



OFFICE OF INSPECTOR GENERAL

AUDIT OF USAID/JORDAN'S STRENGTHENING FAMILY PLANNING PROJECT

AUDIT REPORT NO. 6-278-14-005-P
JANUARY 22, 2014

CAIRO, EGYPT



Office of Inspector General

January 22, 2014

MEMORANDUM

TO: USAID/Jordan Mission Director, Beth Paige

FROM: Regional Inspector General/Cairo, Catherine Trujillo /s/

SUBJECT: Audit of USAID/Jordan's Strengthening Family Planning Project (Report No. 6-278-14-005-P)

This memorandum transmits our final report on the subject audit. We have considered your comments on the draft report and included them, without attachments, in Appendix II.

The final report contains eight recommendations to help USAID/Jordan improve its Strengthening Family Planning Project. In its comments on the draft report, USAID/Jordan agreed with all eight recommendations. Based on our evaluation of management comments, we acknowledge that the mission made a management decision on all eight and has taken final action on Recommendations 2, 6, and 7. Please coordinate final action for the remaining recommendations with the Office of Audit Performance and Compliance Division.

Thank you for the cooperation and assistance extended to the audit team during this audit.

CONTENTS

- Summary of Results 1
- Audit Findings..... 4
 - JAFPP Was Not Progressing Toward Financial Sustainability 4
 - Reported Data Were Not Reliable for Some Indicators 5
 - Implementer Did Not Include Required Language in Subawards Consistently..... 7
 - USAID/Jordan Did Not Ensure Compliance with Agency Training Database Requirements.. 9
- Evaluation of Management Comments 10
- Appendix I—Scope and Methodology 12
- Appendix II—Management Comments 13

Abbreviations

The following abbreviations appear in this report:

ADS	Automated Directives System
AOR	agreement officer’s representative
COR	contract officer’s representative
DQA	data quality assessment
JAFPP	Jordanian Association for Family Planning and Protection
NGO	nongovernmental organization
RIG	Regional Inspector General
TraiNet	Training Results and Information Network

SUMMARY OF RESULTS

USAID/Jordan estimates that the population of Jordan could reach 13 million by 2040 at current fertility rates. In addition, as of November 2013, Jordan had absorbed more than 500,000 Syrian refugees and could receive many more if instability persists in the region. The country has limited natural resources, and it is not clear whether they can sustain such population levels.

To address concerns of population growth and limited resources, the mission initiated the Strengthening Family Planning Project in July 2010. While the agreement describes the project as one designed to lower fertility rates, the marketing materials often referred to the health benefits of birth spacing, which means planning the time between pregnancies for the health of both mother and children.

Known locally as Ta'ziz, the project is a \$33.4 million cooperative agreement with Abt Associates Inc. under the Strengthening Health Outcomes through the Private Sector leaders with associates award. The objective is to expand access to and quality and use of family planning¹ services. The project ends in July 2015.

Pursuant to project objectives, USAID/Jordan helped the Jordanian Association for Family Planning and Protection (JAFPP), the country's only nongovernmental entity providing woman-to-woman family planning services. The project provided services included training and purchase and renovation of family planning clinics throughout Jordan. Beyond JAFPP, the mission also funded family planning marketing campaigns and community outreach efforts.

Regional Inspector General (RIG)/Cairo conducted this audit as part of its fiscal year 2014 audit plan to determine whether USAID/Jordan's Strengthening Family Planning Project is expanding access to and improving quality and use of family planning services.

For JAFPP, the project made clear progress toward these goals. The project made it easier to access family planning services through JAFPP and improved the quality of and increased demand for JAFPP services. However, the project's goals were not limited to JAFPP and extended to the family planning private sector generally. Because the project design and indicators focused on JAFPP, the results could not be projected beyond that one provider.

One of the project's highlights was quality clinic renovations. Auditors visited 12 of 14 renovated JAFPP clinics. In some cases, the renovations occurred more than a year before the audit, yet there was little visible wear. Floor and wall tiles were in good condition, and so were windows, toilets, and other equipment the project funded (as shown in the photos on the next page). Abt achieved consistent quality results in all the clinics by identifying specific brands of each item.

Furthermore, Abt held its subcontractors to high standards; for example, it refused to pay the first subcontractor for work that did not meet expectations. Holding project subcontractors accountable contributed to quality renovations.

¹ Family planning in this project refers primarily to birth control.



Ta'ziz renovated this room in a clinic in Irbid and paid for the ultrasound machine and examination table. (Photo by RIG/Cairo, October 27, 2013)



This waiting room in a clinic in Jerash was renovated by Ta'ziz. The project also provided the chairs, tables, and air conditioner. (Photo by RIG/Cairo, October 27, 2013)

Furthermore, JAFPP's marketing included community outreach events—referred to as family fairs—designed to increase awareness of the newly renovated clinics. The audit team attended an event in Madaba, which was well attended. Afterward, JAFPP's clinic was crowded and busy scheduling client visits. The project reported similar outcomes from all such events.

Nevertheless, the audit found several shortcomings, listed below.

- JAFPP did not make progress toward its financial sustainability target (page 4). While JAFPP offers services at a steep discount, it loses money on each client. Increasing the number of clients thus accelerated JAFPP's revenue losses, putting the sustainability of project achievements at risk.
- Reported data were not reliable for some indicators (page 5). The audit found discrepancies between reported and audited results. For example, gender-disaggregated results were unreliable.
- Abt did not include required language in subawards consistently (page 7). Various mandatory clauses were omitted from project subcontracts.
- USAID/Jordan did not ensure compliance with the Agency's training database requirements (page 9).

In response to these audit findings, we recommend that:

1. USAID/Jordan require the Jordanian Association for Family Planning and Protection to formally commit to specific sustainability measures (e.g. price increases) as a condition of receiving additional assistance under the agreement (page 5).
2. USAID/Jordan document a decision on how to use remaining project funds to expand assistance to a diversified group of family planning organizations (page 5).

3. USAID/Jordan conduct the required data quality assessments for indicators reported to Washington (page 7).
4. USAID/Jordan conduct an assessment of other key indicators reported by Abt Associates Inc. for which data quality issues were identified, including an evaluation of each indicator's gender-disaggregated data (page 7).
5. USAID/Jordan require Abt Associates Inc. to provide documentation demonstrating that it has included mandatory language in its subawards (page 8).
6. USAID/Jordan provide refresher training during the mission's regularly scheduled agreement and contracting officer's representative training sessions on standard provisions that are required to be included in subawards (page 9).
7. USAID/Jordan issue a letter to all implementing partners reminding them that not including mandatory provisions in subawards is a serious violation of their award terms and conditions, and is subject to severe administrative and legal remedies, including suspension or disallowance of payments for subcontracts, imposition of liquidated damages, and termination for default (page 9).
8. USAID/Jordan implement procedures to confirm that Abt Associates Inc. is entering required data in the Training Results and Information Network (page 9).

Detailed findings appear in the following section. Appendix I contains information on the scope and methodology. Mission comments, without attachments, are included in Appendix II, and our evaluation of them is on page 10.

AUDIT FINDINGS

JAFPP Was Not Progressing Toward Financial Sustainability

The design documents for Ta'ziz focus on the sustainability—particularly financial sustainability—of the project's key partner, JAFPP. The cooperative agreement reflected this intent by stating that the project will help JAFPP develop its "internal capacity to re-evaluate, re-invent, and sustain itself in an evolving market." That focus translated into specific project indicators, such as "percent cost recovery," that concentrated on strengthening JAFPP's management and governance systems and increasing its financial self-sufficiency.

The project set an initial goal for JAFPP to recover 100 percent of its costs. Project officials recognized later that JAFPP would not be fully self-sustaining by the end of the project and decreased the target to 70 percent.

JAFPP did not reach that goal; as measured by its 2012 financial reports, cost recovery declined to 54 percent. The cost recovery rate was 59 percent when the project began.

Ta'ziz's success in generating demand for JAFPP services combined with JAFPP's reluctance to implement sustainability measures damaged the entity's cost recovery rate. The organization offers services at a discount, and it loses money on each service provided. Thus, increasing the number of visitors without increasing prices or decreasing costs accelerated financial decline.

JAFPP's management chose not to implement the project's proposed price increases and other activities designed to contribute to operational self-sufficiency. Some of those are listed below.

- Developing a plan for and introduce new products and services
- Developing an enhanced database and data-sharing network
- Developing internal communication and accountability processes

While no one of these could solve the sustainability problem, taken as a whole, they would have contributed toward the goal.

In addition, USAID/Jordan stopped working with JAFPP for several years before this project because of sustainability concerns. Current USAID/Jordan project leaders, as well as the chief of party and the director of the Higher Population Council (a family planning oversight and coordination organization) later suggested that the project design was flawed in focusing on JAFPP and excluding other nongovernmental organizations (NGOs) that could offer competition and provide services should JAFPP not take important steps toward being sustainable. Yet mission health officials decided to work with JAFPP again because they said the past experience with USAID and the continued geographic reach might make it more efficient than new partners despite past concerns.

The decline of JAFPP's cost recovery puts many of the project's positive results, like the renovated clinics, at risk. The JAFPP executive director dismissed such concerns and said the organization is "a survivor" that has been operating for more than 50 years using current

practices. However, according to project leaders, JAFPP lost market share and its clinics were in disrepair before the project, as shown in the photos on the next page.



Before USAID/Jordan's Ta'ziz project renovated this family planning clinic (right) in Zarqa, it was in dire need of repair (left). (Photos provided by Abt Associates Inc.)

The mission has started to address these issues by including performance-based grants for additional family planning organizations in the upcoming work plan. Nevertheless, the improvements in access, quality, and demand that the project has made cannot be sustained without operational changes.

Recommendation 1. We recommend that USAID/Jordan require a formal commitment from the Jordanian Association for Family Planning and Protection to specific sustainability measures (e.g. price increases) as a condition of receiving additional assistance under the agreement.

Recommendation 2. We recommend that USAID/Jordan document a decision on how to use remaining project funds to expand assistance to a diversified group of family planning organizations.

Reported Data Were Not Reliable for Some Indicators

USAID Automated Directive System (ADS) Chapter 203, "Assessing and Learning," states that performance data should be sufficiently precise to present a fair picture of performance, to enable management to make decisions, and to reflect stable, consistent data collection processes over time. The agreement officer's representative (AOR) is responsible for monitoring project data.

ADS Chapter 203 requires missions to conduct data quality assessments for any indicators reported to USAID/Washington, and notes that managers should understand the strengths and weaknesses of all indicators used to monitor performance, not just those reported to USAID/Washington.

Reported results for some indicators varied among documents provided to auditors or varied from audited totals, as listed below.

- *Percent of women of reproductive age using modern contraception.* A 2012 Jordanian Government survey reported 42 percent, while the project's internal survey reported 48 percent. The project reported 48 percent to the mission. Survey methods differed, and each covered a different period. The national survey was completed in 2012, covered all of Jordan, and used a methodology designed to capture a wide range of socioeconomic variables. The project survey, on the other hand, was completed in May 2013, covered 3 of 12 governorates (representing 60 percent of Jordan's population), and used a simplified methodology capturing fewer variables.
- *Number of people trained or coached in management systems and financial and grant topics.* Six of 37 trainings tested had reporting errors greater than 10 percent. The project monitoring and evaluation officer said the staff managing training activities in project components did not use a consistent method to report training participants. For example, one training coordinator used training evaluation forms, not the actual attendance sheets, to count participants, and not all participants completed evaluations. In other cases, attendance sheets did not differentiate between participants, trainers, and observers. Because the data on the attendance sheets were entered by the monitoring and evaluation staff or interns who were not personally familiar with the participants, the number of trainees included people who were not actually trainees.

Further, no data were collected for one indicator—percent client satisfaction (at JAFPP clinics). The project designed a client satisfaction survey, but JAFPP refused to implement it citing clients' concerns about confidentiality. The project initiated a subsequent survey in October 2013.

In addition, gender-disaggregated data were not reliable for the following indicators.

- *Number of people trained in family planning or reproductive health with United States Government funds*
- *Number of people trained or coached in management systems and financial and grant topics*

The project reported numbers of male and female participants for each of these indicators; however, no process was in place to identify gender, so the audit team could not determine the actual numbers of men and women who participated. Abt officials said that whereas most doctors in the network are women, the project did not report gender data. Gender data were not recorded in the original training attendance records; instead, gender was recorded later based by the name of trainees. However, some names are not gender-specific, and staff entering the data was not familiar with the training participants.

While there are specific causes for unreliable data in each case, the lack of data quality assessments is an overarching problem in the project's data reporting effort. The AOR conducted site visits and reported reviewing reports regularly and verifying implementer reported data through reviews of items such as attendance sheets and invoices. Despite these reviews, the audit found issues that the AOR did not.

Further, USAID/Jordan reports annually to USAID/Washington in its performance plan and report on three family planning and reproductive health indicators: (1) *number of counseling visits for family planning and reproductive health as a result of U.S. Government support,*

(2) *modern method contraceptive prevalence rate*, and (3) *couple years protection in U.S. Government-supported programs*.²

The data for the first indicator on counseling visits comes exclusively from Ta'ziz and reflects the project's outreach activities. These were carried over from a prior USAID/Jordan project (also implemented by Abt), and a data quality assessment on this indicator was done by September 2010 as part of that project. No more data quality assessments have been done. Whereas data quality assessments for indicators reported to USAID/Washington must be done at least every 3 years, a new assessment of this indicator is due.

USAID/Jordan's remaining two performance plan and report indicators reflect the results of multiple USAID/Jordan projects, including Ta'ziz. The data collection on the modern method contraceptive prevalence rate is done as part of a large nationwide survey, and USAID/Jordan's staff provides ongoing oversight of this effort.

As part of another USAID/Jordan project, a data quality assessment of the third indicator—couple years protection—also has been done. However, mission officials said the data Ta'ziz reported for this indicator include data that are not included in the information reported to USAID/Washington. Therefore, the mission did not test the quality of all of the data Ta'ziz reported for this indicator.

Because of the limited assessment of project data, not only are data unreliable for management decision-making, but inconsistencies in the reporting format (that a data quality assessment might have addressed) slowed the decision-making process. USAID/Jordan's health officer said she delayed decisions on pending procurements for related projects in part because reported data from this project have been difficult to understand. Further, data reported to USAID/Washington annually may not be correct. Upon receiving initial audit reports, Abt began taking preliminary remedial measures on all items listed above.

Recommendation 3. *We recommend that USAID/Jordan conduct the required data quality assessments for indicators reported to Washington.*

Recommendation 4. *We recommend that USAID/Jordan conduct an assessment of other key indicators reported by Abt Associates Inc. for which data quality issues were identified, including an evaluation of each indicator's gender-disaggregated data.*

Implementer Did Not Include Required Language in Subawards Consistently

To protect U.S. taxpayer funds and the safety of project beneficiaries, USAID requires that a variety of provisions be included in implementer awards and subawards. Among these are provisions related to voluntary population planning, human trafficking, and transactions with individuals or organizations associated with terrorism. ADS 303, "Grants and Cooperative Agreements to Nongovernmental Organizations," requires that language specific to each of these issues be included in awards to both U.S. and non-U.S. nongovernmental organizations

² Couple years protection estimates the duration of contraceptive protection provided by applying standard conversion factors to the quantities of each contraceptive method distributed.

and in any subawards.³ Further, the cooperative agreement requires the AOR to approve subawards.

Of the 39 subcontracts Abt awarded during Ta'ziz, 5 (13 percent) did not include the required voluntary population planning language, 22 (56 percent) did not include the required language related to human trafficking, and 6 (15 percent) did not include the required language prohibiting transactions with individuals or organizations associated with terrorism. In addition, a grant awarded to JAFPP did not include the required language related to human trafficking.

Three prior OIG audits determined that USAID/Jordan implementers had not included some of these standard provisions in their subawards consistently.⁴ A 2011 audit of USAID/Jordan's Private Sector Project for Women's Health—a family planning project also implemented by Abt—determined that multiple subawards did not include the required voluntary population planning language. The other two determined that implementers were not including required human trafficking language in their subawards.

The AOR said that when he reviews subawards, he focuses on ensuring that the award itself is appropriate and within the scope of the project and reviews the subawards to make sure the voluntary population planning language is included. He said he does not focus on making sure the standard provisions related to preventing terrorist financing and human trafficking are included, however. Mission officials said it is the responsibility of the implementer to ensure that required provisions are included in subawards.

According to Abt officials, the standard provisions are put into awards at their headquarters in Maryland, not by the in-country staff. In fact, an Abt staff member responsible for contracts was not familiar with the relevant human trafficking language until asked about it during the audit. Officials from Abt's headquarters acknowledged that some subawards were missing required language and said they were taking steps to incorporate it. However, they did not provide information on why the provisions were not included initially.

Because of this omission, subawardees may not be fully aware of important statutory and policy restrictions and requirements relating to family planning, human trafficking, and transactions with terrorists. Further, not making sure these provisions are included may make it difficult for USAID/Jordan to enforce USAID's requirements should violations occur. The fact that multiple prior audits have determined that the required language has not been included in implementer subawards raises the concern that AORs and contracting officer's representatives (CORs) are not making sure required language is included when approving subawards, resulting in a systemic issue at the mission. To address this, the audit makes the following recommendations.

Recommendation 5. *We recommend that USAID/Jordan require Abt Associates Inc. to provide USAID/Jordan with documentation demonstrating that it has included mandatory language in its subawards.*

³ Requirements for awards with U.S. NGOs related to voluntary population planning, human trafficking, and terrorism financing are found in USAID's Standard Provisions for U.S. NGOs (items M12, M20, M19, and RAA5), while those for non-U.S. NGOs are found in USAID's Standard Provisions for Non-U.S. NGOs (items M14, M15, and M16). These documents are mandatory references for ADS 303.

⁴ "Audit of USAID/Jordan's Youth for the Future Program," Report No. 6-278-13-010-P, April 2013, "Audit of USAID/Jordan's Education Reform Support Program," Report No. 6-278-13-007-P, February 2013, and "Audit of USAID/Jordan's Private Sector Project for Women's Health," Report No. 6-278-11-004-P, January 2011.

Recommendation 6. *We recommend that USAID/Jordan provide and document refresher training during the mission’s regularly scheduled agreement and contracting officer’s representative training sessions on standard provisions required to be included in subawards.*

Recommendation 7. *We recommend that USAID/Jordan issue a letter to all implementing partners reminding them that not including mandatory provisions in subawards is a serious violation of their award terms and conditions, and is subject to severe administrative and legal remedies, including suspension or disallowance of payments for subcontracts, imposition of liquidated damages, and termination for default.*

USAID/Jordan Did Not Ensure Compliance With Agency Training Database Requirements

USAID’s ADS 253 requires that information about any participant training of 2 or more days or 16 or more contact hours should be entered into USAID’s Training Results and Information Network (TraiNet). The system captures information on the name of the program, subject of training, start and end dates, number of participants, and total training cost. This information must be entered within 30 days of the end of the federal fiscal year quarter.

While most project training was less than two days, of the 86 training events that we reviewed, 14 percent (12) met the requirements for entry into TraiNet. Despite this, no information on project training—clinical and nonclinical—had been entered into TraiNet.

According to Abt employees, USAID/Jordan officials who are no longer at the mission told them to give the mission an annual training report with the information required for entry into TraiNet. The employees said they believed the mission was then entering this information into the database. However, USAID/Jordan was not entering any information into TraiNet; in fact, mission officials in place at the time of the audit were not aware of TraiNet requirements. They also said they were not aware of the directions that previous officials gave Abt employees about the database.

TraiNet serves as USAID’s repository for training data and allows the Agency to provide timely information on Agency-wide activities. Not reporting information into the system limits USAID’s ability to provide accurate information to Congress and other interested parties in a timely manner. To address this issue, we make the following recommendation.

Recommendation 8. *We recommend that USAID/Jordan implement procedures to confirm that Abt Associates Inc. is entering required data in the Training Results and Information Network.*

EVALUATION OF MANAGEMENT COMMENTS

In its comments on the draft report, USAID/Jordan agreed with all eight recommendations. Based on our evaluation of management comments, we acknowledge that the mission made a management decision on all eight recommendations and has taken final action on Recommendations 2, 6, and 7. A detailed evaluation of management comments follows.

Recommendation 1. The mission introduced performance-based grants and awarded such a grant to JAFPP on January 13, 2014. The new agreement included sustainability benchmarks that the organization must meet, and it becomes effective February 28, 2014. Therefore, we acknowledge that the mission made a management decision.

Recommendation 2. The mission modified the agreement to reallocate funds to performance-based grants to multiple family planning organizations. Based on mission comments and the supporting documentation provided, we acknowledge that the mission made a management decision, and final action has been taken on Recommendation 2.

Recommendation 3. The mission agreed to perform a data quality assessment (DQA) on indicators reported to Washington with a target completion date of March 31, 2014. Based on mission comments and the supporting documentation provided, we acknowledge that the mission made a management decision.

Recommendation 4. The mission agreed to include two additional indicators in the DQA planned in reference to Recommendation 3 above. Specific attention will be given to disaggregating data by sex. The target completion date is March 31, 2014. Based on mission comments and the supporting documentation provided, we acknowledge that the mission made a management decision.

Recommendation 5. The mission reported that Abt agreed to modify all current subawards to include the latest mandatory standard provisions and other necessary clauses. Abt will provide USAID/Jordan with a report in the second quarter of fiscal year 2014, and the mission's Acquisitions and Assistance Office will verify the report by March 31, 2014. Based on mission comments and the supporting documentation provided, we acknowledge that the mission made a management decision.

Recommendation 6. The mission conducted refresher training on January 8, 2014, as part of its ongoing regular COR and AOR refresher trainings. Based on mission comments and the supporting documentation provided, we acknowledge that the mission made a management decision, and final action has been taken on Recommendation 6.

Recommendation 7. The director of the Acquisitions and Assistance Office issued a letter to all mission implementing partners on January 14, 2014, reminding them to include all mandatory provisions and indicating potential negative consequences to implementers if they did not comply. Based on mission comments and the supporting documentation provided, we

acknowledge that the mission made a management decision, and final action has been taken on Recommendation 7.

Recommendation 8. Officials said the mission will work with Abt to verify that it has access to the TraiNet database and follow up to ensure data is entered correctly. They further stated that the mission will include TraiNet responsibilities in all future COR/AOR designation letters and conduct training on COR/AOR responsibilities on reporting requirements in ADS 253. The target completion date is May 15, 2014. Based on mission comments and the supporting documentation provided, we acknowledge that the mission made a management decision.

SCOPE AND METHODOLOGY

Scope

RIG/Cairo conducted this audit in accordance with generally accepted government auditing standards. They 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 purpose of this audit was to determine whether USAID/Jordan's Strengthening Family Planning Project is expanding access to and improving quality and utilization of family planning services. This project is a \$33.4 million cooperative agreement arranged through a leaders with associates award with Abt. Because this audit focused on program performance instead of specific financial transactions, the team did not audit the disbursements.

The audit covered the program from its inception date of July 20, 2010, through November 5, 2013. In planning and performing the audit, we assessed management controls related to documentation and data verification; reporting; and establishment and review of performance measures and indicators. We assessed the following significant controls: the project's performance management plan, site visit reports, quarterly reports, and the project agreement and subawards, including modifications.

We conducted audit fieldwork from October 20, 2013, to November 5, 2013, at USAID/Jordan in Amman, and Abt and JAFPP offices also in Amman. We visited 12 renovated family planning clinics in Amman, Irbid, Jerash, Karak, Madaba, and Zarqa.

Methodology

To answer the audit objective, we met with personnel from USAID/Jordan, Abt, JAFPP, and the Higher Population Council. We reviewed documentation provided by USAID/Jordan and Abt, including the performance management plan, the agreement and modifications, and quarterly project reports.

To assess progress toward project goals, the audit team inspected supporting documentation for 13 judgmentally selected project indicators, selected to focus on those most directly related to project objectives. We selected a statistically representative sample of training records for two indicators. Nevertheless, observations from 13 tested indicators cannot be projected to all indicators.

The audit team visited 12 renovated clinics purchased for \$1.6 million with a total renovation cost of \$1.3 million, verifying items listed in bills and purchase orders and inspecting the general quality of renovations. The audit team also interviewed clinic employees during site visits.

The audit team met with two organizations implementing the project's community outreach activities and reviewed each organization's data collection process. We also interviewed community outreach workers at one of the organizations and observed visits conducted by a community outreach worker to four women in Amman.

MANAGEMENT COMMENTS



OFFICE OF THE DIRECTOR

TO: Emily Gardiner, Acting Regional Inspector General/Cairo

FROM: Douglas H. Ball, Acting Mission Director /s/

DATE: January 14, 2014

SUBJECT: Audit of USAID/Jordan's Strengthening Family Planning Project
(Report No. 6-278-14-00X-P)

REF: Gardiner/Paige Memo Dated December 15, 2013

USAID/Jordan is grateful for the Office of Inspector General's (OIG) insightful review of the Strengthening Family Planning project. This review has provided the Mission and our implementing partner Abt Associates, Inc. an opportunity to reflect on the implementation and management of program activities, accomplishments, and challenges.

The Mission welcomes the OIG recommendations and recognizes their importance to ensure that the project is being managed in compliance with Agency policies. Following are the Mission's responses to each recommendation presented in the draft report.

Recommendation 1: *We recommend that USAID/Jordan require a formal commitment from the Jordanian Association for Family Planning and Protection to specific sustainability measures (e.g. price increases) as a condition of receiving additional assistance under the agreement.*

The Mission agrees with this recommendation. However, the method of attaining the sustainability measures is still being explored and may or may not include price increases. The Mission agrees with the need to secure a formal commitment from the Jordanian Association for Family Planning and Protection

(JAFPP) through Abt Associates, Inc. (Abt) to adhere to and pursue specific sustainability measures.

As a subgrantee, pursuant to Grant No. 28215 between Abt and the JAFPP (Attachment 1), USAID/Jordan cannot require JAFPP to commit to the proposed measures because the Mission does not have privity to do so. However, the Mission and implementing partner agreed to introduce a new performance-based grants mechanism under the project, and invite five local non-governmental organizations (NGO) providing FP services to compete.

Following a rigorous bidding process, the JAFPP was selected among three other NGOs, and Abt will enter into a new subgrant with the Association. This new agreement (Attachment 2), which was approved by USAID/Jordan on January 13, 2014 (Attachment 3), includes benchmarks that must be met by the JAFPP as a precondition of receiving additional assistance.

For example, one of the benchmarks incorporated into the new subgrant requires the JAFPP to develop an annual business plan to include performance goals and sustainability measures. The new subgrant will come into effect in February 2014.

Target Completion Date: February 28, 2014.

***Recommendation 2:** We recommend that USAID/Jordan document a decision on how to use remaining project funds to expand assistance to a diversified group of family planning organizations.*

The Mission agrees with the recommendation. The Associate Cooperative Agreement was amended in the first quarter of FY 2014 by realigning the budget to accommodate a performance-based grants mechanism that will give USAID the leverage to work with other NGOs providing family planning services in Jordan. This is documented within the details of Modification No. 6 of Award No. 278-A-00-10-00434-00 in Attachment 4.

The Mission deems that the recommendation has been fully addressed and kindly requests that it be closed upon issuance of the final audit report.

***Recommendation 3:** We recommend that USAID/Jordan conduct the required data quality assessments for indicators reported to Washington.*

The Mission agrees with this recommendation. In response to this recommendation, USAID/Jordan agreed with the implementing partner to perform a Data Quality Assessment (DQA) on indicators reported to Washington.

Target Completion Date: March 31, 2014.

***Recommendation 4:** We recommend that USAID/Jordan conduct an assessment of other key indicators reported by Abt Associates, Inc. for which data quality issues were identified, including an evaluation of each indicator's gender-disaggregated data.*

The Mission agrees with the recommendation. USAID/Jordan agreed with the implementing partner to include two additional indicators in the DQA planned in reference to Recommendation 3 above. These are: number of people trained in family planning or reproductive health with United States Government funds; and, number of people trained or coached in management systems and financial and grant topics. Specific attention will be given to disaggregating data by sex.

Target completion date: March 31, 2014.

***Recommendation 5:** We recommend that USAID/Jordan require Abt Associates, Inc. to provide USAID/Jordan with documentation demonstrating that it has included mandatory language in its subawards.*

The Mission agrees with the recommendation. The implementing partner has agreed to fully execute modifications for all current subawards to include the latest mandatory standard provisions and flow-down clauses. The implementing partner will provide USAID/Jordan with a report in the second quarter of FY 2014, and include all amended subawards in said report. This information will be verified by the Acquisitions and Assistance Office (AAO).

Target Completion Date: March 31, 2014.

***Recommendation 6:** We recommend that USAID/Jordan provide and document refresher training during the mission's regularly scheduled agreement and contracting officer's representative training sessions on standard provisions required to be included in subawards.*

The Mission agrees with the recommendation. A refresher was performed on the proposed topic on January 8, 2014 as part of the Mission's ongoing regular

Contracting Officer Representative and Agreement Officer Representative (COR/AOR) refresher trainings. Attachment 5 is a handout that was developed by AAO for this training, and this has been shared with all Mission CORs/AORs.

The Mission deems that the recommendation has been fully addressed and as such kindly requests that it is closed upon issuance of the final audit report.

Recommendation 7: *We recommend that USAID/Jordan issue a letter to all implementing partners reminding them that not including mandatory provisions in subawards is a serious violation of their award terms and conditions and is subject to severe administrative and legal remedies, including suspension or disallowance of payments for subcontracts, imposition of liquidated damages, and termination for default.*

The Mission agrees with the recommendation. On January 14, 2014, the Director of AAO issued a letter to all implementing partners addressing this recommendation. This letter is provided in Attachment 6.

The Mission requests that this recommendation be closed upon issuance of the final audit report.

Recommendation 8: *We recommend that USAID/Jordan implement procedures to confirm that Abt Associates, Inc. is entering required data in the Training Results and Information Network.*

The Mission agrees with the recommendation. USAID/Jordan will work with the implementing partner to verify that Abt Associates, Inc. has access to the TraiNet database. The Mission TraiNet Operator will follow up with the implementing partner and the AOR to ensure that data is entered into the system correctly and timely, and in accordance with ADS 253.

To ensure continued compliance with this requirement, USAID/Jordan will include TraiNet responsibilities in all future COR/AOR Designation Letters, as well as conduct training on COR/AOR responsibilities on reporting requirements with regards to ADS 253.

Target Completion Date: May 15, 2014.

Attachments:

1. Grant Agreement No. 28215 between Abt Associates, Inc. and the Jordan Association for Family Planning and Protection;
2. USAID/Jordan New Grant Agreement between Abt Associates, Inc. and the JAFPP (February 1, 2014 to April 30, 2015);
3. USAID/Jordan approval letter of JAFPP Subgrant (January 13, 2014);
4. SHOPS/Jordan (278-A-00-10-00434-00) Modification No. 6;
5. Handout from COR/AOR training: Mandatory and Required As Application Provisions that Must Flow Down to Subs;
6. USAID/Jordan letter to all implementing partners to include mandatory provisions in subawards (January 14, 2014).

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