



OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/HONDURAS' EDUCATION ACTIVITIES

AUDIT REPORT NO. 1-522-10-007-P
JULY 13, 2010

SAN SALVADOR, EL SALVADOR



Office of Inspector General

July 13, 2010

MEMORANDUM

TO: USAID/Honduras Mission Director, William R. Brands

FROM: Acting Regional Inspector General/San Salvador, Jon Chasson /s/

SUBJECT: Audit of USAID/Honduras' Education Activities (Audit Report No. 1-522-10-007-P)

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

The report contains three recommendations intended to improve the effectiveness of USAID/Honduras' Education Activities. Management decisions have been reached for all three recommendations. M/CFO/APC will record final action on these recommendations when planned actions have been completed.

I want to express my appreciation for the cooperation and courtesy extended to my staff during the audit.

CONTENTS

| | |
|--|-----------|
| Summary of Results | 1 |
| Audit Findings..... | 3 |
| USAID/Honduras Should Monitor the Distribution and Use of Materials | 3 |
| USAID/Honduras Should Improve Reporting on Educational Activities..... | 5 |
| Other Matter | 6 |
| Evaluation of Management Comments | 7 |
| Appendix I – Scope and Methodology | 8 |
| Appendix II – Management Comments | 10 |

SUMMARY OF RESULTS

In 2002, Honduras joined the Education for All Fast Track Initiative (EFA-FTI), a multidonor effort to improve education quality and achieve universal access to preschool and a 100 percent primary school completion rate. Since then, access has improved, but the quality of basic education in Honduras remains low relative to international standards. According to USAID data, while 88 percent of Hondurans completed grade six in 2008, less than 45 percent completed ninth grade. In addition, less than 50 percent of Honduran students were reading and writing at grade level. The ultimate impact of these statistics is a weak emerging workforce poorly prepared to compete in the global economy and a citizenry ill prepared to participate effectively in strengthening democratic institutions.

To help improve the quality of education, USAID/Honduras established the *Mejorando el Impacto al Desempeño Estudiantil de Honduras*¹ (MIDEH) program in 2004. Under this program, the mission first awarded a 6-year, \$20 million cooperative agreement to the Academy for Educational Development (AED), and in 2007 awarded a \$5 million, 3-year cooperative agreement to the American Institute for Research (AIR).

The MIDEH program was designed to implement an integrated set of testing, research, support, and capacity-building activities to address major components of the Government of Honduras' education program. While AIR takes the lead on the development and testing of educational materials, AED provides educational support and capacity-building activities. As of September 30, 2009, MIDEH's total obligations and expenditures came to \$22 million and \$21 million for AED and AIR, respectively.

As part of the fiscal year (FY) 2010 audit plan, the Regional Inspector General/San Salvador audited USAID/Honduras' education activities to answer the following questions:

- Are USAID/Honduras' education activities achieving their main goals?
- Did USAID/Honduras' reporting on its education activities provide stakeholders with complete and accurate information on the progress of the activities and the results achieved?

The audit found that during FYs 2008 and 2009, the MIDEH activities had limited success achieving their main goals. Although AIR developed educational materials that were shown to improve classroom performance and AED was able to provide effective capacity-building activities, problems with the distribution and use of educational materials limited the program's overall impact. For example, based on AIR's evaluation of availability and use of materials (validation study) for seventh through ninth grades, only 31 percent of schools had received monthly tests, and only 9 percent of teachers reported "always" using the tests during 2008. However, USAID/Honduras does not systematically collect, track, or report data on aspects of MIDEH implementation status such as availability of materials and the number of teachers who actually use the revised materials.

¹ Improving the Impact of Student Performance in Honduras.

Furthermore, although USAID/Honduras provided generally accurate information related to standard indicators in its performance plan and report for FY 2009, the data, combined with the mission's narrative, did not provide a complete description of program status. For example, the mission reports that because the revised academic materials supported by USAID were adopted nationwide, all 1.38 million students in Honduras benefited from U.S. Government support. However, according to information available at USAID/Honduras, not all the students received the same level of U.S. Government support. For example, not all students received new education materials or had teachers who regularly used the revised teaching materials.

The audit team recommends that USAID/Honduras (1) develop, in conjunction with the Government of Honduras and other donors, a coordinating body to plan the annual distribution of USAID-funded educational materials; (2) develop performance management plans that contain data on the implementation status of the education program, such as availability of newly developed materials and use of materials in the classroom; and (3) adjust performance plan and reports to include written explanations or qualifications that more appropriately define the reported U.S. Government support.

The audit team noted another matter of importance to the program: the need for continued coordination by USAID/Honduras with other donors to ensure a full 200-day school year. Unless students receive adequate time to work with the revised educational materials, the MIDEH program is unlikely to fully achieve its desired results.

Detailed findings appear in the following section. The audit's scope and methodology are described in appendix I.

USAID/Honduras agreed to implement and has developed specific plans to address all three recommendations. This audit determined that management decisions have been reached on the three recommendations; an evaluation of management comments is provided in the Evaluation of Management Comments section of this report. The audit's scope and methodology are described in appendix I, and USAID/Honduras' comments in their entirety are included in appendix II.

AUDIT FINDINGS

During fiscal years (FYs) 2008 and 2009, the *Mejorando el Impacto al Desempeño Estudiantil de Honduras* (MIDEH) activities had limited success achieving their main goals.

Throughout FYs 2008 and 2009, the American Institute for Research (AIR) developed numerous education materials—such as performance standards, monthly pacing guides, monthly formative test booklets, diagnostics tests, and annual summative tests—that were shown to improve classroom performance. AIR also developed a cost-effective program for testing end-of-year achievement. However, during this period, the Honduran Ministry of Education's delayed and limited distribution of the program educational materials hampered implementation of the revised academic curriculum for first through sixth grades and seventh through ninth grades. The problems with distribution of educational materials also limited the effectiveness of the Academy for Educational Development's (AED) teacher training efforts regarding the proper use of curriculum standards, monthly formative tests, and other products developed by AIR.

During the same period, AED was able to provide effective technical assistance to school administrators at the departmental and district level in preparing strategic and operational plans. In addition, AED also worked to encourage parents and parental organizations to participate in education. A coup d'état in June 2009, however, derailed AIR's efforts to validate revised teaching materials and initiate testing the 10th and 11th grades, eliminated a full testing cycle for lower grades, and stymied AIR's efforts to advance the concept of an independent testing institute. The coup also disrupted AED's technical assistance efforts.

Although USAID/Honduras provided generally accurate information related to standard indicators in its performance plan and report for FY 2009, the data, combined with the mission's narrative information, did not provide a complete description of program status.

USAID/Honduras Should Monitor the Distribution and Use of Materials

According to AIR's agreement with USAID/Honduras, AIR would develop education materials linked to the new Honduran curricula and standards. AIR recognized that the teachers and students would have to receive the materials and use them for these new materials to have a strong impact. AIR's technical proposal to USAID/Honduras stated:

Since actual implementation of standards, pacing guides, textbooks, monthly tests, and other materials, together with appropriate modifications in methodological approach to the teaching of Mathematics and Spanish Language, are keys to reaching EFA-FTI goals we have to find a way of ensuring that schools are in possession of such materials.

Furthermore, USAID policy requires USAID missions to monitor program implementation status. According to the USAID Automated Directives System (ADS) chapter 201, the

Results Framework should allow managers to gauge progress toward the achievement of results and to make appropriate adjustments to relevant activities.

While the MIDEH program has developed an integrated package of training materials that were shown to improve classroom performance, the materials have not always been reproduced in sufficient quantity and delivered on time to the schools. According to discussions with USAID/Honduras, officials from implementing partners, and a former official of the Ministry of Education, materials such as pacing guides, monthly test booklets, and year-end summary tests have rarely arrived on time or in sufficient quantities. In one case, the monthly tests for 2008 did not arrive at any of the schools until the end of that year for first through sixth grades. Because these tests are meant to be given at the end of each month for evaluation purposes, they could not be used that year. According to officials from the subcontractors that train teachers, the delay in receiving education materials is one reason that teachers do not use the new materials: the teachers are not confident the materials will arrive on time the following year.

This lack of availability undercuts efforts to integrate the new curriculum into the school system. For example, based on AIR's evaluation (validation study) of availability and use of materials for seventh through ninth grades only 31 percent of schools had received monthly tests and only 9 percent of teachers reported "always" using them during 2008. However, the mission does not systematically collect, track, or report data on aspects of MIDEH implementation status such as availability of materials and use of materials.

Although much of the responsibility for distribution of materials rests with the Ministry of Education, USAID's plans to support these efforts were not implemented. USAID recognized that distribution of materials was a key component of the MIDEH program, and included distribution as a project task for AIR; however, the mission did not follow up to see that AIR completed the task. Furthermore, the mission did not establish procedures to collect information about the status of material distribution. Mission officials stated that information about the use of materials in schools was expected to come from evaluations or validation studies and from direct observations during AED-sponsored training at the schools. However, no validation studies were completed in 2009, and USAID/Honduras did not ensure that trainers systematically collected and reported data on material availability and use.

Although materials and training can improve school performance, if schools do not receive the materials on time or in sufficient quantity, the materials' overall impact will be limited. Without the reliable distribution of materials, teachers may remain skeptical of the value of the overall reform effort. While the distribution is not solely the responsibility of USAID, it is critical to achieving the impact desired. Furthermore, without effective assessment procedures, the mission cannot determine and accurately report on the status and impact of the program. To address these issues, this audit makes the following recommendations:

Recommendation 1: We recommend that USAID/Honduras develop, in conjunction with the Government of Honduras and other donors, a coordinating body to plan the annual distribution of USAID-funded educational materials.

Recommendation 2: We recommend that USAID/Honduras develop performance management plans that contain data on the implementation status of the education program, such as availability of newly developed materials and use of materials in the classroom.

USAID/Honduras Should Improve Reporting on Education Activities

According to USAID's guidance for the FY 2009 Performance Plan and Report (PPR), missions were required to provide information about the mission's performance against targets for standard indicators, as well as a narrative description of the program status. The guidance requires the narrative to be frank and objective regarding the results in each program area. In its FY 2009 PPR, the mission communicated its achievements on the indicators shown in the table.

USAID/Honduras FY 2009 Performance Plan and Report Indicators

| Program Element Indicator | Target | Actual Reported |
|--|---------------|------------------------|
| Number of administrators and officials trained | 2,000 | 977 |
| Number of learners enrolled in U.S. Government (USG)-supported preprimary schools or equivalent nonschool-based settings | 19,000 | 67,998 |
| Number of learners enrolled in USG-supported primary schools or equivalent nonschool-based settings | 1,350,000 | 1,384,386 |
| Number of learners enrolled in USG-supported secondary schools or equivalent nonschool-based settings | 435,000 | 429,571 |
| Number of teachers/educators trained with USG support | 45,000 | 46,162 |
| Number of textbooks and other teaching and learning materials provided with USG assistance | 1,500,000 | 2,013,043 |
| Number of laws, policies, regulations, or guidelines developed or modified to improve equitable access to or the quality of education services | 1 | 1 |
| Number of local organizations provided with technical assistance for strategic information activities | 30 | 32 |
| Number of evaluations | 1 | 1 |
| Number of student achievement testing results | 1 | 1 |

On the basis of the indicator documentation and the guidance provided to the missions, the audit team judged USAID/Honduras' reporting on standard indicators to be generally accurate. The mission provided adequate supporting documentation, usually developed by contractors or by the Ministry of Education, to justify each reported number. In addition, the mission had completed a data quality assessment of each data element within the past 3 years, as required by ADS 203.

However, the data, combined with the narrative, gives an incomplete picture of the status of the program. For example, the mission reported that all 1.38 million students in Honduras benefited from U.S. Government support because the revised academic standards were adopted nationwide; however, according to USAID/Honduras data, not all the students received the same level of U.S. Government support. During the audit, implementing partner officials and USAID/Honduras officials agreed that not all students

in Honduras had received new textbooks and materials or had teachers who regularly used the revised teaching materials. Therefore, while it is accurate that all students benefited from some level of U.S. Government support, the different benefits from that support should be noted.

Although the current list of standard indicators does not allow for such distinctions in the quality of support received by various students, such problems and limitations can be included in the program narrative or in a space below each indicator. However, USAID/Honduras did not address these specific implementation challenges in its FY 2009 performance narrative, because the mission was focused on accurately reporting the recipients of U.S. Government support and did not clearly see the benefit of a further explanation of the level of support reported. USAID/Honduras officials agreed that some indicators would benefit from distinctions of the support in the PPR.

Without more complete reporting in the PPR, stakeholders may receive an incomplete understanding regarding the level of support provided by the program and the difficulties faced by the program as a result of limited distribution and use of education materials. Without a written distinction or qualification of this information, USAID cannot plan effective follow-up activities to address identified barriers to implementation and ensure the maximum effectiveness of the program. To address this problem, this audit makes the following recommendation:

Recommendation 3: We recommend that USAID/Honduras adjust its future performance plan and reports to include written explanations or qualifications that more appropriately define the U.S. Government support that is reported.

Other Matter

USAID/Honduras is working to improve education in Honduras by developing quality education materials and offering training in the proper use of the materials. The intent is to improve achievement and primary school completion rates. To achieve these results, USAID and other donors agree that a minimum of 200 school days a year is needed.

According to data provided by USAID and to discussions with partners and a former Ministry of Education official, the number of school days has fallen below 200 because of frequent school closures. For example, between 2000 and 2009, Honduras has not had more than 190 days of school in 1 year. For 5 of the 10 years mentioned, schools were open for fewer than 150 days.

From discussions with USAID, partner officials, former teachers, and a former Ministry of Education official, the audit team learned that the main cause of the school closures is strikes by the teachers union. According to the former Ministry of Education official, the teachers strike because they are not paid regularly.

Thus, although developing and distributing materials and providing training on their use can improve education in Honduras, the overall impact of these activities will be limited if the number of school days per year continues to be low. USAID through the implementing partner AED is working to strengthen civil society's role in education with a particular emphasis on parental organizations, work that may bring increased pressure for a permanent solution to the strikes and school closures.

EVALUATION OF MANAGEMENT COMMENTS

In response to the draft report, USAID/Honduras agreed to implement and has developed specific plans to address recommendations 1, 2, and 3.

With regard to recommendation 1, the mission stated that it will work with the Ministry of Education leadership and the education donor group to establish timelines for distribution of USAID materials and to reach an understanding about which materials will be funded by non-USAID sources and how those materials will be distributed to schools. USAID/Honduras expects all action to be completed by February 28, 2011.

For recommendation 2, the mission said that it would strengthen the monitoring of availability of materials and their use by building this requirement into agreements with grantees. Current grantees will have these new requirements by September 30, 2010.

Regarding recommendation 3, USAID/Honduras indicated that in future performance reports, the comments section will be used to explain more clearly how reporting data was obtained. This will be completed with the next submission of the USAID/Honduras Performance Plan and Report at the end of this calendar year.

Based on these proposed actions and the stated timelines, management decisions have been reached on all recommendations. Mission comments in their entirety are presented in appendix II.

SCOPE AND METHODOLOGY

Scope

The Regional Inspector General/San Salvador conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The purpose of the audit was to determine whether (1) USAID/Honduras' education activities are achieving their main goals and (2) whether USAID/Honduras' reporting on its education activities provided stakeholders with complete and accurate information on the progress of the activities and the results achieved. Audit fieldwork was conducted at USAID/Honduras and implementing partners' offices in Tegucigalpa from February 1 to February 19, 2010.

The audit covered the period February 1, 2007, through February 19, 2010, and focused on the implementation of the Mejorando el Impacto al Desempeño Estudiantil de Honduras (MIDEH) program by Academy for Educational Development (AED) and American Institute for Research (AIR). In planning and performing this audit, we assessed the mission's controls related to its education activities. The management controls identified included the mission's performance management plan, program progress reports, strategy documents, and the fiscal year (FY) 2009 self-assessment of management controls as required by the Federal Managers' Financial Integrity Act of 1982.

We reviewed the program results reported by both AED and AIR for FYs 2008 and 2009. However, the partners did not report on certain indicators for 2009 because of the coup d'état.

Methodology

To determine whether the MIDEH program is achieving its main goals, the audit team met with and interviewed USAID/Honduras staff to gain an understanding of the program's history and status. The audit team reviewed relevant agreements, modifications, program descriptions, progress reports, and mission operating plans. The audit reviewed the work accomplished as reported in the implementing partners' reports and compared actual accomplishments with the specific outputs as defined in the agreements, performance monitoring plans, and monitoring and evaluation plans. This comparison entailed examining supporting records, including documented deliverables and the implementers' progress reports, for evidence that the project had, in fact, achieved its intended results. We also conducted interviews with both implementing partners, five subcontractors, and a former Ministry of Education official.

To determine whether the mission reported accurate and complete information, we interviewed mission and implementing partner personnel. We judgmentally selected 7 of the 10 results that best represented the specific outputs related to the MIDEH program as

reported in the FY 2009 Performance Plan and Report² and reviewed the associated documentation. We reviewed the guidance for such reporting as well. We also reviewed implementing partner documentation, such as training lists. In assessing the accuracy of reported results, we established a materiality threshold of 95 percent. If the reported results could be verified, and if the difference between reported and documented results was less than 5 percent, the reported results were judged to be accurate.

In addition, we reviewed applicable policies, procedures, and management controls related to the management for results, including Automated Directives System chapters 201 and 203. We also evaluated the mission's compliance with relevant program management controls and policies.

² The Performance Plan and Report reports to stakeholders on the mission's results achieved during the fiscal year (October 1, 2008, to September 30, 2009, for FY2009) using operational plan indicators.

MANAGEMENT COMMENTS

MEMORANDUM

DATE: June 4, 2010

TO: Regional Inspector General/San Salvador Catherine Trujillo

FROM: USAID/Honduras Mission Director William R. Brands /s/

SUBJECT: **Audit Report No. 1-522-10-00X-P, Audit of USAID/Honduras' Education Activities**

Please find below USAID/Honduras's position on the recommendations contained in the subject audit report.

Recommendation No. 1:

We recommend that USAID/Honduras develop, in conjunction with the Government of Honduras and other donors, a coordinating body to plan the annual distribution of USAID-funded educational materials.

Mission Response:

USAID/Honduras accepts this recommendation. We acknowledge the value of having a coordinating body that will develop a plan that includes distribution of USAID and, as relevant, other Education for All (EFA) materials that the Government of Honduras (GOH) plans to use in schools.

In 2008, USAID had obtained commitment from the Ministry of Education (MOE) to leverage pooled EFA funds provided by other donors to the MOE to finance end-of-year testing as a counterpart contribution. These funds served as direct counterpart to what USAID-financed efforts were contributing in technical assistance. Documentation of the agreements made between USAID grantee AIR and the MOE are found in Annex 1. This demonstrates that we have a precedent for coordinating our efforts with other donor and MOE support and for the MOE using its resources to compliment our activities. The MOE provided 18,995,000 lempiras (approximately \$1 million US dollars) to fund printing, distribution and summative (end-of-grade) test administration in the 2008 school year. The MOE also used \$747,797 of EFA funds in 2007 and \$566,795 in 2008 for the printing and distribution of educational materials such as academic standards, pacing guides, formative tests and teachers' manuals.

We had prioritized this type of leveraging of non-USAID financing of achievement testing and provision of materials as something to be carried on in 2009 and future school years. The political events of June 2009 resulted in a halt of all USAID assistance

benefitting the GOH and thus no testing was conducted in 2009. As of this writing in May 2010, most EFA donors have not reactivated their assistance programs. It is doubtful whether EFA pooled funding will be available to the MOE for the 2010 school year – it seems more realistic to imagine that it will restart in 2011. USAID/Honduras was only permitted to reestablish communications with GOH officials in April 2010 and FY 2009 funding for education was only made available to us on May 21, 2010. This background is meant to serve as a gauge for how we might time our response to this recommendation.

This recommendation addresses the need to document logistics and timing of distribution as well as funding sources, and this will improve our planning as we continue to leverage other non-USAID funds to compliment our efforts. Our plan for addressing this recommendation is to work with the MOE leadership and education donor group, “MERECE”, to plan and establish timelines for distribution of USAID materials, as well as to understand which materials will be funded by non-USAID sources and how those materials will be distributed to schools. We will develop a matrix that describes how USAID grantees and the MOE plan to distribute USAID-funded materials, including targets for arrival in schools. We have influence over the materials that our funding provides, since we will ask our grantees to monitor distribution and receipt of any such materials. In addition, we will work with donors to include in the matrix other materials they will provide, so that we are able to see the larger picture of what schools are getting. Although this was not included in the RIG recommendation, we feel it will enrich our information about the overall picture of materials distribution and availability in schools. This matrix can serve as an annual tool that will be updated continuously as changes occur in education planning.

We propose to discuss the idea of the “materials matrix” in the MERECE donor group meeting scheduled for July 30, 2010. We propose to have a first draft of the matrix developed jointly with the MOE showing USAID-funded materials distribution by November 12, 2010. We need this time to prepare the matrix as we are only now discussing which materials USAID will finance for 2011 due to the delays in receiving our funding because of the Honduran political situation. We will share the matrix electronically with the MERECE donor group prior to the scheduled meeting on November 26, 2010 and seek commitment from the group to work with us on a continuous basis to add any materials that they finance to the matrix and institute it as a tool that we can all begin using for the 2011 school year, which will begin in February 2011. We expect all action to be completed by February 28, 2011; therefore, please concur that a Management Decision has been reached.

Recommendation No. 2:

We recommend that USAID/Honduras develop performance management plans that contain data on the implementation status of the education program, such as availability of newly developed materials and use of materials in the classroom.

Mission Response:

We accept this recommendation. We currently have performance management plans that contain detailed data on the implementation status of our education programs, including teacher use of materials in the classroom. While we have done teacher usage studies under our current programs, they were not scheduled to be done on a regularly

established schedule (such as annually). The auditors reviewed the studies that we had done and recommended that there be a plan to ensure that these be done continuously and in a regularly-scheduled manner, to include both availability of materials and usage.

Our plan for addressing this recommendation is to strengthen the monitoring of availability of materials and their use by building this requirement into our agreements with our grantees. We are currently amending our projects with AIR and AED to add FY 2009 and (as soon as they are received) FY 2010 funds. We will include language in these and all other activities that produce or distribute materials that we finance in the future requiring that there be verification of the arrival of materials and annual studies that document whether and how the materials are being used by teachers and students in classrooms.

Below is sample language we are drafting to insert in upcoming modifications to both AIR and AED's agreements:

In February 2010, the USAID Regional Inspector General (RIG) performed an audit of USAID Honduras Education Activities (Audit Report No. 1-522-10-00X-P). The draft report dated May 13, 2010 was shared with AED and AIR. The audit team recommended that USAID strengthen its tracking of the distribution of USAID-financed materials and its monitoring of whether and how these materials are being used in the classroom.

Therefore, as part of its proposal to address this Program Description, AED (same for AIR) must include in its proposal a plan to (1) ensure and document that all USAID-financed materials arrive in schools; and (2) monitor on a regular and on-going basis whether and how the teachers are using USAID-financed materials in the classrooms. AED (same for AIR) must clearly specify in its proposal how this monitoring will occur and with what frequency. In addition, AED's (AIR's) quarterly reports must contain a separate section addressing the results of this monitoring.

AIR will have this language inserted in its agreement prior to July 31, 2010 and AED prior to September 30, 2010.

In addition to printed materials, AIR has posted MIDEH-project developed educational materials for teachers on the MOE official website and set up two additional websites to facilitate access for teachers with internet access: www.equip123.net/mideh and <http://av.dcnbhonduras.org>. These sites post the materials and also allow teachers to administer diagnostic and formative tests on-line or via a CD for instantaneous grading and recording of the results. Our MIDEH project NGOs will be able to track both the use of these materials and the results in schools where teachers and students have access to computer labs.

Because the school year in Honduras begins in February, it will be some time before we are able to demonstrate to RIG that we have instituted this tracking process and have results to show. Materials will only be getting out to schools in early 2011 and usage studies will have to occur some time after that to allow schools time to put them into use. We feel we will be able to demonstrate compliance later in the 2011 Honduran school year. We expect all action to be completed by September 30, 2011; therefore, please concur that a Management Decision has been reached.

Recommendation No. 3:

We recommend that USAID/Honduras adjust its future performance plan and reports to include written explanations or qualifications that more appropriately define the United States Government support that is reported.

Mission Response:

We accept this recommendation. In our future performance reports we will use the comments section to explain how we obtained our reporting data more clearly. This finding arose from the observation that we had reported that we had provided all schools with materials that we had purchased and there was conflicting information that not all of the materials had gotten to their final destinations. Our actions in Recommendation 1 will help to ensure that the partnership between USAID, other donors, and the GOH defines a clear plan to be able to track provision of materials. Our actions under Recommendation 2 will strengthen our monitoring of the arrival of materials that USAID finances in schools and increase our ability to give a more nuanced report on whether the materials arrived in schools or not.

We expect all action to be completed with the next submission of our USAID/Honduras Performance Plan Report at the end of this calendar year; therefore, please concur that a Management Decision has been reached.

U.S. Agency for International Development
Office of Inspector General
1300 Pennsylvania Ave., NW
Washington, DC 20523
Tel: (202) 712-1150
Fax: (202) 216-3047
www.usaid.gov/oig