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U.S. Agency for International Development

Shift in USAID Education Activities May Diminish Efforts To Alleviate Strains on Lebanese Public Schools

AUDIT REPORT 8-268-17-003-P
MAY 18, 2017

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MEMORANDUM

DATE: May 18, 2017

TO: USAID/Lebanon Mission Director, Anne Patterson

FROM: Regional Inspector General/Frankfurt, James C. Charlifue /s/

SUBJECT: SHIFT IN USAID EDUCATION ACTIVITIES MAY DIMINISH EFFORTS TO ALLEVIATE STRAINS ON LEBANESE PUBLIC SCHOOLS (8-268-17-003-P)

This memorandum transmits the final report on our audit of USAID/Lebanon's Quality Instruction Toward Access and Basic Education Improvement Project (QITABI). Our audit objectives were to (1) understand the project's primary challenges and the actions USAID/Lebanon took to overcome them and (2) determine whether the actions taken would achieve the project's goal of alleviating strains on Lebanon's education system, including strains from the continuing inflow of Syrian refugee children. In finalizing the report we considered your comments on the draft report and included them in their entirety in appendix B.

The report contains two recommendations to help you improve project management. After reviewing information you provided in response to the draft report, we acknowledge management decisions on both. Please provide evidence of final action to the Audit Performance and Compliance Division.

We appreciate the assistance you and your staff extended to us during this audit.

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INTRODUCTION

In September 2014, USAID/Lebanon initiated the Quality Instruction Toward Access and Basic Education Improvement Project (QITABI) to improve the quality and overall state of Lebanon’s public school system, which serves roughly one-third of Lebanese children. The project’s primary goals were to expand equitable access to Lebanese public schools and improve learning outcomes for vulnerable students. The project was also designed, in part, to alleviate strains to the system caused by the continuing influx of Syrian refugee children into Lebanese public schools.

Around the time the project started, Lebanon’s Ministry of Education and Higher Education began implementing Reaching All Children with Education (RACE), a project supported by international pledges of more than \$600 million. The introduction of RACE influenced the Ministry’s plan for integrating project activities into its public school strategy.

We conducted this audit to assess USAID’s efforts to implement the project. Specifically, we sought to (1) understand the project’s primary challenges and the actions USAID/Lebanon took to overcome them, and (2) determine whether the actions taken would achieve the project’s goal of alleviating strains on Lebanon’s education system, including those from the inflow of Syrian refugee children.

To conduct our audit, we interviewed staff from the project, USAID, the Ministry, and the public school system. We also analyzed project documents and performed site visits to two schools to gain additional perspectives on the public school system and observe project activities. Appendix A includes details of the audit’s scope and methodology.

SUMMARY

USAID’s main challenge with the project was starting it without the Ministry fully endorsing the project’s approach and planned activities. USAID/Lebanon and the Ministry did not sign a memorandum of understanding for the project’s approach and activities until March 2016—nearly 18 months after USAID started the project, and 26 months after the launch of RACE. This delay slowed a number of planned project activities and required the mission to make adjustments to the project. Moreover, the timing of RACE affected the mission’s ability to gain the Ministry’s agreement on project plans as the Ministry lacked capacity to manage both initiatives and needed time to consider how to integrate their activities.

Ultimately, the Ministry asked USAID to abandon two of the project’s flagship activities for providing access to education and requested the procurement of buses and information and communications technology for resource rooms in selected schools. USAID agreed to these changes to move the project forward, but how these changes would affect Syrian refugees remained unclear, as project officials and the Ministry had not agreed on whether the new equipment would be made available to refugee

students. Moreover, the project lacked operational plans called for in USAID policy to maximize and sustain the benefits of the buses and technology for vulnerable students.

We made two recommendations aimed at helping USAID/Lebanon improve implementation of the project's new procurement initiatives. The mission agreed with our recommendations.

BACKGROUND

Before Lebanon's 1975-1990 civil war, the country sustained a strong public school system; however, as resources grew thin in the aftermath of the conflict, the public education system started to deteriorate, causing parents to enroll their children in private schools.¹ Nearly two-thirds of children in Lebanon now attend private schools.

According to Human Rights Watch and the United Nations High Commissioner for Refugees, Lebanon hosts more than 1 million Syrian registered refugees—almost one in four people in the country. Additionally, Human Rights Watch estimates that about 500,000 refugees are school-age children.

To help revitalize Lebanon's public school system and accommodate the influx of Syrian refugee children, the Ministry took several actions:

- In 2012, the Ministry instructed all public schools to enroll Syrian students regardless of their legal status and waive school and book fees.
- In January 2014, under RACE—a 3-year, multimillion-dollar initiative funded by international donors—the Ministry began efforts to enroll 400,000 school-age children affected by the Syria crisis by 2016.
- In January 2015, the Ministry opened 147 public schools for an afternoon shift to accommodate the continued influx of Syrian refugee students. The afternoon session is dedicated to Syrian children, while the morning shift integrates some Syrians into mainly Lebanese student classes.

On September 30, 2014, USAID/Lebanon awarded a 4-year, \$41 million cooperative agreement to World Learning to implement the project. In addition to expanding equitable access and improving learning outcomes, the project intended to help alleviate strains resulting from the inflow of Syrian refugee children into the Lebanese public school system.

USAID/Lebanon, along with World Learning, designed multiple activities to reach project goals. Activities included training teachers and Ministry officials, administering an

¹ Elias Al Haddad and Carol Brakhya, "Schools and Scholarships: Transforming Lebanon's Education System for All," USAID Frontlines, September/October 2012.

early grade reading assessment for students, and expanding learning opportunities for students outside the formal education system through nonformal education programs.

DELAYED AGREEMENT BETWEEN USAID AND THE MINISTRY ON THE PROJECT'S APPROACH AND PLANNED ACTIVITIES SLOWED PROGRESS

USAID/Lebanon's primary challenge with the project stemmed from launching it without the Ministry's full support of the project's approach and planned activities. Securing cooperation with the partner government near the start of a project is pivotal to its success. According to mission officials, previous agreements with the Ministry on USAID projects had been finalized in a matter of weeks, and officials did not anticipate the challenges in getting the Ministry to agree to the project's approach. However, it took 18 months after the project started for the mission and the Ministry to sign a memorandum of understanding, and another 2 months for the Lebanese Government to ratify the agreement. The memorandum was signed in March 2016, 26 months after the launch of RACE.

Several factors contributed to the delays in securing a ratified agreement—some of which were largely outside USAID's control, including the political context. For more than 2 years, since May 2014, Lebanon was without a President, and the Government was at a political impasse. During this time, the mission found that decisions among the various governing bodies took longer to make and required significant persistence and political will.

However, the key factor affecting the project's progress was the timing and influence of RACE. As hundreds of millions of dollars poured into Lebanon's public education system to assist with the Syrian refugee crisis, the Ministry did not have the institutional capacity to manage both. The Ministry needed time to make sense of what RACE had to offer to determine how to integrate the project into the Ministry's overall public school strategy.

This period of uncertainty significantly hampered World Learning's ability to implement a number of activities in a timely matter. To keep the project from completely stalling, USAID/Lebanon sought temporary waivers from the Ministry to advance activities that the Ministry favored without a memorandum of understanding. This was particularly important for the project's early grade reading assessment component—a test designed to measure Arabic reading performance in 240 public schools. Moving this activity forward was critical as its data would inform a number of the project's future activities. By being proactive, the mission was able to adjust the project's plans to minimize the effects of delivering the assessment almost 6 months late.

In addition, for more than a year, the project's nonformal education activities were in a holding pattern as USAID waited for the Ministry to finalize its nonformal education

strategy. In December 2015, the Ministry issued a decree that prohibited organizations from working independently on nonformal education activities, a decision that effectively ended all of the project's activities in this area.

According to Ministry officials, the project's nonformal education program would be counterproductive to the Ministry's plans to reintegrate refugee students into a formal education system in Syria or another country. The Ministry's goal was to standardize the nonformal education program so that Syrian refugee students could receive proper accreditation for their studies in Lebanon, along with documentation outlining the level of education they received. Accordingly, USAID abandoned its plans for nonformal education—a program designed to help provide 10,000 vulnerable out-of-school children access to safe and relevant education.

USAID HAD NOT FINALIZED PLANS FOR NEW INITIATIVES THAT MIGHT ADVANCE PROJECT GOALS

After suspending nonformal education activities, the Ministry asked that USAID redesign its overall approach to improving student access. The Ministry asked the mission to focus project activities on procuring transportation and technology, rather than allowing individual schools and communities to identify their unique barriers to access, as the project had envisioned.² Specifically, the Ministry asked USAID to purchase 100 buses for the school system and information and communications technology equipment to outfit 400 resource rooms.

In an effort to move the project forward, USAID agreed to these changes and modified the project's work plan to prepare for the shift. USAID reserved funds that it would have used for nonformal education and other community initiatives in preparation to procure resources for the Ministry.

While USAID agreed to the new direction, details of the change were still being negotiated as the Ministry continued to assert its view on how it wanted to utilize and manage the new resources. Implementation and sustainability plans detailing how the new resources would benefit Syrian refugee students or Lebanon's overall public school system had not been agreed on. For example, plans for running, managing, and maintaining the bus fleet had not been finalized. Operational plans for using the technology resource rooms were similarly lacking. According to the Ministry, the rooms would enhance the image of public schools, improve learning environments, and subsequently increase access to education; however, neither the Ministry nor USAID had developed robust plans for installing appropriate equipment and providing teaching materials to ensure full use of the new technologies. Additionally, the Ministry and

² The project planned to work with 300 primary schools to identify community-specific obstacles to education and implement activities to address these barriers.

USAID had not agreed on whether to make either the buses or the resource rooms available to refugee students.

Defining how these procurements are to contribute to project goals and establishing plans to ensure lasting benefits from U.S. investments are fundamental to USAID's approach to activity design and implementation.³ Without well-developed operational plans, USAID/Lebanon risks procuring buses and technologies that end up underutilized or otherwise fail to contribute to the project's goal of alleviating strains on Lebanon's public school system.

CONCLUSION

Given the Ministry's limited capacity to coordinate the educational assistance pouring into Lebanon, it was probably in the Ministry's best interest to focus on the success of RACE, which had more than 10 times the project's funding. Despite early challenges, USAID and the Ministry agreed on a path forward by adjusting some of the project's initial approaches. However, until USAID/Lebanon develops operational plans for the new procurement activities, it runs the risk of developing solutions that are unsustainable and underutilized. Without fully developed plans, the changes to the project may reduce its effectiveness at alleviating strains on the Lebanese public school system and improving access for Syrian refugee students.

RECOMMENDATIONS

We recommend that USAID/Lebanon take the following actions:

1. Implement an operational plan for the procurement of buses that aligns with activity and sustainability goals.
2. Implement an operational plan for the procurement of information and communications technology that aligns with activity and sustainability goals.

³ ADS 201.3.4 on activity design and implementation states that "activities should not only be designed to achieve clear and measurable results, but also should be aimed at strengthening local systems so that local actors continue to sustain key results after the activity ends."

OIG RESPONSE TO AGENCY COMMENTS

We provided USAID with our draft report on April 3, 2017, and on April 27, 2017, received its response, which is included as appendix B. The mission agreed with both recommendations and made management decisions on them. We acknowledge management decisions on recommendations 1 and 2.

Specifically, USAID/Lebanon stated that it has developed an outline for an operational plan for the procurement of the buses that aligns with activity and sustainability goals. When completed, the plan will address issues such as financing, institutional roles and responsibilities, and policies. The target completion date is June 30, 2017.

In addition, the mission asked World Learning to provide an operational plan for the procurement of the information and communications technology equipment that aligns with the activity's sustainability and other goals. The plan will specify the training strategy and reference materials needed to utilize and maintain the equipment effectively. The target completion date is August 31, 2017.

APPENDIX A. SCOPE AND METHODOLOGY

We conducted our work from April 2016 through April 2017 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 audit included two objectives.

1. Understand the project's primary challenges and the actions USAID/Lebanon took to overcome them.
2. Determine whether the actions taken would achieve the project's goal of alleviating strains on Lebanon's education system, including strains from the continuing inflow of Syrian refugee children.

To answer these audit objectives, the audit team started with background research on the state of public schools in Lebanon, RACE, and the effects that the Syrian refugee crisis was having on the system. To gain additional insights, the team conducted a series of interviews in Lebanon with officials from USAID/Lebanon, World Learning, the Ministry, and RACE. The auditors verified information from these interviews by reviewing official documents from USAID, the Lebanese Government, and World Learning. The auditors also assessed the project's internal controls related to project design, partner government engagement, and work plan modification.

This audit covers the project from its start date, September 2014, to March 2017. To add context to the project and its operating environment, the team researched events, such as the founding of RACE, that predated the launch of the project.

The auditors also performed site visits to two Lebanese public schools in the Mount Lebanon district to observe the administration of the early grade reading assessment and the distribution of school supplies. These schools were judgmentally selected, the sole criteria being that project activities were being administered in these schools during our in-country fieldwork dates. The auditors conducted these visits to gain additional understanding and context of project interventions, while also observing the overall public school environment. Information gathered from these site visits was not significant in developing the audit findings or conclusions.

APPENDIX B. MANAGEMENT COMMENTS



MEMORANDUM

To: James C. Charlifue, Regional Inspector General/Frankfurt
From: Anne Patterson, USAID/Lebanon
Date: April 19, 2017
Subject: Audit of USAID/Lebanon's Quality Instruction Toward Access and Basic Education Improvement Project (QITABI)
(Report Number 8-268-17-00X-P) dated April 3, 2017

Thank you for the opportunity to provide comments on the draft report of the audit of USAID/Lebanon's Quality Instruction Toward Access and Basic Education Improvement Project (QITABI). USAID/Lebanon appreciates the intensive effort by the audit team and the constructive recommendations. Below please find comments, a corrective action plan, and target completion dates.

Recommendation 1. "We recommend that USAID/Lebanon implement an operational plan for the procurement of buses that aligns with activity and sustainability goals."

USAID/Lebanon concurs with this recommendation.

Plan for Corrective Action: With guidance from the Agreement Officer (AO) and Regional Legal Officer (RLO), USAID/Lebanon has developed an outline for the Operations and Maintenance (O&M) Plan (the Plan) for the procurement of the buses that aligns with activity and sustainability goals. The Plan will be issued under USAID's Cooperative Agreement No. AID-268-A-14-00003 with World Learning and will build on the commitments of the Ministry of Education as set forth in the following official documents:

- USAID/Lebanon's Memorandum of Understanding with the Ministry of Education dated March 31, 2016.
- Minister of Education's letter dated September 2, 2016 confirming the Ministry's commitment to cover all expenses that arise from placing school buses at the service of students. Such expenses include insurance, maintenance, fuel, driver's remuneration and any other costs.

- Ministerial Order No. 798/M/2016 dated October 27, 2016 titled *Regulation for Allocating Buses to Public Schools*, which determines each entity's roles and responsibilities and regulates the use and daily management of the buses.

The O&M outline was shared with World Learning on March 24, 2017 and World Learning has confirmed that they are working on submitting a draft version of the Plan by May 15, 2017. The stated purpose of the Plan is to ensure that procurement of the buses aligns with the activity as well as provides for sustainability of the assistance in accordance with FAA Section 611 (e) and other Agency requirements by documenting a planned set of standards and best practices in operating and maintaining the 100 buses to be procured under the QITABI grant. The Plan describes the detailed resources and procedures that are the basis to ensure the long-term sustainability and the proper operation of the buses. The Plan is also a manual/reference guide that will be turned over to the relevant schools, listing the policies and procedures for the use, operation, management and maintenance of the buses. Elements of the Plan include the authorities under which this activity falls, the roles and responsibilities of the Ministry of Education, the schools and the QITABI team, the sustainability dimension, the procurement process, an analysis of the cost of the buses and of the schools' financial ability to maintain them, vetting, monitoring and evaluation of the use of the buses for compliance purposes, and finally specific areas of operations and maintenance such as parking space, mileage, spare parts and fuel.

Target Completion Date: A meeting has been scheduled for the AO and the QITABI team on May 17, 2017 where the details of the draft Plan will be discussed. Upon AO approval, the Plan will be released to World Learning for immediate implementation. Expected completion date: On or about June 30, 2017.

Recommendation 2. “We recommend that USAID/Lebanon implement an operational plan for the procurement of information and communications technology that aligns with activity and sustainability goals.”

USAID/Lebanon concurs with this recommendation.

Plan for Corrective Action: On April 11, 2017, USAID/Lebanon informed World Learning that an operational plan for the procurement of the Information and Communications Technology (ICT) equipment that aligns with the activity and sustainability goals of the activity is needed. The operational plan will outline World Learning's approach to providing training and on-the-job coaching to teachers and school administrators, as well as describe teaching materials and reference guides for the effective use and maintenance of the ICT equipment. World Learning is currently training a selection of trainers from the Ministry of Education and Higher Education's Guidance and Counseling Unit who will in turn coach teachers in the classroom on the use of the equipment. This systemic approach using the Ministry's established mechanisms and staff ensures the long-term viability and ownership of the activity. All of these elements and others will be included in the ICT plan.

Target Completion Date: On April 12, 2017, World Learning confirmed that the ICT operational plan will be submitted for Mission approval by June 30, 2017. Upon Mission approval, the operational plan will be released to World Learning for immediate implementation. Expected completion date: On or about August 31, 2017.

APPENDIX C. MAJOR CONTRIBUTORS TO THIS REPORT

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