



## OFFICE OF INSPECTOR GENERAL

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# AUDIT OF USAID/EASTERN AND SOUTHERN CARIBBEAN'S YOUTH-RELATED PROJECTS

AUDIT REPORT NO. 1-534-15-007-P  
AUGUST 19, 2015

SAN SALVADOR, EL SALVADOR



*Office of Inspector General*

August 19, 2015

**MEMORANDUM**

**TO:** USAID/Eastern and Southern Caribbean Mission Director,  
Christopher M. Cushing

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

**SUBJECT:** Audit of USAID/Eastern and Southern Caribbean's Youth-Related Projects  
(Report No. 1-534-15-007-P)

This memorandum transmits our final report on the subject audit. In finalizing the audit report, we considered your comments on the draft and included them in their entirety, excluding attachments, in Appendix II.

The report contains 13 recommendations to help USAID/Eastern and Southern Caribbean strengthen its youth-related projects. After reviewing information provided in response to the draft report, we determined that the mission has taken final action on Recommendations 1, 6, 9, and 10 and made management decisions on the rest. Please provide evidence of final action on the open recommendations to the Audit Performance and Compliance Division.

Thank you and your staff for the cooperation and assistance extended to us during this audit.

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**Abbreviations**

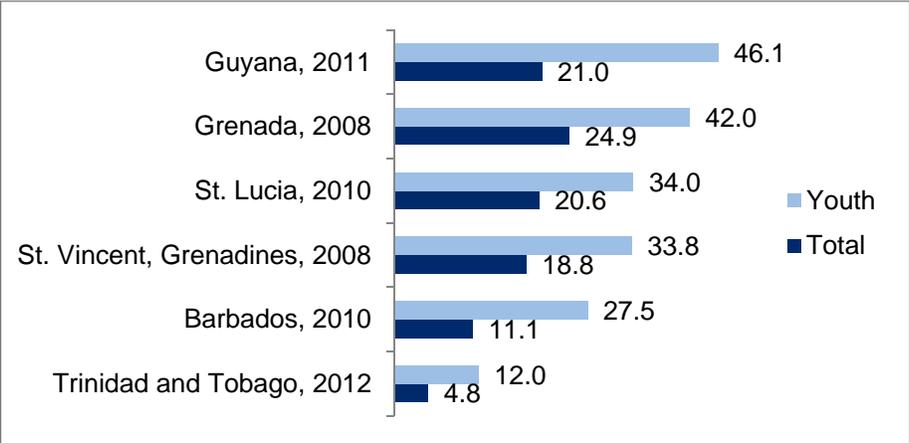
The following abbreviations appear in this report:

ADS	Automated Directives System
AOR	agreement officer’s representative
C-TIP	counter-trafficking in persons
M&E	monitoring and evaluation
OECS	Organization of Eastern Caribbean States
PMP	performance management plan
RIG	Regional Inspector General
SKYE	Skills and Knowledge for Youth Employment
TraiNet	Training Results and Information Network

# SUMMARY OF RESULTS

Youths under 30 make up two-thirds of the population of the Caribbean, according to USAID. Many leave formal education without the skills needed in the workplace, and many cannot find work. The World Bank reports that in most countries in the region, youth unemployment is roughly twice as high as the overall rate, exceeding 30 percent in some places (Figure 1).<sup>1</sup>

**Figure 1. Youth and Total Unemployment in Selected Caribbean Countries With Available Data, by Year (Unaudited)**



Source: World Bank, *Youth Unemployment in the Caribbean*.

According to a 2013 assessment prepared for USAID, “the juvenile justice system is in crisis.”<sup>2</sup> Alternative sentencing options (e.g., probation) are limited, juvenile justice systems continue to punish rather than rehabilitate, and prisons often hold youths with adults.

To address these challenges, USAID’s Eastern and Southern Caribbean Mission—which manages activities in the eastern Caribbean countries of Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, Saint Lucia, and St. Vincent and the Grenadines and the southern Caribbean countries of Barbados, Guyana, Suriname, and Trinidad and Tobago—implemented 11 projects aimed at strengthening the juvenile justice system and increasing opportunities for youths throughout the region to lead productive lives.

The Regional Inspector General/San Salvador (RIG) conducted this audit to determine whether USAID/Eastern and Southern Caribbean’s youth-related projects were achieving their objectives of strengthening the juvenile justice system and increasing opportunities for youths to lead productive lives throughout the region.

<sup>1</sup> Mónica Parra-Torrado et al., World Bank, *Youth Unemployment in the Caribbean*, April 2014.  
<sup>2</sup> Aaron Foss, Bertrand Laurent, et al., *Eastern and Southern Caribbean Youth Assessment, Final Report*, Social Impact Inc. for USAID, September 2013.

The audit focused on projects implemented under the following two development objectives:

1. **Opportunities for Youths to Lead Productive Lives Increased.** To reduce the allure of involvement in drug trafficking and crime, projects seek to improve the capacity of institutions to prepare at-risk youths to meet workforce demands and improve the environment for youth entrepreneurship.
2. **Juvenile Justice System Strengthened.** To reach this objective, projects focus on reforming laws and policies to meet international human rights standards, integrating rehabilitative approaches in the juvenile justice sector, and improving social support mechanisms for at-risk youths in the countries of the eastern Caribbean, Suriname, and Trinidad and Tobago.

The audit team selected the five projects shown in Table 1 to audit. As of June 30, 2014, the mission had obligated \$15.5 million and spent \$9.8 million on them.

**Table 1. Audited Projects as of June 30, 2014 (Audited)**

Project and Location	Implementing Partner	Dates	Amount (\$ million)		
			Total	Obligated	Expended
A Ganar Alliance: Using Sport to Impact Youth Employment and Youth Engagement—Dominica, Jamaica, St. Kitts and Nevis, St. Vincent, and Suriname	Partners of the Americas	9/27/09-9/30/15	2.4*	2.0*	1.2*
Skills and Knowledge for Youth Employment in Guyana (SKYE Guyana)	Educational Development Center	8/8/11-8/7/15	5.0	5.0	3.8
Reforms to the Organization of Eastern Caribbean States (OECS) Juvenile Justice System—All six member states	OECS	10/12/11–9/30/14 <sup>†</sup>	5.8	3.9	2.2
Strengthening Second Chance Education in the Eastern Caribbean—Eastern Caribbean Countries, Suriname, and Trinidad and Tobago	Caribbean Examination Council	9/26/12-9/30/15	4.2	1.6	0.9
Youth Development and Juvenile Justice in Suriname	Pan American Development Foundation	2/7/13-2/6/16	4.5	3.0	1.7
<b>Total</b>			<b>21.9</b>	<b>15.5</b>	<b>9.8</b>

\* Amounts are for activities in all locations; the audit covered activities in Suriname only.

<sup>†</sup> The mission extended the agreement to October 31, 2015, because of start-up delays.

Although activities reached at-risk youths through vocational training and supported the development of national strategies to reform the juvenile justice sector, projects were not on

track to meet their goals. The audit team found the following contributing factors and weaknesses:

- The mission did not have enough staff to monitor project progress (page 5). As of June 30, 2014—more than halfway through the implementation period—either the projects were behind in reaching performance targets, or the implementing partner was not providing results that allowed the mission to track progress. Monitoring officials were overworked, and the mission did without a director for a total of 15 months.
- The mission did not meet planning requirements (page 8). Stretched too thin, officials did not update the long-range strategy or the mission-wide plan, and did not prepare project monitoring and evaluation plans. The plans, which aid in effective design and management, are supposed to include performance indicators with targets, baseline data, disaggregated data that meet quality standards, and branding and marking provisions publicizing that funding comes from the American people.
- The investment in Suriname programming was unlikely to achieve greatest impact (page 10). The country's comparatively low crime rate made it a questionable addition to the regional juvenile justice portfolio.
- Mission officials did not incorporate counter-trafficking-in-persons (C-TIP) requirements in their strategy and projects (page 12). Because trafficking in persons is a problem in the region, projects that provide employment opportunities for youths must take extra precautions to ensure participants' safety. Yet the mission lacked a C-TIP coordinator and did not disseminate the USAID field guide on C-TIP to implementing partners, some of which were unprepared to deal with potential problems.

In another matter, the audit found that the mission did not verify that the implementing partners entered training data into the training database (page 13).

To strengthen the mission's youth-related projects, the audit recommends that the mission:

1. Update its staffing plan to provide enough officials to oversee all projects in the region (page 8).
2. Instruct implementing partners to establish targets for all of the projects' performance measures or indicators and periodically report progress on the targets (page 8).
3. Complete assessments of data quality for four of the projects: Skills and Knowledge for Youth Employment in Guyana (SKYE Guyana); Reforms to the OECS Juvenile Justice System; Strengthening Second Chance Education in the Eastern Caribbean; and Youth Development and Juvenile Justice in Suriname (page 8).
4. Instruct implementing partners in writing to provide data at the level required in their agreements (page 8).
5. Instruct all implementing partners in writing to comply with USAID's requirements for publicly attributing assistance to the American people (page 8).

6. Update its regional development cooperation strategy to include Caribbean Basin Security Initiative indicators and activities; performance indicators to track reductions in crime and violence, school dropout rates, and unemployment; all planned activities; and activities being implemented in Guyana (page 10).
7. Update its mission-wide performance management plan to include key indicators, reference-point or baseline data, and targets in the updated regional development cooperation strategy (page 10).
8. Complete project monitoring and evaluation plans that include project indicators and targets to measure progress on and align with the strategy and the mission-wide performance management plan (page 10).
9. Require OECS to submit a monitoring and evaluation plan for its project (page 10).
10. Reevaluate the project in Suriname; implement a plan to phase it out, if deemed appropriate; and invest the remaining funding in countries where it would have greater impact (page 11).
11. Incorporate counter-trafficking-in-persons requirements in the mission's regional development cooperation strategy and agreements (page 12).
12. Provide counter-trafficking-in-persons training to its staff, and disseminate the USAID field guide to all implementing partners (page 12).
13. Determine the total hours of participant training conducted for each of the projects, and enter the data into the training database in accordance with Automated Directives System 253.3 (page 13).

Detailed findings appear in the following section, and Appendix I describes the audit scope and methodology. RIG/San Salvador's evaluation of management comments appears on page 14, and the full text of Management comments appears in Appendix II.

# AUDIT FINDINGS

## Mission Did Not Have Enough Staff to Monitor Projects

According to USAID's Automated Directives System (ADS), missions must include sufficient funding and personnel for monitoring project results and performance (ADS 201.3.6). However, the mission lacked staff to monitor 11 youth-related projects in ten countries effectively. The mission had only two agreement officer's representatives (AORs) assigned to manage the projects, and they also had monitoring responsibility for four climate change projects. Moreover, the mission did not have a monitoring and evaluation specialist to support the AORs.

The mission's responsibility for managing projects in the Caribbean has expanded significantly since 2010. Previously, the mission assisted Barbados and the six OECS countries. In 2010, USAID's Latin America and the Caribbean Bureau added Suriname and Trinidad and Tobago to the mission's portfolio. In 2012, the bureau added Guyana to the mission's portfolio after the mission there closed. Yet the mission did not add staff to handle the increased workload. Staff shortages even affected leadership positions. The mission experienced gaps in leadership. For 5 months in 2012 and 10 months in 2014, the mission did not have a mission director. The mission had three interim mission directors in 2012 and three in 2014.

The lack of staff put the mission significantly behind schedule and reduced the likelihood that projects would achieve their goals and objectives on schedule. As of June 30, 2014, more than halfway through the implementation period, either the projects were behind in reaching established targets or the implementing partner was not providing results that would allow the mission to track progress. Examples follow and are summarized in Table 2.

- **Insufficient progress.** One project reported insufficient results. SKYE Guyana was designed to strengthen services, such as case advocacy and pretrial diversion;<sup>3</sup> provide information for judges on alternatives to incarceration; and equip youths with marketable skills to help them join the workforce. The most recent progress report at the time of the audit showed insufficient progress (Table 2). It had only a 43 percent overall completion rate on activities. For example, the project had assisted only 1,058 of the 1,265 at-risk youths in completing an individual livelihood plan, which lays out actions needed to accomplish career and other goals; provided entrepreneurship training to just 36 out of a target of 169 youths; and advocated alternative justice options for minor offenses for 51 out of a target of 150 youths.
- **Insufficient reporting.** Four projects did not report on all indicators:
  - **Reforms to the OECS Juvenile Justice System.** The OECS project was designed to effect reforms in all six member countries. The implementing partner indicated that it was on track to meet most of the project's targets. However, it did not report on 14 of 20

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<sup>3</sup> Diversion means keeping youths out of prison—for example, by exercising discretion in prosecuting them. Other services commonly provided to youths in the justice system, services for which the United Nations has set international standards, include medical care, education, vocational training, and recreation.

indicators, such as (1) training 180 people on new standards for providing services and operating facilities for juveniles, (2) training 200 people on planning projects and developing policy for juveniles, and (3) training 120 people in juvenile justice system administration. Mission officials confirmed that this project was behind schedule and extended it through October 31, 2015.

- **Youth Development and Juvenile Justice in Suriname.** The project was designed to expand opportunities for at-risk youths aged 15 to 24 and strengthen Suriname’s juvenile justice system. While the project made some progress, it did not report results for 15 of 26 indicators, such as (1) providing 375 at-risk youths and school dropouts employment opportunities in the formal sector, (2) providing 280 youths improved juvenile justice services, and (3) training 90 representatives of civil society and the public sector on juvenile justice procedures.<sup>4</sup>
- **Strengthening Second Chance Education in the Eastern Caribbean.** Second Chance’s objectives are to establish learning partnerships between the public and private sectors to educate and train at-risk youths; improve schools’ records management, reporting, and analysis; and use technology to make materials available to more young people. The implementing partner’s quarterly reports did not give the mission any information to determine if the project was on target to (1) build strategic alliances/learning partnerships with public organizations, (2) help at risk-youths find work after training, or (3) help at-risk youths get internships with partnering enterprises.
- **A Ganar Alliance: Using Sport to Impact Youth Employment and Youth Engagement.** The Alliance, whose name means “to win,” supports youths aged 16 to 24 by developing their skills and offering vocational training and internship opportunities. As of March 31, 2014, the implementing partner reported that 306 youths had registered for training and 110 had graduated. However, the implementing partner reported on only two performance targets.

**Table 2. Progress Reported (Audited)**

Project and Date of Report	Indicators	Without Targets	With Targets	Reported On	Targets Achieved	% Achieved
OECS 9/2013	20	0	20	6	3	15
Suriname* 3/2014	26	5	21	11	8	†
SKYE Guyana 12/2013	14	0	14	14	6	43
Second Chance 6/2014	47	22	25	0	†	†
Alliance 3/2014	13	0	13	2	†	†

\* Youth Development and Juvenile Justice in Suriname.

† Indeterminate.

<sup>4</sup> Procedures vary by jurisdiction, but cover steps from initial contact to diversion or processing, adjudication, sentencing, detention, and reintegration.

Besides limiting the monitoring of goals and objectives, the lack of staff contributed to the mission's noncompliance with other requirements, as noted below.

- **Lack of data quality assessments.** Missions are expected to verify the quality of data collected for performance indicators on which the mission reports externally (ADS 203.3.11.3). However, the mission did not prepare data quality assessments for (1) OECS, (2) Suriname, or (3) Second Chance. For SKYE Guyana, the mission prepared an assessment, but it was not complete for all indicators.
- **Insufficient data on targeted populations.** To ensure gender equity, ADS 205.3.6 requires missions to collect appropriate sex-disaggregated data. For that reason and because juvenile justice systems typically have not reported separately on female inmates, who are so much in the minority that they are “almost invisible in the process,” the agreement with OECS required it to disaggregate results by gender, but OECS did not. The agreement for SKYE Guyana required the partner to disaggregate data by age, gender, and geographical location, but the partner did not. Similarly, the partner implementing the Alliance did not disaggregate data, even though its cooperative agreement said it would strive to have 50 percent male and 50 percent female participants.
- **Deviation from branding and marking requirements.** To advance diplomacy, missions must verify that implementing partners communicate that the assistance they are providing is from the American people (ADS 320.3.1). Projects are to be cobranded and comarked, meaning named in a way that shows sponsorship by USAID and bearing the logos of USAID and the implementing partner (ADS 320.3.3.1). However, in several instances, they weren't:
  - The USAID logo was too small to be noticeable in project materials at OECS offices in St. Lucia, and that project's quarterly reports lacked the USAID logo.
  - In St. Vincent, OECS did not do proper branding and marking. For example, (1) USAID-funded equipment received at the Family Affairs Office had not been branded, (2) there was no banner or any other sign recognizing USAID's funding of a parents' workshop held May 24, 2014, and (3) the construction site for the rehabilitation of the Liberty Lodge Boys' Training Center did not have any markings.
  - There was no marking for the Suriname project at the training facilities run by subpartner Toward a New Alternative Foundation, nor were there markings related to USAID or the project in the offices of subpartners Mondrian and Cocon.

In December 2013, USAID completed an assessment of the mission that identified staffing and management as the most pressing concerns.<sup>5</sup> Mission officials said they had finished assessing their staffing needs. The mission interviewed a monitoring specialist, a communications specialist, a climate change specialist, and a rule of law specialist. Officials also noted they would review the staffing pattern yearly to be sure they have enough staff to meet management requirements. However, the mission had not yet developed a staffing plan to address its shortage of AORs.

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<sup>5</sup> Mission Management Assessment for USAID/Barbados and Eastern Caribbean, December 26, 2013.

The lack of staff to monitor projects put them behind schedule and jeopardized their goals and objectives. To help the mission better monitor its youth-related projects, we make the following recommendations.

**Recommendation 1.** *We recommend that USAID/Eastern and Southern Caribbean update its staffing plan to provide enough agreement and contract officer's representatives to oversee all projects in the region.*

**Recommendation 2.** *We recommend that USAID/Eastern and Southern Caribbean instruct implementing partners to establish targets for all of the projects' performance indicators and periodically report progress on them.*

**Recommendation 3.** *We recommend that USAID/Eastern and Southern Caribbean complete all data quality assessments for four projects: Reforms to the OECS Juvenile Justice System; Youth Development and Juvenile Justice in Suriname; Strengthening Second Chance Education in the Eastern Caribbean, and Skills and Knowledge for Youth Employment in Guyana.*

**Recommendation 4.** *We recommend that USAID/Eastern and Southern Caribbean instruct implementing partners in writing to disaggregate data according to the requirements in their agreements.*

**Recommendation 5.** *We recommend that USAID/Eastern and Southern Caribbean instruct all implementing partners in writing to comply with USAID's branding and marking requirements.*

## **Mission Did Not Meet Planning Requirements**

According to ADS 201.3.2.1,<sup>6</sup> USAID missions should develop a 5-year strategy for accomplishing results that have clear and measurable impacts, as well as for connecting policies and strategies to project design and execution, monitoring and evaluation, learning, and resources. The strategy should include performance indicators to measure results. The mission should also evaluate and update the strategy throughout the implementation period. In addition to the strategy, missions should prepare:

- A mission-wide performance management plan (PMP) to monitor, evaluate, and analyze progress toward the results (ADS 203.3.3). The PMP should include performance indicators, baseline data, and targets. The mission should update plan indicators as new projects are designed (ADS 203.3.2.1).
- Project monitoring and evaluation (M&E) plans to assess and report progress toward project outputs and outcomes (ADS 201.3.9.4). The mission should "review targets at least annually and update, if needed" (ADS 203.3.2.1).

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<sup>6</sup> ADS Chapter 201 was updated in December 12, 2014. All references in this report to parts of that chapter are to the previous version, which was in effect at the time of audit fieldwork.

However, the mission had not updated its 5-year strategy or the mission-wide PMP, nor had it prepared project M&E plans.

**Mission's Regional Development Cooperation Strategy (2011-2015).** The mission did not update its strategy to incorporate activities funded under the Caribbean Basin Security Initiative or performance indicators that USAID's Latin America and the Caribbean Bureau had provided in mid-2013.<sup>7</sup> Further, the mission did not update the strategy to include all the territories it currently manages. For example, it did not add Guyana, where it took over the SKYE project after the Guyana mission closed in 2012.

In accordance with the strategy, the mission had established the following key indicators, but there were no project activities associated with them:

- *Number of legal institutions and associations supported by USG [the U.S. Government].*
- *Number of USG-assisted strategic plans for justice sector reform adopted.*
- *Number of learners enrolled in USG-supported secondary schools or equivalent non-school settings.*
- *Number of workforce development initiatives created through USG-assisted public-private partnerships.*
- *Number of instructors employing USG-assisted entrepreneurship curricula.*
- *Index established for reforming the legal and policy framework.*

Additionally, although the mission's strategy was to focus on problems that lead to youth encounters with the juvenile justice system—poor education, lack of marketable skills, ineffective juvenile justice systems, and high rates of crime and violence—the mission did not develop indicators to track reductions in dropout rates, unemployment, crime, or violence.

**Mission-Wide Performance Management Plan.** The mission had not updated its mission-wide PMP and was working with a draft from 2011. The draft was not fully developed; it did not include key indicators, baseline data, or targets.

**Project and Activity Monitoring and Evaluation Plans.** The mission had not completed project M&E plans, nor had it checked to see that its implementing partner had prepared an M&E plan for the Reforms to the OECS Juvenile Justice System.

The mission did not meet planning requirements because, as previously noted, the mission did not have the staff needed to manage such a large regional portfolio, and it operated without a mission director for long periods.

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<sup>7</sup> President Obama announced the Caribbean Basin Security Initiative in 2009 to help combat the drug trade and other cross-border crimes and to promote social justice. Since 2010, the United States has committed \$263 million to the initiative.

Without key planning documents, the mission cannot allocate resources effectively or manage the projects to accomplish results. In addition to recommending that the mission update its staffing plan (Recommendation 1), we make the following recommendations.

**Recommendation 6.** *We recommend that USAID/Eastern and Southern Caribbean update its regional development cooperation strategy to include Caribbean Basin Security Initiative indicators and activities; performance indicators to track reductions in crime and violence, school dropout rates, and unemployment; all planned activities; and activities being implemented in Guyana.*

**Recommendation 7.** *We recommend that USAID/Eastern and Southern Caribbean update its mission-wide performance management plan to include key indicators, baseline data, and targets in the updated regional development cooperation strategy.*

**Recommendation 8.** *We recommend that USAID/Eastern and Southern Caribbean complete project monitoring and evaluation plans that include project indicators and targets to measure progress on and align with the strategy and the mission-wide performance management plan.*

**Recommendation 9.** *We recommend that USAID/Eastern and Southern Caribbean require the Organization of Eastern Caribbean States to submit a monitoring and evaluation plan for Reforms to the OECS Juvenile Justice System.*

## **Investment in Suriname Programming Was Unlikely to Achieve Greatest Impact**

USAID's 2011-2015 Policy Framework and ADS 201.3.3.3 stress that USAID should be selective, investing in countries, subnational regions, or sectors having the potential for greatest impact.

Given Suriname's relatively low level of crime, investing in juvenile justice there may not achieve maximum impact. Despite the low level of crime, the mission obligated \$3 million and disbursed \$1.7 million (out of a total estimated cost of \$4.5 million) to implement Youth Development and Juvenile Justice in Suriname.<sup>8</sup> According to the United Nations Development Programme's *Caribbean Human Development Report of 2012*, Barbados and Suriname have the lowest crime rates in the region. The United Nations Office on Drugs and Crime estimated Suriname's murder rate at 6.1 per 100,000 people in 2012 (Figure 2), compared with 33.6 for St. Kitts, 28.3 for Trinidad and Tobago, and 25.6 for St. Vincent.

During the audit team's site visit to the Delinquent Care Unit at the Ministry of Justice, a government official stated that, of the total prison population of 1,100, only 37 were youths—approximately 3 percent of the prison population and 0.01 percent of the total population (544,000)<sup>9</sup> of Suriname. According to the March 2014 quarterly report, two subpartners,

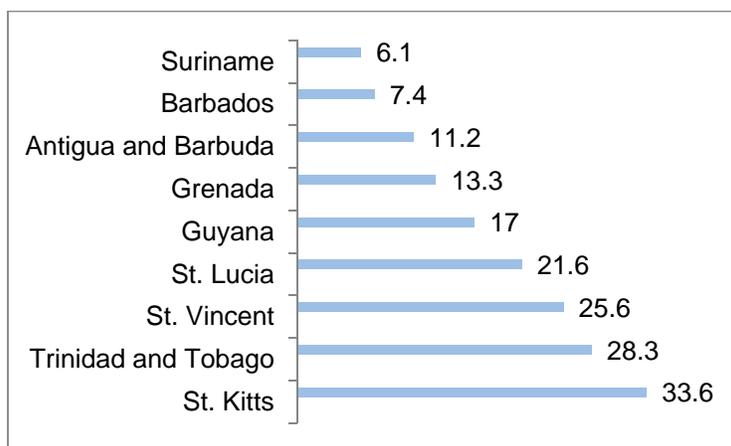
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<sup>8</sup> The mission's Alliance and Second Chance projects include activities in Suriname, but information on the Alliance's activities was not readily available, and Second Chance had not started in Suriname.

<sup>9</sup> Population figure from the World Bank, <http://data.worldbank.org/indicator/SP.POP.TOTL>, accessed on August 18, 2015.

Mondrian and Talent@work, struggled to recruit at-risk youths who fit the project's profile. Mission officials said that in addition to the 37 youths imprisoned, 207 were held in other facilities. Although we did not verify that, the overall population of youths in confinement would still be low.

**Figure 2. Homicide Rates in Caribbean Countries in 2012 (Unaudited)**



Source: United Nations Office on Drugs and Crime, *Global Study on Homicide 2013*.

USAID added Suriname to the mission's portfolio in 2010 because the Caribbean Basin Security Initiative committed resources to enhance the prospects for at-risk youth. However, USAID's December 2013 assessment pointed out that addressing crime and at-risk youths in Suriname would not have as great an impact as in other countries. Given the relatively low level of crime in Suriname, the assessment recommended phasing out the project there over the next several years.

Current mission officials took another view. They noted that the strategy is designed to prevent youth involvement in crime and violence in the region as a whole and said that a growing "disaffected cohort of unemployed youth could unravel the social fabric of the region." Officials recognized they should be selective about where they invest, but said Suriname is important because it is a "gateway and transit point into the Caribbean and beyond for illicit activity."

The audit team recognizes the mission's position. However, given the concerns raised in the December 2013 assessment, the low level of crime in the country, and the need to maximize the effectiveness of investments in assistance, we believe the mission should reevaluate its project in Suriname and determine whether these resources could be used elsewhere in the region to benefit more at-risk youths. To help the mission manage its regional strategy, we make the following recommendation.

**Recommendation 10.** *We recommend that USAID/Eastern and Southern Caribbean reevaluate its project in Suriname; implement a plan to phase it out, if deemed appropriate; and invest the remaining funding in countries where it would have greater impact.*

## Mission Did Not Incorporate Counter-Trafficking-in-Persons Requirements in Strategy or Projects

USAID has issued three publications containing guidance on countering human trafficking. The Agency's C-TIP Field Guide states that staff should incorporate counter-trafficking in persons in project design. USAID's "Guidance on the Implementation of the Counter Trafficking in Persons (C-TIP) Code of Conduct," encourages missions to integrate C-TIP in ongoing programming, especially in Tier 2 Watch List and Tier 3 countries.<sup>10</sup> In addition, USAID's C-TIP policy mandates training staff on combating trafficking and implementing partners on recognizing and responding to trafficking.

Despite the guidance and its applicability in the Caribbean, the mission's strategy did not incorporate C-TIP activities in designs or implementation. Project design documents did not address the likelihood of forced youth labor although projects work with at-risk youths in areas with a high incidence of trafficking. For example, there was no provision in designs or plans for vetting prospective employers of youths participating in job training and internship placements.

Additionally, except in Barbados and Trinidad, implementing partners were not prepared to recognize, report, and address human trafficking. In St Vincent, a participant in a juvenile justice workshop said she had heard about parents selling their children. Although this is just one example and cannot be verified, the implementing partner sponsoring the workshop should have offered her resources, rather than doing what it did: asking her not to discuss the issue in the workshop.

The mission did not incorporate C-TIP in its strategy or programming because, in another instance of inadequate staffing, there was no C-TIP coordinator until July 2014. Without a coordinator to spearhead C-TIP efforts, staff did not receive training on types and indicators of trafficking to use in projects, and implementing partners did not receive copies of the field guide.

The lack of awareness among USAID staff and implementing partners of how to recognize and respond to allegations and victims of trafficking puts youths participating in USAID projects at risk. To help the mission integrate C-TIP requirements, we make the following recommendations.

***Recommendation 11.*** We recommend that USAID/Eastern and Southern Caribbean incorporate counter-trafficking-in-persons requirements in the mission's regional development cooperation strategy.

***Recommendation 12.*** We recommend that USAID/Eastern Southern Caribbean provide counter-trafficking-in-persons training to its staff and disseminate the USAID field guide to all implementing partners.

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<sup>10</sup> Many countries in the Caribbean have appeared repeatedly on the U.S. State Department's Tier 2 Watch List, for countries with significant trafficking problems whose efforts to comply with the minimum standards of the Trafficking Victims Protections Act of 2000 have plateaued. The *Trafficking in Persons Report 2014* put Antigua and Barbuda, Guyana, St. Vincent and the Grenadines, and Suriname on the Tier 2 Watch List. For Guyana it was the second consecutive year; for Suriname, it was the third and would have meant a mandatory downgrade to Tier 3—a designation that triggers restrictions on foreign assistance—had the government not drafted and funded a plan for compliance.

# OTHER MATTER

## **Mission Did Not Verify That Training Was Reported in the Required Database**

ADS 253.3 states that all units sponsoring training must use USAID's Training Results and Information Network (TraiNet) to track and report on results. In addition, per ADS 253.3.7.5, sponsoring units must verify participants' attendance.

Although the implementing partners reported training activities in the quarterly reports submitted to the mission, the mission did not verify that the same information was entered into TraiNet. For example, as of June 30 2014, Educational Development Center reported training 1,215 recipients, Pan American Development Foundation 193 youths, and OECS 40 members of the media, but none of the training was reported in TraiNet.

As noted throughout this report, the lack of staff caused this oversight.

As a result, the mission's training data were not complete or accurate, meaning the effectiveness of those activities cannot be determined. Training is an essential component of each of the projects, and ensuring that training activities are completed and that the mission is monitoring results is essential to accomplishing the projects' goals.

To help the mission comply with requirements for reporting training, we make the following recommendation.

***Recommendation 13.*** *We recommend that USAID/Eastern and Southern Caribbean determine the total hours of participant training conducted for each of the projects and enter the data into the Training Results and Information Network in accordance with Automated Directives System 253.3.*

# EVALUATION OF MANAGEMENT COMMENTS

In its response to the draft report, the mission agreed with 12 of the 13 recommendations and partially agreed with the remaining one. According to comments from the mission, it made management decisions on all 13 and took final action on Recommendations 1, 6, 9, and 10.

**Recommendation 1.** The mission agreed and decided to update its staffing plan in March 2015 to include a substantial increase in numbers, and provided us with a copy. We acknowledge the mission's management decision and final action.

**Recommendation 2.** The mission agreed and decided to direct its implementing partners to establish targets for and report progress on all performance indicators periodically. The mission planned to follow up with a formal letter to each partner by September 30, 2015. We acknowledge the mission's management decision.

**Recommendation 3.** The mission agreed to conduct data quality assessments on all four projects named in the recommendation and expected to finish by March 2016. We acknowledge the mission's management decision.

**Recommendation 4.** The mission agreed and decided to instruct project implementers to disaggregate data according to their agreements. The mission planned to follow up with a formal letter to all partners by October 1, 2015. We acknowledge the mission's management decision.

**Recommendation 5.** The mission agreed and decided to send a letter instructing all implementing partners to comply with USAID's branding and marking requirements. Grantees were expected to confirm receipt of the letter by November 1, 2015. We acknowledge the mission's management decision.

**Recommendation 6.** The mission agreed and noted that USAID approved its Regional Development Cooperation Strategy in October 2014. For all new projects as well as those being adapted to fit the new strategy, the mission was updating its PMP to include Caribbean Basin Security Initiative indicators and activities; indicators to track reductions in school drop-out rates, unemployment, crime, and violence; all planned activities; and activities being implemented in Guyana. We acknowledge the mission's management decision and final action.

**Recommendation 7.** The mission agreed and decided to update and submit for USAID's approval by March 31, 2016, its mission-wide PMP, which will include key indicators, baseline data, and targets. We acknowledge the mission's management decision.

**Recommendation 8.** The mission agreed and planned to complete M&E plans for new projects. The plans will include project indicators and targets to measure progress on and align with the revised strategy and mission-wide PMP. The mission also planned to update M&E plans for existing projects and integrate revisions of those into the mission-wide PMP. The mission

expected to complete all the updates by the end of March 2016. We acknowledge the mission's management decision.

**Recommendation 9.** The mission agreed and decided to require OECS to submit an M&E plan. OECS submitted a comprehensive M&E plan for the juvenile justice reform program, and the mission gave us a copy. We acknowledge the mission's management decision and final action.

**Recommendation 10.** The mission partially agreed with this recommendation. After reevaluating this project, the mission revised performance targets so that the project could meet them with the current level of funding. Instead of phasing out the project, the mission decided not to provide any additional funding. We acknowledge the mission's management decision and final action.

**Recommendation 11.** The mission agreed and decided to incorporate standard C-TIP requirements into each obligating and award document by September 30, 2015. We acknowledge the mission's management decision.

**Recommendation 12.** The mission agreed and decided to provide C-TIP training to its staff and disseminate the USAID field guide by December 31, 2015. We acknowledge the mission's management decision.

**Recommendation 13.** The mission agreed to work with its implementing partners to (1) determine the total hours of participant training conducted for each of the projects and (2) verify that data have been recorded in accordance with ADS 253.3 by December 31, 2015. We acknowledge the mission's management decision.

# SCOPE AND METHODOLOGY

## Scope

RIG/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 in accordance with our audit objective. We believe that the evidence obtained provides that reasonable basis.

The objective of the audit was to determine whether USAID/Eastern and Southern Caribbean was achieving its main goals of increasing opportunities for youths to lead productive lives and strengthening the juvenile justice system.

The audit covered project activities specified in Table 1 from inception to June 30, 2014. As of June 30, 2014, USAID/Eastern and Southern Caribbean had obligated \$15.5 million and disbursed \$9.8 million for the activities.<sup>11</sup> Auditors conducted fieldwork at USAID/Eastern and Southern Caribbean offices in Barbados and implementing partner offices in Antigua, Guyana, St. Kitts, St. Lucia, St. Vincent, and Suriname from May 19 through June 21, 2014.

As part of the audit, the team assessed internal controls related to whether the mission (1) conducted and documented site visits to evaluate progress and monitor quality, (2) reviewed and approved required deliverables, (3) reviewed work plans and progress reports submitted by implementing partners, and (4) reviewed and tested indicators and activities reported by implementing partners. We also reviewed prior audit reports from the region for any issues related to the audit objective.

## Methodology

To answer the audit objective, we evaluated the mission's management and oversight of the projects. We interviewed various officials from USAID/Eastern and Southern Caribbean including the AORs and Regional Legal Advisor. We held numerous meetings with employees from implementing partners and subpartners, including chiefs of party, office directors, project officers and managers, and regional coordinators. We also reviewed and analyzed relevant documents and data at the mission and at various implementing partners in Antigua, Guyana, St. Kitts, St. Lucia, St. Vincent, and Suriname. We also met with project beneficiaries including ministry officials, coaches, trainers, probation officers, teachers, and at-risk youths.

To determine the progress made toward accomplishing the goals of the project and thus answer the audit objective, we relied on computer-processed data contained in quarterly and annual

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<sup>11</sup> The amounts reported come from the Agency's financial systems. On November 17, 2014, OIG issued its *Audit of USAID's Financial Statements for Fiscal Years 2014 and 2013*, Report Number 0-000-15-001-C, disclaiming an opinion because of material unsupported adjustments USAID made to reconcile its general and subsidiary ledgers. We did not perform any additional tests during this evaluation to verify the accuracy of the reported amounts. In FY 2015, OIG anticipates testing USAID's adjustments to determine if they were accurate and appropriate. USAID intends to provide explanations and other support to demonstrate the validity of the adjustments.

progress reports prepared by the implementing partners. We assessed the reliability of this data by judgmentally selecting accomplishments in these reports and determining if there was sufficient documentation supporting them. In addition to tracing the selected results to supporting documentation, we conducted interviews and site visits, as noted in the previous paragraph, to gather support to answer the audit objective. These tests and interviews led us to conclude the data are sufficiently reliable to be used in answering the audit objective.

We used a judgmental sample rather than a statistical sample and judgmentally selected 5 of the 11 projects to determine if youth-related initiatives were achieving the mission's objectives. The projects selected for the audit were the largest youth initiatives in eastern and southern Caribbean countries that were about half-finished. We based the selection process on an analysis of relevant factors such as grant amount, locations, largest populations in the region where the projects were implemented, and travel time to locations. The final itinerary was refined through discussions with USAID/Eastern and Southern Caribbean.

The audit team conducted site visits in six of the ten countries where the mission operates. We conducted these field visits to validate the use of funds and to document aspects of monitoring, reporting, and compliance with agreements and regulations. Because the selected results, projects, and sites were judgmentally selected, the results and conclusions were limited to the items and areas tested and cannot be projected to the entire population. We believe our testing was sufficient to support the audit's findings.

To gain an understanding of the projects selected for testing, the audit team reviewed ADS and applicable regulations, agreements and associated modifications, the mission's regional development cooperation strategy, data quality assessments, the performance plan and report, and site visit reports. We also reviewed implementing partners' work plans, progress reports, branding and marketing plans, and other documents that supported the projects and the results reported to USAID.

# MANAGEMENT COMMENTS



**USAID**  
FROM THE AMERICAN PEOPLE

**Eastern and Southern Caribbean**

July 9, 2015

## MEMORANDUM

**TO:** Acting Regional Inspector General/San Salvador, David J. Clark

**FROM:** Acting Mission Director, USAID/Eastern and Southern Caribbean, Edward G. Lawrence

**SUBJECT:** Audit of USAID/Eastern and Southern Caribbean's Youth-Related Projects (Report No. 1-534-15-00X-P): Mission Comments

This memorandum transmits USAID/ESC comments on the revised, draft report on the subject audit for your review. We have fully agreed with 12 of the 13 recommendations, and partially agreed with the remaining one. In addition, we are submitting documentation in support of our request to close two recommendations, Nos. 1 and 9, as attachments A-1 and A-2 to this memorandum.

While we were initially concerned about the tenor of a few summary statements, we have chosen to focus our response on the overall validity of the audit recommendations, updating their status where practicable and moving towards their resolution as quickly as possible. In all, the recommendations are fair and actionable.

Since the Mission is just now beginning the implementation of its new Regional Strategy Cooperation Statement (RDCS), the comments and recommendations provided in this audit are being actively addressed in our choice of project implementation arrangements through which the Mission will manage projects and activities approved for the new strategy period, 2015 – 2019. Greater clarity in the specific management and reporting tasks for partners will be important into the future.

We thank you for this opportunity to comment for a second time on the recommendations of this audit. As you are well aware, the Mission has been staffing up and revising its policies and procedures over the past year. Many of the weaknesses suggested by this audit have been addressed by Mission management actions, the establishment of Mission Orders, clear roles and responsibilities, and increased staffing. It is work like this audit that helps us to recognize where we can improve.

Mission comments by recommendation follow. Thank you for considering these comments as you finalize this audit.

***Recommendation 1. We recommend that USAID/Eastern and Southern Caribbean***

*update its staffing plan to provide enough agreement and contract officer's representatives to oversee all projects in the region.*

The Mission's Staffing Plan was recently updated in March 2015. It is attached as A-1. Although it is technically still under revision as additional positions are in the process of being approved, the March 2015 update represents a substantial increase in staffing over the staff present in 2014 when the audit was conducted. Of special note are the total number of new and continuing staff in the GDO office, located both in Barbados and Guyana, responsible for implementing the youth-related projects. The Mission believes this level of staffing is sufficient to oversee projects in the region. The Mission requests that this recommendation be closed.

***Recommendation 2. We recommend that USAID/Eastern and Southern Caribbean instruct implementing partners to establish targets for all of the projects' performance indicators and periodically report progress on them.***

The Mission agrees with this recommendation. The AORs/CORs have instructed each of the implementing partners to establish targets for all performance indicators. AORs/CORs report that the partners have been responsive to this request to date and will continue to monitor progress. The Mission will follow this up with a formal letter to each partner. We expect this process to be complete for the existing portfolio of youth-related projects by September 30, 2015.

***Recommendation 3. We recommend that USAID/Eastern and Southern Caribbean complete all data quality assessments for four projects: Reforms to the OECS Juvenile Justice System; Youth Development and Juvenile Justice in Suriname; Skills and Knowledge for Youth Employment in Guyana; and Strengthening Second Chance Education in the Eastern Caribbean.***

The Mission agrees with this recommendation and has commenced work on conducting Data Quality Assessments on the four projects, as well as all new Projects associated with the new RDCS. The process is expected to be completed by end March 2016.

***Recommendation 4. We recommend that USAID/Eastern and Southern Caribbean instruct implementing partners in writing to disaggregate data according to the requirements in their agreements.***

The Mission agrees with this recommendation. AORs/CORs have instructed project implementers to disaggregate data according to the requirements of their agreements. AORs/CORs report that the implementing organizations are currently complying with this requirement. However, the Mission will follow this up with a formal letter by October 1, 2015, to remind all partners that all reporting must disaggregate data, as required.

***Recommendation 5. We recommend that USAID/Eastern and Southern Caribbean instruct all implementing partners in writing to comply with USAID's branding and marking requirements.***

The Mission accepts this recommendation. The Mission's Development Outreach and Communications (DOC) Officer is responsible for providing branding and marking information. By October 1, 2015, she will provide to every AOR/COR a template letter to be sent to each grantee. Grantees will be asked to confirm their receipt of the letter by November 1, 2015.

***Recommendation 6.*** We recommend that USAID/Eastern and Southern Caribbean update its regional development cooperation strategy to include Caribbean Basin Security Initiative indicators and activities; performance indicators to track reductions in crime and violence, school dropout rates, and unemployment; all planned activities; and activities being implemented in Guyana.

The Mission accepts this recommendation for the all new projects as well as projects transitioning to the new Regional Development Cooperation Strategy (RDSCS). The RDSCS was formally approved by the Agency in September 2014. The Mission's project portfolio and the new Performance Monitoring Plan (PMP) are being developed now, and are expected to be substantially completed by the end of February 2016. These documents will include CBSI indicators; best available performance indicators to track reductions in crime and violence, school drop-out rates, and unemployment; all planned activities; and activities being implemented in Guyana. The Mission anticipates that the PMP will be reviewed and approved by March 31, 2016.

***Recommendation 7.*** We recommend that USAID/Eastern and Southern Caribbean update its mission-wide performance management plan to include key indicators, baseline data, and targets in the updated regional development cooperation strategy.

The Mission accepts this recommendation and will incorporate it into the preparation of the new PMP, which is reflective of the RDSCS approved in September 2014. This PMP will include key indicators, reference point or baseline data and targets from the new RDSCS, as updated during project design. The PMP is expected to be completed and approved by March 31, 2016.

***Recommendation 8.*** We recommend that USAID/Eastern and Southern Caribbean complete project monitoring and evaluation plans that include project indicators and targets to measure progress on and align with the strategy and the mission-wide performance management plan.

The Mission accepts this recommendation. Project monitoring and evaluation plans for new projects are being completed as part of project design process and these include project indicators and targets to measure progress on and align with the strategy and mission-wide performance management plan (PMP). To the maximum extent, the monitoring and evaluation plans for all transitional, youth-related projects will also be incorporated into the mission-wide PMP to be completed by the end of March 2016.

***Recommendation 9.*** We recommend that USAID/Eastern and Southern Caribbean require the Organization of Eastern Caribbean States to submit a monitoring and evaluation plan for Reforms to the OECS Juvenile Justice System.

The OECS Commission has put in place a comprehensive monitoring and evaluation plan for the Juvenile Justice Reform Program. The current version of this plan is attached as A-2. The Mission requests that this recommendation be closed.

**Recommendation 10.** *We recommend that USAID/Eastern and Southern Caribbean reevaluate its project in Suriname; implement a plan to phase it out, if deemed appropriate; and invest the remaining funding in countries where it will have greater impact.*

The Mission partially agrees with this recommendation. We have reviewed progress in its current Suriname project and has revised performance targets that can be met with the current level of funding. The Mission will not provide any additional funding to the existing agreement. The Mission requests that this recommendation be closed.

**Recommendation 11.** *We recommend that USAID/Eastern and Southern Caribbean incorporate counter-trafficking-in-persons requirements in the mission's regional development cooperation strategy.*

The Mission agrees with the recommendation and is incorporating standard counter-trafficking-in-persons requirements into each obligating document (R-DOAGs) and award (subobligating) document. This will be complete by September 30, 2015, when all new DOAGs will have been signed.

**Recommendation 12.** *We recommend that USAID/Eastern Southern Caribbean provide counter-trafficking-in-persons training to its staff and disseminate the USAID field guide to all implementing partners.*

The Mission POC for counter-trafficking-in-persons was recently trained in USAID/W. She will be providing training to the rest of the Mission staff so as to ensure that each staff member receives training by December 31, 2015. The Mission will disseminate the USAID field guide to all implementing partners by December 31, 2015, and include it in award packages thereafter.

**Recommendation 13.** *We recommend that USAID/Eastern and Southern Caribbean determine the total hours of participant training conducted for each of the projects and enter the data into the Training Results and Information Network in accordance with Automated Directives System 253.3.*

Mission accepts this recommendation. The Mission will work with implementing partners to determine the total hours of participant training conducted for each of the projects. The Mission will verify that data has been entered into the database in accordance with ADS 253.3 and is up to date by December 31, 2015.

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