective system in place for collecting and disseminating information generated in the process of its own development assistance efforts. Furthermore, AID did not systematically disseminate this information to data sources that could be used by other donor organizations.

The AID institutional memory
is not complete

In January 1976, AID established an information unit to serve as the AID institutional memory of recorded information, and to provide project managers with information on the variety of ways AID and other organizations have attempted to solve specific development problems. Currently, the stated objective of the Office of Development Information and Utilization (DIU) is to provide various kinds of technical information services to all AID personnel worldwide, including

- information on AID project experience to assist in selecting the best alternative approaches for development problems,
- technical materials developed under AID sponsorship,
- project and technical knowledge from other international assistance organizations, and
- relevant technical information from other libraries and data bases.

DIU became operational in February 1978 and brought together information and data resources operating in various bureaus and offices. AID officials stated this step has strengthened agencywide collection and dissemination of information. However, the progress of collecting pertinent information has been slow, and as of January 1979, DIU was not considered to be complete. Although some instructions have been issued that require contractors and certain AID offices to submit documents to DIU, an agencywide procedure covering all AID organizations has not been established.

We queried the DIU data bank on 25 individual study, research, and evaluation activities--completed and ongoing--to determine what information was in this system for use by other AID organizations. We found that DIU had some information--reports and project papers--on 11 activities, but it

had no data on the remaining 14 study, research, and evaluation activities. DIU personnel advised us that some information, such as interim and final reports was available on 11 of the 14 activities at various regional and central bureau offices and in one mission. For 3 of the 25 activities, DIU personnel could find no information.

DIU officials told us that steps are being taken to improve completeness of its data base by

--attempting to obtain information on all projects active in September 1974 and thereafter and

--requesting missions to send documents for input into the DIU information system.

AID study and research products not available to other data sources

External automated information systems have been established and are operational so that information pertaining to ongoing studies and research and the findings generated through these efforts would be available for use by others. The principal repository for information on Government ongoing research is the Smithsonian Science Information Exchange (SSIE). For completed research, such repository is the National Technical Information Service (NTIS).

Although AID has access to the NTIS data base, AID was not systematically providing information generated through its efforts to NTIS. Currently AID does not have a requirement nor the capability to transfer its information to NTIS. AID input to NTIS has traditionally been limited because NTIS was charging for converting AID documents into machine-readable form. According to one AID official, AID plans to discuss with NTIS the feasibility of transferring its information to NTIS.

Similarly, AID has not systematically sent information on its ongoing research efforts to the SSIE for inclusion in the current research data bank. Some information on AID research has been placed, however, in SSIE, primarily through AID-published reports on technical service contracts and grants.

CONCLUSIONS AND RECOMMENDATION

AID system for collecting and disseminating the results of its studies and research needs to be improved. In our view a systematic method for collecting and disseminating research information would have a greater impact on AID programs. Disseminating information to such data banks as

SSIE and NTIS could bring the results of AID study and research efforts to other donors and further expand its use. To achieve this goal, we recommend the AID Administrator require that appropriate information on AID-funded studies and research be sent to SSIE and NTIS.

CHAPTER 3

A PLAN TO INTRODUCE A FOUNDATION FOR INTERNATIONAL TECHNOLOGICAL COOPERATION

A recent development that may have an impact on AID research and the activities and problems discussed in this report, is the executive branch proposal to introduce a Foundation for International Technological Cooperation (FITC) in fiscal year 1980.

The purpose of FITC is to expand knowledge and increase availability of technology needed to meet the problems of people in developing countries. It has been described by the President as a means of improving technological cooperation with developing countries. It will be the principal central research and new technology development agency within the U.S. development assistance community.

The FITC will pursue its purpose and program goals through many specific functions. It will

- plan with developing countries and support through contracts and grants an effort to seek new answers and methods,
- strengthen capacity in science and technology in developing countries and capabilities of U.S. institutions to assist developing countries,
- intensify efforts and expand cooperation on problems of mutual interest, and
- bring improved coordination among various public and private agencies.

The proposal calls for FITC to operate as one of the semiautonomous, parallel units, allied under a proposed International Development and Cooperation Administration. AID will also be part of this agency. It is expected that AID will continue to have extensive research involvement in providing direct support to in-country programs. The regional bureau research will remain relatively the same, and central bureaus will become more field supporting. Long-term, risky, highly technical research done by AID will be transferred to FITC.

In December 1978, no figure was available on how much of the AID research would be transferred to FITC.

The recommendations of the FITC planning committee have been given to the President and the Office of Management and Budget for consideration. It is expected that it will take several months before the plan is finalized.

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United States Senate

COMMITTEE ON APPROPRIATIONS
 WASHINGTON, D.C. 20510

June 29, 1978

The Honorable Elmer B. Staats
 Comptroller General of the United States
 General Accounting Office
 Washington, D. C. 20548

Dear Mr. Comptroller General:

In the course of its hearings over the past several years, the Committee has questioned the Agency for International Development on its extensive use of study and evaluation and research contracts. We have questioned whether AID's expenditure of not inconsiderable resources on a host of activities known collectively as study and research is representative of prudent management and the effective allocation of funds. In particular, the Committee has been at pains to determine whether the expenditure of such large sums (\$108,328,000 in fiscal year 1977) on studies, evaluations, and research truly advances the goals of United States foreign assistance. Simply put, the question is whether the funds being spent on these activities would be better spent on programs providing assistance directly to the poor.

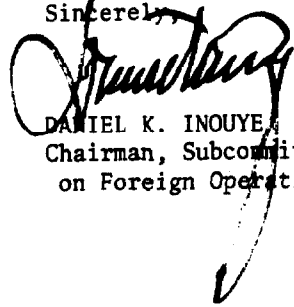
Quite frankly, the Committee has had some difficulty in establishing the full dimension of AID's funding and use of studies and research. We have not as yet devised a satisfactory means of assessing AID's use of the product of these activities. After a protracted delay, however, the Committee has finally received a compilation of all AID funded study and research projects for which funds were obligated in fiscal year 1977. I have enclosed this compilation, together with a letter transmitting it to the Committee, for your review.

I am now requesting a select General Accounting Office review of these study, evaluation, and research activities and a report to be transmitted to the Committee no later than February 15, 1979. I understand that the nature of the review will require further definition and refinement. I have, therefore, instructed the Committee staff to schedule consultation with those whom you assign to conduct the review and prepare the report. Once you have designated the persons who will undertake this task, please have them immediately contact the Committee staff.

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Allow me to stress the urgency of this request and the importance the Committee attaches to it. It is imperative that the report be in our hands in time to be used in our fiscal year 1980 hearings on Foreign Assistance and Related Programs Appropriations. The Committee is prepared to give you every assistance in fulfilling this requirement.

Sincerely,



DANIEL K. INOUE,
Chairman, Subcommittee
on Foreign Operations

EXCERPT FROM SENATE HEARINGS, BEFORE A SUBCOMMITTEE
OF THE COMMITTEE ON APPROPRIATIONS, ON
FOREIGN ASSISTANCE AND RELATED PROGRAMS'
APPROPRIATIONS, FISCAL YEAR 1979

APRIL 5, 1978

AID STUDIES AND EVALUATIONS

Senator INOUE. Governor, you have said that "too much of the Agency's funds are spent on studies and preparing to act and too little in actually delivering goods and services to the poor majority in the developing countries." Do you know how much your Agency spends on studies?

Governor GILLIGAN. No, sir, I could not give you that figure right offhand, but I would be happy to provide it for the record.

Senator INOUE. I ask that question because for some time the subcommittee has been trying to determine just how much AID spends for study and evaluation contracts. In fact, last fall I directed the staff to meet with Agency officials to develop such a listing of contracts. The staff met with Agency officials in October and in January and also in February. They were assured that the subcommittee would have a listing before today's hearing and we do not have it. We have not seen the list and are still not sure how much AID spends for studies and evaluations.

It would be very helpful if you could tell us how much the Agency spent in fiscal year 1977 for what essentially are supporting service contracts, such as studies and evaluations. We also have some trouble establishing definitions. We know that the Agency spends funds for prefeasibility and feasibility studies, data gathering and analysis, project evaluations and postproject evaluations, various forms of research and, a host of other activities which are labeled as studies or evaluations. Therefore, I am now making an official request that a categorical listing of all such contracts for fiscal year 1977, together with subtotals and totals for costs, be provided to the subcommittee.

Governor GILLIGAN. I would be happy to do that, sir.

[Committee Note.—This information which was requested on November 9, 1977, had not been received as of May 22, 1978—194 days after it was originally requested and 76 days after it was promised by Governor Gilligan.]

Senator INOUE. Why is it necessary to contract for these studies? I have been told that we have many very talented people, at least 64 high-ranking ones who do not have current assignments. Some of them just report to a temporary complement. Can we do some of this contract work in-house, or do we have to hire some person who has just retired to do this contract work?

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

THE ADMINISTRATOR

June 28, 1978

Honorable Daniel K. Inouye
Chairman
Subcommittee on Foreign Operations
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed is the information you requested on the Agency's funding of studies and evaluations. It took us considerable time, starting with raw computer data, to compile, screen, and analyze the information which relates to the activities of a number of A.I.D. Bureaus and Offices. I hope you will appreciate the reason for the delay in forwarding the data and will accept our apologies.

The enclosed material includes all studies and evaluations for which there were obligations in fiscal year 1977. We have included research as well. However, we have not provided studies on internal operations and management effectiveness, such as the recent Coopers-Lybrand study, because we did not understand your request to include this category.

The enclosed tables begin with a two-page summary of studies and research by Bureau, showing the amount and kind of study (country and general studies; problem and sector analyses and assessments; project-related studies and evaluations; and research). Following the summary is a listing of the individual items, categorized by the same four major groupings.

We have tried our best to put each item into the proper category. However, each item was categorized in accordance with general guidelines by the unit within the Agency that was responsible for funding; accordingly there may be slight variations in categorization from one Bureau to

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another. It is sometimes a matter of judgment, for example, whether an activity should be called a general study, a problem analysis, or a research project. Nevertheless, we believe the overall levels in each category present a substantially accurate overview of how much the Agency used for what purposes.

The figures show in FY 1977 A.I.D. used \$65 million for studies and evaluations (of which \$36 million was development assistance and \$29 million was security supporting assistance), plus \$43 million for research. The \$65 million worth of studies and evaluations represents only between 2% and 3% of our program. And the amount of research we fund has been severely criticized by the National Academy of Sciences and other groups as falling far short of requirements. These figures show that the proportion of the Agency's program that goes for studies, evaluations, and research is not at all out of line, given the size and diversity of the Agency's program, as well as the degree of innovation required by the nature of our business.

Some explanation of the categories we used may help you review this material. As a start, you will see that a number of studies were required by law or clear legislative history--for example, women in development (WID) studies, environmental assessments (ENVIR), and feasibility studies on water projects. From women in development studies, we have sought to learn how effectively women participate in the development of LDC economies and to consider and propose means of encouraging their full and equal participation. Environmental studies were carried out primarily in conjunction with proposed projects, and their results were incorporated into the Agency's project analyses.

The economic studies are designed to establish general strategies for various A.I.D. programs; they often constitute a kind of umbrella, if you will, under which sectoral and project decisions are made. Only \$1.1 million is listed in this category.

Sector and problem-oriented analyses identify specific constraints that inhibit economic and social development and proposed vehicles for addressing those deficiencies. They are widely used to determine the areas of a country's or region's economy that should receive attention, both by recipient countries and by aid donors. Based on such analyses, A.I.D. projects are developed to address the specific problems identified.

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The bulk of the studies and evaluations we carry out are related to individual projects. They are undertaken to determine the feasibility of particular projects before we decide to go ahead with them, to design the projects so as to achieve the most effective results at the lowest cost, and to evaluate the projects to make sure they are proceeding on course and ultimately that they have accomplished their intended objectives.

Research covers a broad array of activities that gather data and undertake basic investigation of primary areas of A.I.D.'s concern. Research is vital to us as we seek to find new ways or improve old ways of assisting in the economic and social development of the poorer countries of the world. Without research, for example, the developing world would not have the new high-yielding varieties of rice, wheat, and other basic grains, nor could we help poor countries adapt those varieties to their own individual situations.

In short, the studies and research we fund are essential if we are to know what we are doing, rather than carrying out our programs blind, and the enclosed information shows that the amount we spend on these activities is in no way disproportionate to the size and complexity of our programs.

If you have any questions or encounter any difficulties in your review of the enclosed material, please let us know.

Sincerely yours,



John J. Gilligan

Enclosures

AGENCY FOR INTERNATIONAL DEVELOPMENT
 OBLIGATIONS FOR STUDY, RESEARCH, AND EVALUATION ACTIVITIES BY CATEGORIES

FISCAL YEAR 1977

Bureau	Women in development	Environ- mental	Country macro- economic	Sector problems (000 omitted)	Feasibility/ prefeasibility/ project design	Evaluation/ post project evaluation	Research	Total
Africa	\$ 114	\$ 666	\$ 380	\$ 3,024	\$ 4,504	\$ 374	\$ 1,502	\$ 10,564
Asia	92	87	0	338	839	94	0	1,450
Latin America	18	9	86	4,712	2,911	320	372	8,428
Near East	0	0	0	124	29,657	697	59	30,537
total	\$ 224	\$ 762	\$ 466	\$ 8,198	\$37,911	\$1,485	\$ 1,933	\$ 50,979
Program and Policy Coordination	532	0	0	447	44	72	730	1,825
Program and Manage- ment Services	0	0	0	167	0	0	0	167
Intragovernmental and International Affairs	0	0	0	0	0	0	622	622
Private and Develop- ment Cooperation	0	0	0	167	736	150	420	1,473
Development Support	462	0	943	3,646	3,220	1,773	43,563	53,607
total	\$ 994	\$ 0	\$ 943	\$ 4,427	\$ 4,000	\$1,995	\$45,335	\$ 57,694
TOTAL	\$1,218	\$ 762	\$1,409	\$12,625	\$41,911	\$3,480	\$47,268	\$108,673

AGENCY FOR INTERNATIONAL DEVELOPMENT
OBLIGATIONS FOR STUDY, RESEARCH, AND EVALUATION ACTIVITIES BY CATEGORIES

Bureau	FISCAL YEAR 1978							
	Women in development	Environ- mental	Country macro- economic	Sector problems (000 omitted)	Feasibility/ prefeasibility/ project design	Evaluation/ post project evaluation	Research	Total
Africa	\$168	\$127	\$348	\$2,939	\$ 6,169	\$ 843	\$ 1,680	\$12,274
Asia	0	27	0	208	1,072	68	0	1,375
Latin America	131	18	1	1,824	3,505	725	684	6,888
Near East	22	164	6	453	6,866	7	24	7,542
total	<u>\$321</u>	<u>\$336</u>	<u>\$355</u>	<u>\$5,424</u>	<u>\$17,612</u>	<u>\$1,643</u>	<u>\$ 2,388</u>	<u>\$28,079</u>
27 Program and Policy Coordination	380	0	104	2,324	11	8	223	3,050
Program and Manage- ment Services	0	0	0	0	0	0	0	0
Intragovernmental and International Affairs	0	0	0	234	0	0	0	234
Private and Develop- ment Cooperation	0	0	0	523	0	9	220	752
Development Support	86	141	0	4,499	1,016	862	50,998	57,602
total	<u>\$466</u>	<u>\$141</u>	<u>\$104</u>	<u>\$ 7,580</u>	<u>\$ 1,027</u>	<u>\$ 879</u>	<u>\$51,441</u>	<u>\$61,638</u>
TOTAL	<u>\$787</u>	<u>\$477</u>	<u>\$459</u>	<u>\$13,004</u>	<u>\$18,639</u>	<u>\$2,522</u>	<u>\$53,829</u>	<u>\$89,717</u>

APPENDIX IV

AGENCY FOR INTERNATIONAL DEVELOPMENT
 PROPOSED OBLIGATIONS FOR STUDY, RESEARCH, AND EVALUATION ACTIVITIES BY CATEGORIES

FISCAL YEAR 1979

Bureau	Women in development	Environ- mental	Country macro- economic	Sector problems (000 omitted)	Feasibility/ prefeasibility/ project design	Evaluation/ post project evaluation	Research	Total
Africa	\$ 55	\$ 165	\$475	\$ 7,455	\$ 3,450	\$1,075	\$ 210	\$ 12,885
Asia	0	0	0	1,000	3,000	1,000	2,800	7,800
Latin America	122	17	1	1,699	2,935	674	630	6,078
Near East	35	10	0	628	11,848	325	102	12,948
total	<u>\$212</u>	<u>\$ 192</u>	<u>\$476</u>	<u>\$10,782</u>	<u>\$21,233</u>	<u>\$3,074</u>	<u>\$ 3,742</u>	<u>\$ 39,711</u>
Program and Policy Coordination	0	0	0	0	0	0	0	0
Program and Manage- ment Services	0	0	0	0	0	0	0	0
Intragovernmental and International Affairs	0	0	0	80	0	0	0	80
Private and Develop- ment Cooperation	0	0	0	849	200	40	420	1,509
Development Support	0	\$1,100	0	5,290	2,350	1,300	53,725	63,765
total	<u>0</u>	<u>\$1,100</u>	<u>0</u>	<u>\$ 6,219</u>	<u>\$ 2,550</u>	<u>\$1,340</u>	<u>\$54,145</u>	<u>\$ 65,354</u>
TOTAL	<u>\$212</u>	<u>\$1,292</u>	<u>\$476</u>	<u>\$17,001</u>	<u>\$23,783</u>	<u>\$4,414</u>	<u>\$57,887</u>	<u>\$105,065</u>

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APPENDIX IV

APPENDIX IV

ACTIVITIES SELECTED FOR REVIEW FROM AID
LISTING OF STUDIES, RESEARCH, AND EVALUATIONS
FUNDED IN FISCAL YEAR 1977

<u>No.</u>	<u>AID Bureau</u>	<u>Title</u>	<u>Category</u>	<u>Amount obligated in fiscal year 1977</u>
1	Asia	Research activities analysis	problem and sector analyses	\$ 58,990
2	Development Support	Fertility impact of different types of family planning programs	research	340,000
3	Development Support	Population program development and support	evaluation	59,000
4	Program and Policy Coordination	Impact of rural electric service cooperative on modernization income	research	62,177
5	Asia	Economic and social impact analyses/ Women in Develop- ment	feasibility	40,500
6	Asia	Rural electrifica- tion	feasibility	45,768
7	Development Support	Population program development and support	evaluation	35,000
8	Africa	River basin manage- ment planning	problem and sector analyses	11,000
9	Africa	Matam perimeter	feasibility	66,000
10	Africa	Agricultural research of semi-arid areas	problem and sector analyses	588,000
11	Africa	Agricultural develop- ment program	feasibility	54,000

APPENDIX V

APPENDIX V

<u>No.</u>	<u>AID Bureau</u>	<u>Title</u>	<u>Category</u>	<u>Amount obligated in fiscal year 1977</u>
12	Near East	Rural electrification	feasibility	\$ 24,384
13	Near East	Multidisciplinary examination of health sector	problem and sector analyses	99,552
14	Development Support	Population policy analysis	research	1,400,000
15	Development Support	Methodologies for rural development analysis	research	582,000
16	Latin America	Complete education sector assessment	problem and sector analyses	6,000
17	Latin America	Final assessment report of education sector	problem and sector analyses	11,000
18	Latin America	Analyze education sector assessment	problem and sector analyses	7,000
19	Program and Management Services	Study data communica- tions potential between AID/Guatemala and AID/Washington	problem and sector analyses	55,300
20	Development Support	Research on determi- nants and consequences of fertility	research	121,000
21	Latin America	Develop paper on food and nutrition	research	75,000
22	Latin America	Develop credit delivery system from central bank to small farmers	feasibility	8,000
23	Latin America	Improve distribution system of Food for Peace commodities	problem and sector analyses	10,000
24	Africa	Tsetse fly program	research	551,000
25	Development Support	Sterility method for tsetse fly control	research	1,114,000

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