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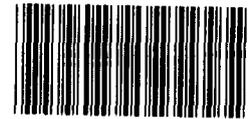
GAO

Report to the Honorable
William Lehman, House of
Representatives

April 1990

FOREIGN
ASSISTANCE

Circumstances
Surrounding a Family
Planning Project



141288

**National Security and
International Affairs Division**

B-238295

April 26, 1990

The Honorable William Lehman
House of Representatives

Dear Mr. Lehman:

This report responds to your February 27, 1989, request that we examine the fiscal year 1984 Agency for International Development (AID) cooperative agreement¹ award to the Family of the Americas Foundation, Inc. (FAF). The objectives of our review were to (1) determine if AID followed applicable policies and procedures in awarding the agreement to FAF; (2) report on the end-of-project evaluation, including the selection of the evaluation team members and FAF's cooperation with the evaluation; and (3) describe FAF's efforts to obtain additional AID funding since fiscal year 1985.

As pointed out in your letter, the House Committee on Appropriations, Subcommittee on Foreign Operations, withheld approval of funds for FAF's initial award and a 1985 extension until it had received certain assurances from AID about the agreement. AID provided the Subcommittee with such assurances. You recently expressed concern, however, that the award to FAF may not have been made in accordance with AID procurement policies.

FAF is a non-profit organization that AID used to produce and distribute a film on the Billings Ovulation Method—a natural family planning method—and other educational materials, and also to develop and conduct a U.S.-based training course for Latin Americans who wished to become ovulation method teacher trainers.

Results in Brief

AID decided to fund, on a noncompetitive basis, a FAF project despite recommendations to the contrary by AID reviewers. Federal statutes and regulations do not prescribe procedures for negotiating and awarding cooperative agreements, but the funding decision did not conflict with AID guidelines for processing such agreements. AID guidelines allow for the award of noncompetitive agreements under certain conditions. AID met those conditions in making the award to FAF.

¹A cooperative agreement is an assistance instrument used by AID to support or stimulate the recipient's own program or project. Unlike a grant or contract, however, a cooperative agreement entails substantial involvement by AID.

An end-of-project assessment by an external evaluation team was done as required. However, it was delayed several times and was not initiated until mid-1989—about 1 year after the project was completed. AID initially postponed the external evaluation because the agreement had been extended so that FAF could complete certain aspects of the project and conduct additional training. The evaluation process was further delayed by (1) negotiations with FAF in selecting the evaluation team members and (2) FAF's delay in providing certain information necessary for the evaluation.

While the evaluation team found that FAF generally conducted the training and produced and distributed the required materials, the team reported several deficiencies. For example, it questioned the cultural appropriateness and practicality of FAF's materials and how the materials were distributed. In addition, the team concluded that FAF had been uncooperative with AID in all substantive aspects of the project. The team recommended that, in the future, AID fund only those organizations that demonstrate the ability and willingness to cooperate with AID and subscribe to AID's population policy. FAF has strongly objected to the results of the evaluation team's report, asserting that the evaluation was unfair and biased. The evaluation team is currently reviewing FAF's comments.

Since December 1985, FAF has proposed ten projects relating to the Billings Ovulation Method, totaling about \$7.3 million. However, FAF has not received any additional AID funding. Seven of these proposals were not officially evaluated because FAF did not submit them to Georgetown University, as required.² Of the three other FAF project proposals submitted to Georgetown, two were rejected and one was not considered because the respective AID mission expressed no interest in the project. In response to an AID survey of five countries where FAF wanted to do work, Georgetown suggested that FAF submit a proposal tailored to the needs of India. However, FAF had not done so by the time we completed our review.

Background

In fiscal year 1984, AID obligated or allocated about \$6.8 million for natural family planning related activities, including AID bilateral family

²Under a September 1985 cooperative agreement with AID, Georgetown University has been acting as an umbrella organization for identifying, supporting, and monitoring all AID natural family planning activities. Georgetown's role is to help improve the knowledge, availability, acceptability, and effectiveness of natural family planning in less developed countries. In accordance with this agreement, all natural family planning proposals are required to be reviewed by Georgetown.

planning programs. Organizations conducting only natural family planning projects were awarded \$3.2 million—FAF received about one-third of these funds.

AID's use of sole-source cooperative agreements for managing its population assistance activities was not unusual. In fiscal year 1984, AID's Office of Population provided funds to 17 population assistance projects. Eight were sole-source cooperative agreement awards based on unsolicited proposals from nine universities and private organizations. One award was a sole-source contract made under the Small Business Act, and the remaining eight awards were competitive contract awards.

FAF's cooperative agreement award was for an estimated cost of \$1.1 million. The agreement was amended four times which extended it to May 1, 1988, and resulted in FAF receiving a total of about \$2 million. Overall, the agreement directed FAF to

- produce and distribute a film on the Billings Ovulation Method for family planning service providers worldwide;
- produce and distribute educational materials to be used in teaching and practicing the ovulation method worldwide; and
- develop and conduct a U.S.-based training course for Latin Americans, Africans, Asians, and people of the Near East who wish to become ovulation method teacher trainers.

Award Made to FAF Despite Reviewers' Recommendations

Between 1981 and 1983, FAF (or its parent organization, World Organization Ovulation Method-Billings) submitted seven unsolicited proposals to AID for funding Billings Ovulation Method projects. AID reviewers rejected all seven proposals on technical or programmatic grounds. Generally, representatives from AID's Bureau for Science and Technology/Office of Population and its Population Sector Council reviewed and evaluated unsolicited proposals from organizations requesting a cooperative relationship with AID.³ AID officials either met with or sent letters to FAF explaining why the proposals did not meet the agency's needs and in some cases, made recommendations on how FAF could modify the proposals to make them more acceptable. FAF submitted modified versions

³According to an AID official, unsolicited proposals were generally reviewed by (1) an assigned Cognizant Technical Officer in a relevant division of the Population Office, (2) a Research Review Committee with representatives from each of the Office's divisions, and (3) the Population Sector Council (consisting of staff persons from each of AID's regional bureaus, the Director of the office, and the director of the now defunct Directorate of Health and Population). One FAF proposal was not reviewed by the Population Sector Council; instead, it was reviewed by consultants from the National Institutes of Health and the World Health Organization.

of some proposals, which were again reviewed by AID but judged unsatisfactory on technical or programmatic grounds.

Despite the reviewers' recommendations not to fund FAF's proposals regarding the production of a film on the Billings Ovulation Method and ovulation charts, in a letter dated July 1, 1983, the Director of AID's Office of Population informed FAF that AID needed such a film. While AID had not decided whether it needed the Billings Ovulation charts, AID had concluded that some written material on the charting procedures would be desirable. AID further indicated that it envisioned substantial change in the proposal regarding the charts and offered to work with FAF. After AID's decision to fund FAF, AID staff combined three of FAF's original proposals and wrote a scope of work that was acceptable to both FAF and AID.

Award Met AID Sole-Source Criteria

Once AID and FAF agreed on the scope of work, AID followed its procedures for awarding a sole-source cooperative agreement. According to AID's Handbook 13, competition is not required when, among other reasons, the potential awardee is considered to have exclusive or predominant capability for the required service. A sole-source award can also be made when the Assistant to the AID Administrator or Office Director determines that certain circumstances are critical to the objectives of the foreign assistance program. AID's written justification cited FAF's special capabilities and experience in the Billings Ovulation Method. It also cited reviews made by two Assistant Administrators and the AID Administrator that determined the proposal was critical to foreign assistance program objectives. This met AID's criteria for awarding a sole-source cooperative agreement.

AID's Evaluation of the FAF Award Was Delayed

The cooperative agreement required that AID evaluate the project. This was supposed to begin during the final month of its implementation. However, AID's evaluation was delayed for various reasons and did not begin until about 1 year after the FAF project expired in May 1988.

The purpose of AID's evaluation was to document FAF's performance in delivering the products and achieving the objectives stated in the agreement, as well as determining lessons learned. Basically, the products included a motion picture; 10,000 leaflets about the film; 80,000 kits with a plastic chart and stamps (in English, French, Spanish, Portuguese, and Arabic) for plotting fertile and non-fertile periods; and the design and implementation of nine training courses.

Based on the original agreement, the external evaluation team's assessment of FAF's project and performance should have begun in May 1985, but it did not begin until May 1989. AID documents indicate that the agreement's extensions and amendments provided for FAF's completion of the film and educational materials, further refinement of the training curriculum, and the conduct of additional training. In July 1986, when most of these project components were considered either completed or well underway, AID scheduled the evaluation for November 1986. However, the evaluation process was further delayed because of problems in selecting the evaluation team members and FAF's delay in providing necessary information to AID.

In commenting on a draft of this report AID stated that another reason for the delay was that FAF had notified AID of a cost overrun. We were unable to confirm this additional reason.

Delays in Selecting the Evaluation Team

AID documents show that FAF started recommending individuals for the evaluation as early as 1985, but AID decided that these individuals did not meet the agency's skill and experience criteria.⁴ While the subject of team composition was part of continuing overall discussions between FAF and AID, formal negotiations between AID and FAF for selecting team members did not begin until September 1988.

At that time, AID informed FAF of two individuals who would potentially comprise the team. FAF objected to these persons because they had been employed by organizations which FAF considered biased against it. During negotiations for selecting team members, FAF told AID that it would not accept an AID-proposed evaluator unless AID accepted a FAF-proposed evaluator.

Although AID had planned to have a two-member evaluation team, AID and FAF agreed in December 1988 on a three-member team. One of these individuals was recommended by FAF. AID officials accepted the FAF request to name one of the evaluators, which according to AID was highly unusual, but did so to help assure FAF's cooperation and to proceed with the evaluation. The three individuals had backgrounds in natural family planning and met AID's experience and expertise criteria.

⁴Initially, AID had determined that two consultants would be needed—one with a strong background in family planning information and communication and the other with knowledge and experience specific to natural family planning, with an emphasis on training. AID also desired that one of the consultants be fluent in Spanish or French.

Delays in Obtaining Data

As part of the evaluation, a questionnaire was to be sent to all FAF trainees on the extent and effectiveness of their follow-on activities and use of the materials produced by FAF. Because this evaluation component did not require an evaluation team, AID had planned to implement this component by August 1988.

In early August 1988, AID requested that FAF provide the trainees' names and current addresses by August 19, 1988. AID made two additional requests in January 1989. FAF did not respond until the end of February 1989. However, it did not provide the names and addresses of its trainees; instead, it sent AID the names and addresses of organizations and teachers who participated in the teacher training program (coordinators) who FAF thought would be able to send the questionnaires to individual trainees.⁵ Although the questionnaires were sent to the individuals identified on FAF's list, AID reported a one-third response rate, which the evaluation team considered low. According to AID, the responses were used, in part, to answer some of the evaluation questions.

Results of the Evaluation

AID's evaluation team completed its report in December 1989. It was provided to FAF for comment and AID is currently considering FAF's comments in finalizing the report. The evaluation team,⁶ while noting certain strengths in FAF's implementation of the agreement, reported several "deficiencies and possible violations" in carrying out the letter and the spirit of the agreement. These were in the areas of materials development, training, distribution of materials, and the cooperating agency relationship.

Regarding the Billings Ovulation Method film, the evaluation team concluded that FAF failed to comply with several aspects of the cooperative agreement. Specifically, the team noted that (1) the film was not directed toward the intended audience—family planning service providers, (2) FAF had not delivered either the pre-printed materials or the original footage as required by the agreement, and (3) there is a dispute

⁵In commenting on our draft report, FAF asserted that it did not respond to the August 1988 request because the team members had not been selected. It also considered AID's request unnecessary because FAF had provided AID similar information on every participant prior to his or her training.

⁶AID's end-of-project, external evaluations for population assistance activities are conducted by teams of consultants hired by Dual and Associates/Population Technical Assistance Project Division (POPTECH). This organization (under contract with AID) provides consultants from a broad spectrum of disciplines involving areas such as evaluation, population policy, education, communication, and maternal and child health care.

between FAF and AID as to whether the master print of the film was delivered.

The other materials produced, according to the evaluation team, were generally but not uniformly, technically accurate, visually attractive, and durable. However, some fundamental questions were raised about the cultural appropriateness and practicality of the materials. Because of the various concerns in the field use of FAF's materials, the evaluation team concluded that the FAF project "...in a sense can be seen as an expensive, large-scale, but unsystematic field test for materials FAF wanted to produce."

The evaluation team found that FAF's training workshops appeared to have been well organized—the faculty was appropriate and the course documentation remains useful. However, the team noted several concerns about how FAF conducted the training. These concerns included (1) FAF's rigidity and lack of cooperation in respecting AID's priorities and guidance in the selection of countries and participants and (2) the amount of AID staff time required to monitor and assist in FAF activities was more than anticipated.

The evaluation team also concluded that teacher and user materials produced were not evenly distributed. According to the evaluation report, FAF sent more material to natural family planning programs of which it approved than to those it did not approve. Other organizations that had cooperative agreements with AID missions or AID/Washington had the greatest trouble obtaining materials.

FAF Has Not Received Any Additional Funding

FAF's efforts to obtain AID funding for additional projects have been unsuccessful. Since December 1985, FAF submitted seven unsolicited proposals⁷ directly to AID and three to Georgetown University, totaling about \$7.3 million, related to the Billings Ovulation Method.

AID did not review the proposals submitted to it because all natural family planning proposals must be reviewed and funded through the cooperative agreement with Georgetown. In a May 1986 letter to the Secretary of State, FAF stated that it did not wish to submit its funding applications directly to Georgetown because (1) Georgetown's cooperative agreement with AID contained unacceptable conditions and (2)

⁷FAF submitted an eighth proposal to AID; subsequently FAF resubmitted it to Georgetown. The other seven proposals were not resubmitted.

Georgetown had rejected an application submitted by one of FAF's leading subsidiaries. Because FAF believed that other funding was available, it requested that the Secretary intercede with the AID Administrator to make an exception to AID's normal review procedures. In response, AID informed FAF that it would have to submit its proposals to Georgetown and abide by AID's "referral and informed choice" family planning policy.⁸

FAF did not resubmit these proposals. Instead, in April 1987, FAF submitted a new proposal (valued at \$3.1 million) to AID for conducting a training project. AID told FAF that the proposal must be submitted to Georgetown; FAF resubmitted the proposal as instructed. Citing various technical reasons, Georgetown, in consultation with AID, rejected this proposal and a second proposal (valued at \$1.5 million) that was submitted in May 1988 for developing and distributing educational materials.

Georgetown, however, made suggestions on two occasions regarding areas in which AID and FAF might be able to reach agreement. In its response to the second proposal, Georgetown recommended a project smaller in scope involving further testing of the educational materials, at a cost not to exceed \$100,000. In an October 1988 letter to the AID Administrator, FAF protested Georgetown's recommendation, but no funds were awarded to FAF.

In March 1989, FAF submitted a proposal for about \$200,000 to develop and distribute its materials in Swahili, a language used in Kenya. However, FAF's executive director and Georgetown and AID officials met and agreed that AID would contact the missions in five countries initially proposed by FAF (including Kenya) to determine whether these countries were interested in receiving information on the Billings Ovulation Method. For various reasons, the only AID mission that reported any interest, or thought the proposal feasible, was India. Thus, the Swahili proposal was not considered because AID's Kenya mission expressed no interest.

⁸Based on sec. 109 of the Foreign Assistance Act of 1967 and sec. 302 of the International Security and Development Cooperation Act of 1980, AID policy for natural family planning activities is one of voluntary participation and informed choice. "... [F]amily planning projects are required to offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services." Because some organizations, such as FAF, did not want to provide or refer to other methods, AID would waive the referral requirement on a case-by-case basis. However, the 1986 continuing resolution appropriating funds to AID for population and development assistance (Public Law 99-190, Dec. 19, 1985) and appropriations acts each year since have contained a provision essentially blocking AID from making such waivers.

According to AID and Georgetown officials, FAF was advised in March and June 1989, based on the survey results, to tailor a proposal for India. FAF, however, noted in its February 1990 response to AID's evaluation report that negotiations have been suspended. FAF would not agree to sign a subagreement with Georgetown because of a provision that would require FAF to (1) provide information on a broad range of family planning methods and services available in the country in which the activity is conducted or (2) indicate where such information may be obtained. FAF, in commenting on our report, stated that it "prefers not to receive funding if [it] has to agree to such unfair conditions..."

Agency and FAF Comments

We obtained comments on a draft of this report from AID and FAF. AID provided certain technical changes and updated information. FAF provided information that it used in responding to AID's evaluation report and updated the status of its negotiations with Georgetown University. We have incorporated this information where appropriate.

Overall, FAF strongly disputed the results and conclusions of the evaluation team's report. FAF further stated that certain members of the evaluation team were biased against FAF, and did not fairly assess its accomplishments under the cooperative agreement. We did not evaluate the team's methodology or report to assess their objectivity. However, the evaluation team and POPTECH are currently considering FAF's response in finalizing the report on FAF's project.

Scope and Methodology

We reviewed relevant legislation, the Federal Acquisition Regulation, and AID guidelines (contained in its Handbook 13) for making cooperative agreements and sole-source awards. We interviewed officials and reviewed records at AID's Bureau for Science and Technology/Office of Population, Dual and Associates/POPTECH Division, and Georgetown University Institute for International Studies in Natural Family Planning.

We conducted our review between March 1989 and January 1990 in accordance with generally accepted government auditing standards.

Unless you publicly announce its contents earlier, no further distribution of this report will be made until 7 days from its issue date. At that time, we will provide copies to the Chairmen, Senate and House Committees on Appropriations, House Committee on Foreign Affairs, and Senate Committee on Foreign Relations; and the Administrator of AID. We will make copies available to others upon request.

If you should need additional information or if we can be of further assistance, please call me on (202) 275-5790. Major contributors to this report are listed in appendix I.

Sincerely yours,

A handwritten signature in cursive script that reads "Harold J. Johnson".

Harold J. Johnson
Director, Foreign Economic
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