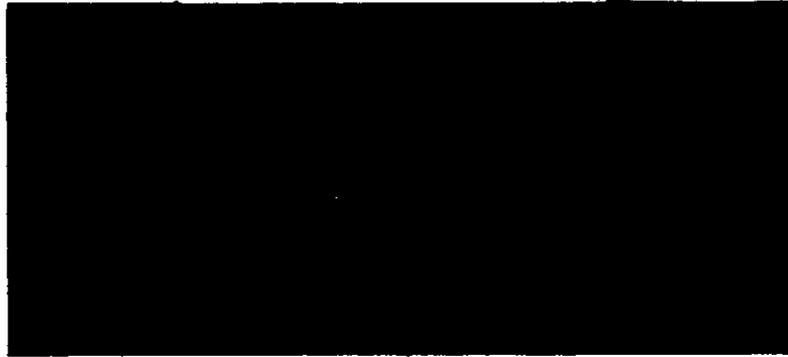


MANAGEMENT REPORT



MANAGEMENT ANALYSIS DIVISION
OFFICE OF MANAGEMENT PLANNING
AGENCY FOR INTERNATIONAL DEVELOPMENT

FOOD FOR PEACE

Analysis of Organization
and Administration

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A/MP - March 4, 1966

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Herbert J. Waters, AA/MR

DATE: March 4, 1966

FROM : Harry H. Fite, A/MP

SUBJECT: Transmittal of Survey Report on the Food for Peace Program

With considerable pleasure I am sending you the draft report of the A/MP survey team with their findings and recommendations on the Food for Peace Program within AID. This survey has included a full examination of Agency organization, procedures, and policy guidance for Food for Peace as well as organization and staffing needs of the Food for Peace Division.

The report is long and detailed, a reflection of the complexity of the subject and our desire to thoroughly research major aspects of the Program which have organizational, procedural, and functional implications. Because of the significance of the Program, the survey team went to considerable effort to gather comprehensive data and elicit information and views from many individuals in organizations involved in the Program. I concur in their feeling that the current impact of Food for Peace and the need of the Agency to focus on it more effectively in the future require that all facets of Program administration be brought to the highest levels possible.

To the extent that time and circumstances have permitted, we have initiated implementation action on certain recommendations. A member of my staff, Mr. Darwin Sharp, is presently working with Dr. Forman to improve internal Food for Development Branch procedures, including the implementation of Recommendation 28 which proposed a control mechanism to monitor program development. On the recommendation of the survey team, the Assistant Administrator for Administration has already authorized two ceilings for a program officer to work on the nutrition program and a program review officer (Recommendations 41 and 46). The survey team leader, Mr. Richard F. Calhoun, and other members of my staff as necessary will be available to assist you in implementing the recommendations for MR action. With regard to recommendations affecting other AID organizations, I would like to discuss with you ways in which implementation might best be achieved. As a first step, and because of the current interest and urgency in Food for Peace, distribution of the survey report is being made to the regional bureaus and appropriate offices.



I would like to express my appreciation for the outstanding cooperation which all members of the Food for Peace Division gave the survey team. The members of the team developed a high appreciation of the competency and devotion to the Food for Peace Program exhibited by your staff and found that this opinion is widely shared among Agency personnel who work in close association with Food for Peace Division personnel.

With the conclusion of this survey, we are prepared to begin work on a survey of another portion of MR. I would be happy to meet with you or have Mr. Fletcher of the Management Assistance Branch meet with a member of your staff to arrange for a continuation of these survey activities.

TABLE OF CONTENTS

	PAGE
NARRATIVE SUMMARY	1
SUMMARY OF FINDINGS AND RECOMMENDATIONS	5
SUMMARY OF ACTION ASSIGNMENTS	22
I. INTRODUCTION	25
II. BACKGROUND AND DEVELOPMENT OF THE FOOD FOR PEACE PROGRAM	26
A. Origin and Growth of Food for Peace	26
1. Early Food Aid	26
2. Food Aid Through Voluntary Agencies	27
3. Growth of P.L. 480	27
B. Interagency Relationships in Food for Peace	28
1. Assignment of Responsibilities by Executive Order	29
2. Inter-Agency Staff Committee	29
3. Program Functions for Titles I and IV	30
4. Program Function for Title II	30
5. Program Function for Title III	31
6. Differing Federal Agency Objectives in Food for Peace	31
C. Assignment of Program Responsibilities in AID	34
III. AGENCY ORGANIZATION FOR FOOD FOR PEACE	36
A. Assessment of the Pattern of Program Administration	36
1. Decentralization	36
2. Centralization	38
3. The Existing Coordinated MR -- Bureau Pattern	39

	PAGE
B. Role of the Regional Bureaus	40
C. The Role of the Office of Program Coordination	45
1. Policy Formulation	46
2. The PC Role in Food for Peace Planning	46
D. The Role of AA/MR	48
1. Policy Development	48
2. Program Development	49
a. Titles I and IV Programs	50
b. Title III Programs	50
c. Title II Programs	51
IV. DEVELOPMENT OF FOOD FOR PEACE POLICY	53
A. The Formulation of Broad Program Policy	54
B. Policy Guidance for Title I and Title IV Programs	55
C. Policy Guidance for Title II Programs	56
1. The Title II Regulation	56
2. Section 201, Disaster Assistance	56
3. The World Food Program	57
4. The Classification of Title II as Program Assistance	57
D. Policy Guidance for Title III Programs	58
1. Scope of Voluntary Agency Activity and Relations with U.S. Government	58
2. Emphasis on Self-Help	59
3. Suspension and Termination of Program	59
E. The Use of Title I Currencies to Improve Titles II and III Programs (Section 203)	60
F. Recommended Consolidation of Title II and Title III Manual Orders	60

	PAGE
V. FOOD FOR PEACE PLANNING	63
A. Planning for a Changing Program	63
B. Present Food for Peace Planning	63
1. Mission Planning	64
2. AID/W Review of Planning	65
C. Improving Planning Procedures	66
1. Strengthening Mission Planning	66
2. Food for Peace in CAP Submissions	67
3. Voluntary Agency Plans Under Title III	68
4. Bureau Review of Mission Plans	71
5. Setting Tentative Program Levels by the Administrator	73
6. Notifying USDA of Agency Food for Peace Planning Estimates	74
7. Confirmation or Revision of Program Levels	75
VI. DEVELOPING FOOD FOR PEACE PROGRAMS	77
A. Processing Title I and Title IV Programs	77
B. Processing Sales Agreements with Recipient Governments	79
C. Review of World Food Program Proposals	80
D. Program Approval Process for Title II and Title III	82
VII. REPORTING AND MONITORING, TITLES II AND III	85
A. Status of Program Proposals	85
B. Title II and III Reporting to Improve Program Management	87
1. Present Report, Title II	87
2. Present Report, Title III	87

	PAGE
3. A Comprehensive Title II and Title III Reporting System	89
4. Elimination of Existing Reports	91
C. Requesting Commodities for Approved Title III Programs	92
VIII. PROGRAM AUDIT REVIEW	94
A. The Review of Food for Peace Audits	94
B. Responsibility for Audit Review	94
C. Translation of Program Deficiencies into New Policy and Procedures	96
D. Monitoring Claims Against Title II Interior Losses	97
IX. MISSION FOOD FOR PEACE OFFICERS	99
A. Criteria for Selection of Food for Peace Officers	99
B. Training and Orientation of Mission Food for Peace Officers	101
C. Rotation of Food for Peace Officers	102
D. The Food for Peace Career Pattern	103
X. MR ORGANIZATION AND STAFFING FOR FOOD FOR PEACE	106
A. The Development of the Food for Peace Division, MR	106
B. Present Organization and Staffing for the Food for Peace Division	107
1. The Food Resources Branch	107
2. The Food for Development Branch	107
3. The Program Support Staff	107
4. The Operations Branch	107
5. The Program Review Staff	109

	PAGE
C. Proposed Organization and Staffing for the Food for Peace Division	109
1. Assistant Chief for Operations	109
2. The Food Resources Branch	113
3. The Food for Development Branch	116
4. The Program Review and Policy Development Staff	129
5. The Program Support Staff	132
6. The Agricultural Resources Staff	135

APPENDIXES

- A - Titles I and IV Program Approval Process
- B - Title II Program Approval Process
- C - Title III Program Approval Process
- D - Title II - World Food Program Approval Process
- E - Titles II and III Proposed Reporting System
- F - Present Organization, Food for Peace Division
- G - Proposed Organization, Food for Peace Division

NARRATIVE SUMMARY

The exploding world population has brought many of the underdeveloped nations to a crisis in hunger. All evidence clearly points to a sharply rising demand for American food for many years until production levels overseas meet local needs. The United States, realizing that American agriculture cannot itself indefinitely meet world food requirements, is redirecting the thrust of its development assistance effort towards the challenge of nutritional deficiencies by encouraging the expansion of agricultural production in the underdeveloped countries. Nevertheless, during the coming years until increased food production levels can be attained, American agricultural commodities will continue to fill the gap between famine and survival in many parts of the world.

As these food requirements become more urgent, however, the American production and consumption picture is changing. The vast surplus stocks which for years have characterized our domestic agricultural economy are fast reaching minimal domestic requirements. Already there are shortages in a few commodities, and for most commodities increased production will have to be spurred to meet United States and foreign consumption levels. In this changing environment, the Agency must take all necessary action so that food resources available through the Food for Peace Program or its proposed successor, the Food for Freedom Act of 1966, are used for maximum support of United States foreign policy and developmental objectives.

It is vital that Agency management and Food for Peace Program personnel have the administrative capabilities required to achieve Program potentialities. This survey, which was requested by the Assistant Administrator for Material Resources, has included an examination of AID organization for Food for Peace, planning and programming procedures, policy formulation, and program reporting and monitoring. While the survey disclosed that the efforts of MR/FFP are well-considered in AID, the survey team also identified a variety of opportunities for improvement throughout the Agency which merit management attention. During the survey it was noted that Food for Peace has been subject to particularly intensive GAO audit in the past two years. Implementation of the recommendations of this report would strengthen many aspects of the Program examined by GAO.

A. Food for Peace Planning

As food aid assumes a dramatically increased role in the United States's assistance efforts, the need becomes clear for planning procedures designed to stimulate a review of food aid plans in terms of national policy, assistance strategy, development priorities, and commodity availabilities. The Agency requires a procedure by which planning levels for Food for Peace would be proposed by the regional bureaus from the

context of the country program and set by the Administrator after program review hearings. Provision should be made for PC to provide USDA with gross estimated projections of AID commodity needs early enough so that adjustments can be made in the farm program mechanism to generate adequate commodity production. Early in the operational year when commodity availabilities become known, USDA should inform AID so that the Administrator may revise program levels consistent with Agency priorities. In addition, the format for the CAP Food for Peace submissions should be standardized with narrative and statistical portions to promote comprehensive mission food aid planning, including Title III.

B. The Formulation and Issuance of Food for Peace Policy

Effective execution of Food for Peace responsibilities requires that the Agency formulate and issue policy guidelines which (1) set the broad role of Food for Peace in relation to country assistance programs and (2) establish the technical and administrative criteria which enable Program personnel to plan, develop, and implement sound programs. The first is primarily a PC responsibility; MR should provide the second. In both policy areas, there are major omissions which require attention. In addition, a special effort will be required to translate new Food for Freedom legislative provisions into operational guidance after its passage by the Congress. For example, policies are needed to guide Program personnel in shifting from foreign currency to dollar sales.

For regular and continuing efforts to provide administrative and technical guidance to Program personnel, MR requires adequate staff and organization focus for policy formulation. This report includes recommendations which will provide this capability. Nevertheless, the impending need for implementing new legislation together with the already existing need for policy expansion and clarification require that the Agency temporarily bring extraordinary resources to the task. It is therefore recommended that a special task force consisting of representatives from PC, MR, TCR, and the regional bureaus be established under the Assistant Administrator for Administration to develop and issue policy guidelines in areas of deficiency.

C. Program Development

MR/FFP exercises the primary role in Food for Peace program development and has achieved a reputation for effective and responsive performance. While the procedures for developing mission program proposals for submission to the Interagency Staff Committee for approval are generally adequate, certain aspects require attention.

(1) Although the manual orders require that a Program Approval Authorizing Document be prepared in the bureaus for every Title I or IV program, the PAAD format is inadequate and no document is every

prepared. A narrative paper similar to a loan paper or Title II Program Determination is required which would set forth the purposes, circumstances, and provisions of a proposed Title I or Title IV program. This paper should be cleared by the bureau planning office, MR, PC, State/E, GC, State/Legal, State desks, and signed by the regional assistant administrator.

(2) Even though AID has participated in the World Food Program for more than three years, there is no clear Agency policy on the scope of review which AID should make of WFP proposals. Operational experience and interpretations of Agency responsibility have caused differences of opinion as to the nature of the review which should be performed by AID. In view of the increased participation in the World Food Program by the United States during the next three years, an Agency policy on the scope of review is urgently required.

(3) The procedure for reviewing and approving Titles II and III programs by the Interagency Staff Committee and its subcommittee is duplicatory and time-consuming. Agency management should urge other ISC member agencies to concur in proposals made by the MR/FFP Food for Development Branch Chief to streamline review procedures.

D. Food for Peace Reporting and Monitoring

The GAO has strongly criticized AID in several audits for the absence of adequate reporting and monitoring mechanisms for Title II programs to provide Food for Peace personnel the means of monitoring program progress and identifying and correcting difficulties. At present, no regular commodity or program status information is available for Title II programs, and no program status data on Title III. This survey report recommends a reporting system which would eliminate these deficiencies. A procedure is also proposed to monitor the initiation and pursuit of claims against Title II inland losses, the absence of which has been criticized by GAO. To assist Food for Development Branch management in monitoring program development for about 400 Titles II & III programs, a program monitoring mechanism is proposed.

E. Agency Organization and Staffing for Food for Peace

Under present delegations of responsibility, the missions and bureaus plan food aid uses and implement programs in the field. MR provides technical and administrative policy, develops programs proposed by the field for submission to the Interagency Staff Committee for approval, and works with USDA and the voluntary agency headquarters in the United States in implementation matters. This division of responsibility is appropriate and sound to relate the requirements of AID organization and operations with the unique circumstances imposed by interagency Program responsibilities and relationships with private groups such as the voluntary agencies. The bureaus, however, have

not provided adequate focus in Washington to perform their assigned functions -- particularly the planning of food aid in relation to the overall country program. Therefore, each bureau should establish one or more (depending upon the size and nature of its Food for Peace activities) Food for Peace Coordinators in its development planning office to perform needed planning, implementation, and administrative responsibilities. MR, while generally well organized to meet its responsibilities, lacks organizational focus for the development of technical and administrative policy. In addition, the external orientation of the MR/FFP Division Chief's functions and the heavy workload imposed by the World Food Program on the Assistant Chief have created an urgent need for an Assistant Chief for Operations to supervise and coordinate the operating branches and staffs of the Division. To better execute its responsibilities, the Division requires eight additional personnel.

Success in Food for Peace operations overseas depends on the presence of carefully selected and well-trained Food for Peace Officers. The bureaus should periodically reassess local conditions to determine if additional FFP Officers are required, including individuals appointed to serve an area of several countries, and request AA/A for ceiling when justified. Bureau selection should be done in concert with MR/FFP which can evaluate technical qualifications. The Agency should encourage rotational assignments of Food for Peace Officers in Washington and should design an appropriate training program for them. To provide a suitable career ladder, encourage capable personnel to enter the Food for Peace field for one or more tours of duty, and because of the importance of effective planning to Program objectives, the Food for Peace field personnel should be associated with the program planning career category rather than the agriculturist.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

II. Background and Development of the Food for Peace Program

FINDING:

In addition to expanding international trade and generating foreign currencies, the Food for Peace legislation was designed to make the most efficient use and generally reduce quantities of surplus agricultural commodities. Because of the success of the Food for Peace and domestic farm programs, the problem of surplus production has largely disappeared. As a result, agricultural commodity requirements in the assistance program will have to be met by increased production, thereby requiring that food aid planning and programming processes be designed carefully so that optimal value of these commodities can be achieved.

FINDING:

Under statutory and executive assignments of responsibility, numerous federal agencies participate in various facets of Program operations. Their differing and sometimes conflicting views of Food for Peace objectives make Program administration difficult and require that AID responsibilities be organized and executed to provide adequate focus on interagency relationships, as well as on policy needs and planning, programming, and implementation activities.

FINDING:

Under an explicit AID guiding principle that Food for Peace programs should be developed as integral parts of the over-all foreign assistance program for each recipient country, the regional bureaus are charged in general with planning Food for Peace applications, initiating program proposals, and implementing or monitoring the implementation of programs. MR is responsible for various aspects of the program development and approval process, developing technical instructions and guidelines, and negotiating and making Titles I and IV agreements.

III. Agency Organization for Food for Peace

FINDING:

The present division of responsibilities between MR/FFP and the regional bureaus in the Food for Peace Program is, in broad outline, basically sound and well designed to effectively relate the requirements of AID organization and operations with the unique circumstances imposed by interagency Program responsibilities and relationships with private groups such as voluntary agencies.

FINDING:

Regional bureau focus on Food for Peace -- as reflected by the assignment of personnel to Program responsibilities in AID/W and the attention given such bureau functions as food aid planning and program execution and monitoring -- is inadequate to assure that Program potentialities can be achieved.

RECOMMENDATION NO. 1:

- A. That A/MP recommend to AA/A that one Food for Peace Coordinator position be authorized for each regional bureau program office.
- B. That each regional bureau:
 - (1) create in the bureau program office one or more (depending upon Program volume and characteristics) Food for Peace Coordinator positions with responsibilities and functions as described in the text of this report; and
 - (2) fill such positions with qualified individuals who are knowledgeable of Food for Peace operations, preferably experienced mission Food for Peace Officers.

FINDING:

To strengthen their Food for Peace operations, the bureaus require a focal point with responsibilities for supporting the desks in Food for Peace planning, execution, and monitoring, for working with MR/FFP in program development, and providing support to mission Food for Peace activities.

FINDING:

The Office of Program Coordination, as a principal staff arm of the Administrator, is the appropriate organization to formulate and issue broad AID policy relating to food aid and to determine Agency Food for Peace planning levels, including the allocation of limited agricultural commodity resources among competing country programs.

FINDING:

The Office of Material Resources, as a central staff office with overall Program perspective, technical expertise, and operating experience, is the appropriate organization to develop and issue technical and administrative policy guidelines designed to direct the application of food aid resources to specific program needs, and to review, process, and submit Food for Peace program proposals to the Interagency Staff Committee.

IV. Development of Food for Peace Policy

RECOMMENDATION NO. 2:

That the AA/A establish a special task force with representatives from MR, TCR, PC, regional bureaus, and MP/PDD to formulate and issue Food for Peace policy guidance.

FINDING:

The present backlog in formulating and issuing Food for Peace policy guidance, and the need to translate Food for Freedom legislation into operational policy when enacted, require that the Agency temporarily provide special manpower resources for adequate performance of this work.

RECOMMENDATION NO. 3:

That the AA/PC make every effort to formulate and issue broad Program policy to meet existing deficiencies.

FINDING:

The Agency lacks adequate policy guidance on broad issues such as relating food aid to other assistance resources, Food for Peace Program objectives, and planning criteria.

RECOMMENDATION NO. 4:

That AA/PC, in cooperation with MR/FFP, formulate necessary policy requirements for Title I and Title IV programs, such as "usual marketings" and criteria for switching from Title I to Title IV programs, and incorporate them into the AID Manual.

RECOMMENDATION NO. 5:

That MR/FFP amend M.O. 1142.1 by incorporating the provisions of Manual Circular 10:46 of July 19, 1965, on AID financing of "basic rates" of ocean charges for Title I commodities.

FINDING:

While generally adequate, the manual orders for Title I and Title IV programs omit various policy questions and have not been amended to reflect manual circular content.

RECOMMENDATIONS NOS. 6 TO 14:

That MR/FFP complete the development of Title II and Title III policies and procedures to meet the deficiencies identified in the text of this report.

FINDING:

There are several major provisions of Titles II and III authority for which no policy and procedural manual orders have been developed and issued, including Section 201 emergency relief, Section 203 authority to use Title I local currencies to improve Titles II and III programs, and the World Food Program.

V. Food for Peace Planning

RECOMMENDATION NO. 15

That PC direct the regional bureaus to provide all estimates of Food for Peace planning levels when required, in accordance with manual order provisions.

FINDING:

Food for Peace planning levels provided to PC for budget review and Congressional Presentation purposes are set primarily by MR/FFP from operating experience and program knowledge, rather than by the regional bureaus from the criteria of political, economic, and developmental need. This approach, which emphasizes the separation of Food for Peace from the rest of the assistance effort, is contrary to the Food for Peace manual orders, which state that the regional bureaus will be responsible for providing planning levels.

RECOMMENDATION NO. 16:

That the regional bureaus, aided by MP/MGT and MR/FFP, re-evaluate country needs and potentialities to determine mission Food for Peace Officer manpower requirements.

FINDING:

- Effective performance of Agency responsibilities under the Food for Peace Program requires mission capability to plan, implement, and evaluate Food for Peace programs. It is the experience of bureau management personnel that implementation of Food for Peace Programs is more effective in those missions having Food for Peace Officers.

RECOMMENDATION NO. 17:

That PC, with the assistance of MR/FFP and MP/FDD, develop a standard format for the Food for Peace presentation in the CAP, including comprehensive statistical and narrative evaluations and plans.

FINDING:

Effective review of food aid planning in AID/W requires comprehensive statistical and narrative descriptions of programs and projects, as well

as broad analyses of Food for Peace needs in the context of country economic and developmental requirements and AID assistance plans. Except for E-2 commodity statistics there is no provision for comprehensive treatment of food aid plans in the CAP and, as a result, the CAP submissions follow no standard format and vary widely in the quality and depth of treatment.

RECOMMENDATION NO. 18:

That:

- a. the regional bureaus and missions review voluntary agency Title III program plans to assure general conformity to the objectives of the country assistance programs; and
- b. MR/FFP, with the assistance of MP/PDD, amend the manual orders to require that the missions specifically comment on such conformity in the narrative Program Plan Review Report and in evaluations of Title III plans within CAP submissions.

FINDING:

Although Title III now authorizes self-help projects with potentially significant impact on development activity, there is limited Agency review of Title III programs within the context of the overall country assistance effort.

RECOMMENDATION NO. 19:

That MR/FFP, with the assistance of MP/PDD revise the Title III manual orders to require that the voluntary agencies submit annual program plans with three year projections comparable to the CAP and containing narrative and statistical support in accord with a standard format. The submission should be timed so that both the plans and mission evaluation may be included in the CAP.

FINDING:

The format and periodicity of voluntary agency Title III Program Plans discourage annual program revisions to reflect new Agency policy or legislative direction and do not engender adequate review in the context of the country assistance program.

RECOMMENDATION NO. 20:

That the regional bureaus establish Food for Peace program levels concurrently with and in relation to the other portions of country programs by means of regular programming mechanisms such as the bureau CAP review hearings.

FINDING:

The regional bureaus are the appropriate organizations to develop comprehensive Food for Peace planning levels in the context of the overall country programs for the Agency's program review determinations.

RECOMMENDATION NO. 21:

That the Administrator and PC as his staff arm set tentative Food for Peace program levels as a result of the CAP/LAS program review hearings.

FINDING:

Growing program needs and declining surpluses require that commodity resources be planned and allocated carefully among programs in terms of political, economic, and developmental criteria.

RECOMMENDATION NO. 22:

That PC provide USDA with AID estimates of Food for Peace commodity requirements for the budget year at the conclusion of the Agency program review hearings and after tentative program level decisions have been made by the Administrator.

FINDING:

The Agency does not provide USDA with comprehensive estimates of commodity requirements for all Food for Peace programs -- as determined by the Administrator -- for USDA use in forecasting commodity exports and planning acquisition levels in an environment of declining surpluses.

RECOMMENDATION NO. 23:

That:

- a. PC request USDA to provide the Agency with estimates of commodity availabilities when known by approximately the beginning of the operational year; and
- b. the Administrator, or PC as his staff arm, confirm or revise as appropriate the tentative program levels previously established.

FINDING:

To properly allocate scarce commodities among competing programs, a procedure is needed whereby the Agency would approve or revise previously approved program levels in light of commodity availability forecasts provided by USDA.

VI. Developing Food for Peace Programs

RECOMMENDATION NO. 24:

That MR/FFP, with the assistance of MP/PDD and in cooperation with PC and the regional bureaus, (1) prepare a proposed document format for a Food for Peace Titles I or IV position paper to replace the PAAD; and (2) amend the manual orders to reflect its use. The document should be prepared by the bureau (desk) in close cooperation with the appropriate MR/FFP program officer, reviewed and cleared by the bureau planning office, signed by the regional assistant administrator, and cleared by appropriate organizations including PC, MR, State bureaus, and State/E.

FINDING:

Contrary to manual order provisions, neither Program Assistance Approval Documents nor any substitute documents are prepared for Title I and Title IV programs, partly because the PAAD format is unsuitable for Food for Peace application. As a result there is no document setting forth the political, economic, and developmental position of AID and State on which bureau and Agency management may focus for review purposes.

RECOMMENDATION NO. 25:

That GC and State/Legal, in cooperation with MR and the regional bureaus, continue their efforts to formulate and implement procedures

whereby an initial agreement couched in broad terms between the United States and the recipient country would serve as the basic agreement implemented by annual programs.

FINDING:

The present procedure of processing all Title I and Title IV programs as international agreements with inclusion of the agreements in the treaty series is cumbersome.

RECOMMENDATION NO. 26:

That PC, in cooperation with MR, formulate and issue an Agency policy on the review of World Food Program proposals to establish the nature of the review and its scope.

FINDING:

Operating experience during the three year trial period of the World Food Program has generated within AID wide differences of opinion on the degree and nature of the review of program proposals, but no Agency policy has been developed setting forth bureau and MR/FFP review responsibilities.

RECOMMENDATION NO. 27:

That the Assistant Administrator, MR, in cooperation with PC because of its concern for programming procedures, initiate discussions with appropriately high levels in USDA and other ISC agencies to urge their concurrence in the revision of review and approval procedures as proposed by the Chief, Food for Development Branch, MR/FFP.

FINDING:

The present ISC review and approval process for Title II and Title III program proposals is duplicatory and time consuming.

VII. Reporting and Monitoring, Titles II and III

RECOMMENDATION NO. 28:

That MR/FFP, with the assistance of MP/MGT, install a control board designed to provide Branch management with information of program status, length of processing delays, and areas of consistent procedural inadequacy.

FINDING:

There is no satisfactory method to monitor program development status in the Food for Development Branch for the more than 400 program proposals each year.

RECOMMENDATION NO. 29:

That MR/FFP, in cooperation with MP/PDD and in coordination with the AID Information Systems Task Force, implement a reporting system such as proposed in Appendix E.

FINDING:

An urgent requirement for adequate management of the Title II and Title III donations program is a reporting system designed to provide AID/W with information on commodity and project status.

RECOMMENDATION NO. 30:

That MR/FFP and A/MP evaluate continuing information needs after parallel operation of the present and proposed reporting systems and eliminate or modify present reports accordingly.

FINDING:

There is duplication in the contents of present Title II and Title III reports and between the present reports and the contents of the reporting system proposed above (Recommendation 29).

RECOMMENDATION NO. 31:

That MR/FFP with the assistance of MP/PDD alter manual order procedures to provide that the missions submit commodity requests by cable or airgram as appropriate directly to USDA with information copies to MR/FFP. USDA should then respond similarly to the missions.

FINDING:

Submission of commodity requests by the missions directly to USDA, rather than through MR/FFP, would provide a simpler and more direct procedure.

VIII. Program Audit Review

FINDING:

The assignment by A/CONT of action for implementing audit recommendations to regional bureaus and missions for all operational matters and to MR for recommendations relating to policy, procedures, programming, and other-agency functions -- as well as all GAO audit action -- is appropriate and should be continued.

FINDING:

To make full use of audit findings, the Food for Peace Division requires the capability of translating Food for Peace programming and operational deficiencies revealed by audit reports into technical and administrative policies and procedures. (Specific recommendations concerning the staffing and organizational implications of this finding are contained in Section X of this report, MR Organization and Staffing.)

RECOMMENDATION NO. 32:

That A/CONT, with the assistance of MR/FFP and MP/PDD, prepare and issue a manual order prescribing a procedure as described in the text of the report for the initiation and monitoring of claims actions against Title II inland losses.

FINDING:

The Agency does not have adequate procedures for initiating and monitoring claims actions against Title II inland losses to assure that all payments for recovery due USDA are made, or for reporting through USDA to BOB and Treasury information on accounts receivable.

IX. Mission Food for Peace Officers

RECOMMENDATION NO. 33:

That the bureau Food for Peace Coordinator assist in reviewing candidate qualifications and selecting mission FFP Officers, and serve as liaison with MR/FFP in regularly securing their assistance in evaluating candidates and recommending potential recruits.

FINDING:

The activities of a Food for Peace Officer are diverse, and include such varied fields as program planning, agricultural economics, and community development. Because of the broad requirements of the position, a review of qualifications by personnel with knowledge of Food for Peace functions and operations would greatly assist the bureaus in assessing candidates for selection.

RECOMMENDATION NO. 34:

That A/PA, in cooperation with MR/FFP and the regional bureaus, design a formal training program for all mission Food for Peace Officers, including: (1) an introductory orientation course to acquaint them with P.L. 480, AID functional responsibility in FFP programs, and inter-agency relationships; and (2) a work assignment with MR/FFP of adequate duration (e.g., three to four months) during which they would participate in all phases of program development.

FINDING:

Present training for FFP Officers is irregular and inadequate, at times limited to a few hours of briefings.

RECOMMENDATION NO. 35:

That the regional bureaus, in cooperation with MR/FFP, regularly assign qualified mission Food for Peace personnel to AID/W Food for Peace positions on rotational tours of duty in conformity with Agency policy as set forth in Manual Order 418.2, Assignments, Tours of Duty, and Related Actions - Foreign Service.

FINDING:

Because few AID/W Food for Peace personnel have had field experience in this Program, rotational assignments of mission FFP Officers to Washington would contribute to Program effectiveness by bringing mission experience to AID/W activities and by educating rotatees in Washington procedures and requirements for subsequent field assignments.

RECOMMENDATION NO. 36:

That A/PA, in cooperation with the regional bureaus and MR/FFP, associate Food for Peace Officers with the program officer category, develop suitable career patterns for such personnel, and transfer FFP Officer performance evaluation responsibility from the agriculture panel to the program officer panel, with provision for participation of representatives from Food for Peace activities and supply management personnel.

FINDING:

Food for Peace Officers are generally considered as agriculturists for performance evaluation purposes -- a field little related to the duties of FFP Officers -- and no career development pattern has been formulated for them.

X. MR Organization and Staffing for Food for Peace

RECOMMENDATION NO. 37:

That A/MP recommend to AA/A that one position ceiling be allocated to AA/MR to establish a position for Assistant Chief for Operations in the Food for Peace Division.

FINDING:

Because the Division Chief's work is focused largely on external liaison and activities, and because the Assistant Chief is assigned major responsibilities concerning the World Food Program, the Division lacks effective management supervision.

RECOMMENDATION NO. 38:

That A/MP recommend to AA/A that a position ceiling be allocated to AA/MR for the establishment of a secretarial position to serve the Assistant Chief for Operations.

FINDING:

The clerical personnel in the Office of the Chief, MR/FFP, are fully employed and could not provide secretarial services to the proposed Assistant Chief for Operations.

FINDING:

The professional and clerical staffing of the Food Resources Branch is appropriate in relation to Branch workload.

RECOMMENDATION NO. 39:

That MR/FFP reorganize the responsibilities of the Assistant and Associate Chiefs of the Food for Development Branch as staffing changes permit so that all responsibilities relating to day-to-day Branch management of Title II and Title III programs, as well as supervision of program officers, be assigned to one Assistant Chief position and that the residual duties such as commodity specialist functions, special assignments, and general staff support be assigned to a Special Assistant position.

FINDING:

The Food for Development Branch requires a single Assistant Chief with primary responsibility for day-to-day Branch management and supervision over program officers in both Title II and Title III program areas.

RECOMMENDATION NO. 40:

That A/MP recommend to AA/A that two position ceilings be allocated to AA/MR for increased program officer staffing.

FINDING:

The present staffing of program officers in the Food for Development Branch is inadequate for proper review of program proposals and does not permit monitoring of program implementation to assure effective operations.

RECOMMENDATION NO. 41:

That A/MP recommend to AA/A that a position ceiling be allocated to AA/MR for the establishment of a position in the Food for Development Branch to execute MR responsibilities in the Agency's program to raise nutritional levels through Food for Peace.

FINDING:

Agency emphasis on malnutrition requires that the Food for Development Branch establish a focal point to work in association with TCR, USDA, and other federal and private organizations for the conversion of nutrition research findings into specific Food for Peace programs.

RECOMMENDATION NO. 42:

That A/MP recommend to AA/A that one position ceiling be allocated to AA/MR for the establishment of a Staff Assistant position in the Food for Development Branch.

FINDING:

The Food for Development Branch requires a Staff Assistant position to monitor program development and approval, perform preliminary analyses of Title III program proposals, and serve as executive secretary of the ISC Subcommittee.

RECOMMENDATION NO. 43:

That AA/MR transfer the Surplus Commodity Specialist Foods Officer from the Operations Branch to the Food for Development Branch.

FINDING:

The work of the Surplus Commodity Specialist Foods Officer now in the Operations Branch is closely associated with the work of the program officers on Title II activities and largely unrelated to the duties of the Operations Branch staff.

RECOMMENDATION NO. 44:

That A/MP recommend to AA/A that one additional position ceiling be allocated to AA/MR for a clerical position in the Food for Development Branch.

FINDING:

Clerical staffing in the Food for Development Branch is adequate to serve present professional staffing; but the three professional positions proposed by this report for the Branch will require one additional secretary for clerical support.

RECOMMENDATION NO. 45:

That AA/MR establish a Program Review and Policy Development Staff under the Assistant Division Chief and staffed by the personnel of the present Program Review Section and by the Chief and one Procurement Clerk (Steno) of the present Operations Branch.

RECOMMENDATION NO. 46:

That A/MP recommend to AA/A that one position ceiling be allocated to AA/MR for the establishment of a position within the proposed Program Review and Policy Development Staff. The incumbent of this position would be responsible for the formulation of administrative and technical policy guidance.

FINDING:

The Food for Peace Division requires a staff with responsibility for reviewing, evaluating, and coordinating responses to audit reports and for the formulation and issuance of technical and administrative

policy guidance. The staff should be adequately provided with personnel and organizationally separated from the operating branches and staffs of the Division.

FINDING:

When the two existing vacancies are filled, the Program Support Staff will have adequate personnel to perform the duties presently assigned and the new workload which will result from implementation of the recommendations of this report.

RECOMMENDATION NO. 47:

That MR/FFP establish the Agricultural Resources Staff under the Assistant Chief for Operations and staff it with the residual personnel of the Operations Branch. The organizational placement of these personnel should be re-examined during the A/MP survey of MR/IRD.

FINDING:

The residual personnel of the present Operations Branch do not relate in function to any branch or staff of the Division organization as proposed.

SUMMARY OF ACTION ASSIGNMENTS

REC. NUMBER	SUBJECT	ACTION	ASSIST. AND/OR COORD.	PAGE REF.
1A	Recommend bureau coordinator ceilings	A/MP	-	45
1B	Establish and fill Coordinator positions	Regional Bureaus	-	45
2	Establish policy task force	AA/A	-	54
3	Issue broad FFP policy	AA/PC	-	55
4	Issue Titles I and IV policy	AA/PC	MR	55
5	Amend M.O. 1142.1 Re Title I	AA/MR	-	55
6	Issue Title II Regulation	AA/MR	-	56
7	Issue Section 201 M.O.	AA/MR	-	57
8	Issue World Food Program M.O.	AA/MR	-	57
9	Classify Title II as special resource	AA/PC	MP/PDD	58
10	Amend M.O. 1556.1	AA/MR	-	59
11	Issue M.O. on self-help	AA/MR	-	59
12	Issue M.O. on Title III suspension	AA/MR	-	59
13	Issue M.O. on Section 203	AA/MR	-	60
14	Develop comprehensive M.O.s on Title II	AA/MR	MP/PDD	61
15	Direct bureaus to provide planning data	AA/PC	-	66
16	Re-evaluate mission FFP Officer requirements	Bureaus	MR MP/MGT	67
17	Develop standard CAP format for FFP	AA/PC	MR MP/PDD	68

REC. NUMBER	SUBJECT	ACTION	ASSIST. AND/OR COORD.	PAGE REF.
18A	Review volag plans	Bureaus	-	70
18B	Amend M.O.s re volag plans	AA/MR	MP/PDD	70
19	Amend M.O.s re volag plans	AA/MR	MP/PDD	71
20	Set bureau FFP planning levels	Bureaus	-	73
21	Set tentative agency planning levels	A/AID	PC	74
22	Provide USDA with program requirements	AA/PC	-	75
23A	Request USDA for commodity availabilities	AA/PC	-	76
23B	Confirm or revise planning levels	A/AID	PC	76
24	Issue PAAD replacement	AA/MR	PC, Burs, MP/PDD	79
25	Titles I and IV Bilateral Agreements	GC State/Legal	MR Bureaus	80
26	Review of World Food Programs	AA/PC	MR	82
27	ISC Subcommittee procedures	AA/MR	PC	84
28	Program development control board	AA/MR	MP/MGT	86
29	Implement reporting system	AA/MR	MP/PDD AID Info Task Force	91
30	Evaluate continuing info needs	AA/MR	MP/PDD	92
31	Revise commodity request procedure	AA/MR	MP/PDD	93
32	Title II claims action procedure	A/CONT	MR/FFP MP/PDD	98
33	Selection of FFP Officers	Regional Bureaus	MR/FFP	101

REC. NUMBER	SUBJECT	ACTION	ASSIST. AND/OR COORD.	PAGE REF.
34	FFP Officer training program	A/PA	Regional Bureaus	102
35	Rotational assignments for FFP Officers	Reg. Bureaus	MR/FFP	103
36	Associate FFP Officers with Program Officers	A/PA	Reg. Burs. MR/FFP	105
37	Recommend Asst. Chief for Operations ceiling.	A/MP	-	112
38	Recommend secretarial ceiling	A/MP	-	113
39	Single Assistant Chief, FF Dev. Br.	MR	-	118
40	Recommend two program officer ceilings	A/MP	-	123
41	Recommend nutrition ceiling	A/MP	-	124
42	Recommend staff assistant ceiling	A/MP	-	126
43	Surplus Commodities Foods Officer	AA/MR	-	127
44	Recommend secretarial ceiling	A/MP	-	129
45	Establish Prog. Rev. and Policy Dev. Staff	AA/MR	-	132
46	Recommend policy officer ceiling	A/MP	-	132
47	Establish Agricultural Resources Staff	AA/MR	-	137

I. INTRODUCTION

In response to a request of the Assistant Administrator for Material Resources, the Office of Management Planning has conducted a survey of the Food for Peace Program within the Agency for International Development. Specific objectives included the identification of procedural and management problems, appraisal of organizational soundness, and establishment of appropriate program staffing requirements in MR. After initial meetings with the Associate Assistant Administrator (Special Resources) and the Chief, Food for Peace Division, the survey was initiated in August, 1965.

The survey has been conducted primarily by extensive interviews with personnel of the Food for Peace Division and by discussions on various aspects of the program with numerous individuals in AID regional bureaus and central staff offices, the Bureau of the Budget, the Office of the Director of Food for Peace, the Department of Agriculture, and the headquarters of several private voluntary agencies which participate in the Program. Within the regional bureaus, about thirty desk personnel were consulted as well as others in the regional planning divisions and management operations offices.

In addition to these interviews, the survey team used such analytical techniques as work flow charts, program file analysis, workload counts, and documentary research including examinations of Country Assistance Program submissions and audit reports. The team members attended meetings of the Interagency Staff Committee and the ISC Subcommittee for Titles II and III programs.

The survey team wishes to express its appreciation for the assistance offered by all MR personnel and particularly those of the Food for Peace Division. In all cases they provided the team with outstanding cooperation.

II. BACKGROUND AND DEVELOPMENT OF THE FOOD FOR PEACE PROGRAM

A. Origin and Growth of Food for Peace

1. Early Food Aid

Following its establishment, in 1947, the Organization for European Economic Cooperation determined the requirements, availabilities, and deficits of food, clothing, and industrial machinery in each of the devastated countries of Europe. The United States responded to European needs with the Marshall Plan, which was enacted into law as the Economic Cooperation Act, a part of the Foreign Assistance Act of 1948. During the four years of the Marshall Plan, from 1948 to 1952, American exports of agricultural commodities were in excess of \$4.5 billion, including \$2 billion in cotton, \$2 billion in bread and coarse grains, and \$329 million in fats and oils.

A second provision of the Foreign Assistance Act of 1948 authorized aid to the Republic of China. By 1950, however, mainland China had fallen to the communist regime and, in that year, the Foreign Assistance Act authorized the use of more than \$100 million in residual China aid funds for economic assistance "...in the general area of China". Under this authority, programs were initiated in Indonesia, Thailand, Burma, and the Philippines.

Concurrent with the administration of these two provisions of the Foreign Assistance Act, Congress passed the Mutual Defense Assistance Act which authorized grant military aid to friendly countries as a means of strengthening defenses against possible communist expansion. By this Act, defense support was added to economic assistance.

In 1951, the Congress passed the Mutual Security Act of 1951 which provided for the termination of the Economic Cooperation Administration (Marshall Plan) and the transfer of its functions to the new Mutual Security Administration (MSA). This Act, which provided for military aid, defense support, economic, and food aid assistance, brought together in one agency the activities previously executed under both the Economic Cooperation Act and the Mutual Defense Assistance Act.

In 1953, the Congress added Section 550 to the Mutual Security Act to provide that between \$100 and \$250 million of the funds appropriated under that Act for FY 1954 be used to finance the purchase of surplus American agricultural commodities by friendly foreign countries. The local currencies generated from these transactions were placed in special United States accounts within the recipient countries to provide military assistance, purchase goods or services, make loans, increase production for domestic needs, and develop new markets on a mutually beneficial basis. Total Mutual Security Act sales of surplus agricultural commodities during the period from 1954 to 1961 were \$2.1 billion.

2. Food Aid Through Voluntary Agencies

The present P.L. 480 Title III donations program by means of private voluntary agencies derives originally from the Agricultural Act of 1949. Section 416 of that Act stated that the Commodity Credit Corporation might provide commodities acquired through price support operations, and in danger of spoilage, to private welfare organizations for the assistance of needy persons outside of the United States at no cost save handling and transportation from the point of storage. In 1954, this program was incorporated into P.L. 480 as Title III, but was refined by specifying commodities which might be acquired by voluntary agencies registered with the Committee on Voluntary Foreign Aid. Subsequent provisions provided for government payment of transportation costs to the port of entry.

3. The Growth of P.L. 480

Until the passage of the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480), food assistance had been given under the Mutual Security Act and its predecessor legislation. The Mutual Security Act had stressed the use of money and materials, including food commodities, for military assistance. With the passage of P.L. 480, however, a shift was made towards greater utilization of food as a tool for economic development. Section 2 of P.L. 480 states that it is the policy of the Congress to expand international trade between the United States and foreign nations and to use foreign currencies which accrue to the United States to encourage economic development, purchase strategic materials, pay American obligations abroad, promote collective strength, and foster in other ways the foreign policy of the United States. In addition, the Act was designed to make the most efficient use of and generally reduce quantities of surplus agricultural commodities, thereby promoting the economic stability of American agriculture.

P.L. 480 was not introduced for the purpose of replacing the provisions of the Mutual Security Act, but rather was intended to be a tool to supplement the overall United States policy towards developing countries. Surplus commodities were provided under both Acts until 1961, the last year of the Mutual Security Act. While efforts were made to avoid duplication in the application of the two acts, overlap and competition did exist, although about one-third of P.L. 480 aid was to countries not receiving commodities under the Mutual Security Act. Beginning in 1957, it became increasingly difficult to utilize Mutual Security funds to finance the sale of surplus agricultural commodities because of the greater demand for non-agricultural products available through that Act. In 1955, Mutual Security Act agricultural sales were \$445 million, but by 1961 had declined to \$178 million. In order to meet the minimal food sales level requirements set by the Mutual Security Act, it was necessary to use triangular trade transactions with Western Europe under which those countries would accept commodities in payment for non-agricultural goods transferred to the recipient underdeveloped countries. These transactions

were difficult to arrange and in many cases merely replaced an approximately equal volume of agricultural purchases that the Western European nations would have made from the United States with their own dollar exchange.

Under P.L. 480, the United States exported approximately \$13 billion worth of agricultural commodities during the period 1955 to 1964. As a percentage of total United States agricultural exports, these commodities have averaged almost thirty percent. In FY 1964, commodities transferred under the Program amounted to \$1,698 million, about forty percent of the entire foreign assistance program. Wheat, cotton, and vegetable oils have formed the bulk of the commodities shipped. Through this program, the aim of disposal of surplus commodities has largely been achieved. Surplus stocks of several commodities, particularly fats and oils, dairy products, and rice have been reduced to low levels. It is reported that at the present rate of usage, wheat stocks will reach a level equivalent to six months requirements for the domestic market before 1970. Because of the success of the P.L. 480 program, coupled with the farm soil bank program and increasing domestic consumption, the problem of surplus American production of food commodities has largely disappeared. As a result, agricultural commodity requirements in the assistance program will have to be met by increased production if present program levels are to be met. It is this new characteristic of the food aid program which demands that planning and programming processes be streamlined so that full value of these commodities can be realized.

FINDING:

In addition to expanding international trade and generating foreign currencies, the Food for Peace legislation was designed to make the most efficient use and generally reduce quantities of surplus agricultural commodities. Because of the success of the Food for Peace and domestic farm programs, the problem of surplus production has largely disappeared. As a result, agricultural commodity requirements in the assistance program will have to be met by increased production, thereby requiring that food aid planning and programming processes be designed carefully so that optimal value of these commodities can be achieved.

B. Interagency Relationships in Food for Peace

The legislation underlying the Food for Peace Program, the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480), assigns Program authority to the President with the following exceptions: Title III authority is assigned directly to the Secretary of Agriculture and the Commodity Credit Corporation, and under Title IV the Secretary of Agriculture is empowered to enter into dollar sales arrangements with private trade entities, set interest rates, and enter into agreements with other exporting nations for their participation in the supply and assistance program authorized.

1. Assignment of Responsibilities by Executive Order

The President delegated his responsibilities under the Act by Executive Order 10900 of January 5, 1960. Broadly speaking, responsibilities under Titles I and IV were delegated to the Secretary of Agriculture and those under Title II to the Secretary of State (who subsequently redelegated authority to AID). The Secretary of State was given responsibility for negotiating and entering into agreements with friendly nations or groups of nations. Furthermore, all functions under the Act, however vested or assigned, are subject to the responsibilities of the Secretary of State relating to foreign policy. With respect to local currencies accruing under Title I sales, various agencies including the Bureau of the Budget and the Treasury Department are assigned responsibility for the administration and use of such funds. The Executive Order also assigned broad coordinating and supervisory responsibilities to a Director of the Food for Peace Program. This last provision was amended by an Executive Order dated October 20, 1965, which transferred the functions of the Director to the Secretary of State and created a position of Special Assistant to the Secretary to perform them.

Under the provisions of a memorandum of agreement between USDA and ICA which was signed in 1960, the latter agency (and now AID) assumed primary responsibility for administering Title III programs. Specifically, the Agency: (1) issues basic program instructions; (2) works with voluntary agencies in regard to their program plans, commodity requirements, and field operations; (3) evaluates their plans and requirements, and presents them to the Interagency Staff Committee (ISC); (4) administers U.S. overseas activities under the Program; (5) performs program audits; (6) assists the voluntary agencies in making working arrangements with cooperating governments; and (7) keeps USDA informed on approved plans, results of audits, major problems, and claim matters.

The USDA retained responsibility for: (1) determining types and quantities of commodities available for distribution; (2) preparing and issuing overall Program regulations after consultation with the Agency; (3) approving and processing commodity requests from the voluntary agencies, including arrangements for the procurement, packaging, and delivery of commodities to the voluntary agencies at the port of export; (4) maintaining program records; and (5) taking claim action.

2. Interagency Staff Committee

Because of the interagency responsibilities under Titles I, III, and IV, and because the Secretary of Agriculture must determine the commodities available for Title II programs, he established the Interagency Staff Committee (ISC) as a mechanism to coordinate activities. Chaired by the Foreign Agriculture Service (FAS), the ISC in effect makes program determinations on the Secretary's behalf. In the event of disagreements,

the issues are referred to appropriate higher levels within the agencies concerned for resolution. Membership in the ISC is broad, including USDA, State, AID, BOB, Treasury, Defense, Commerce, and other agencies which have interest in local currencies generated under Title I.

Because the majority of the agencies have no responsibilities for or interest in Title II and Title III programs which do not generate local currencies, a sub-committee was established for such programs with a narrower membership including BOB, USDA, State, and AID. It is chaired by the Food for Peace Division, which is located in AID, in the Office of Material Resources (MR/FFP). The Food for Peace Division is composed of program officers who develop programs¹ for each of the four titles of P.L. 480, commodity specialists who provide information on technical details such as packaging and storage requirements, and a support staff providing statistical and narrative report information.

3. Program Functions for Titles I and IV

In the case of Title I and Title IV sales programs, USDA develops the program proposed by the country team overseas and presents it to the ISC. The AID role -- executed by MR/FFP -- is to develop a joint State and AID position on the proposal and, in concert with other agencies represented, reach agreement in the ISC. Subsequently USDA prepares draft negotiating instructions; but AID refines them as necessary and, after appropriate clearances, sends them to the field. The Assistant Administrator, MR, under Delegation of Authority No. 23, gives both the negotiating authority to the field and, when agreement has been obtained with the host government, authority to sign the agreement. During the negotiations, MR/FFP largely provides support to the negotiating team as required. After the agreement is signed, execution is the responsibility of USDA. The procedures employed to develop Title I and Title IV programs are illustrated in Appendix A.

4. Program Functions for Title II

Title II programs are proposed by an AID mission to its parent regional bureau. After bureau review, MR/FFP develops the program and submits it to the ISC Sub-committee for approval. If approved, it is also submitted to the ISC for approval, generally a formality because agencies primarily interested participate in the Sub-Committee review. After ISC approval, the regional bureau Assistant Administrator approves a Program Determination which establishes the program formally. A Transfer Authorization is prepared by MR and, after appropriate clearances,

¹"Program development" as used in this report refers to the process followed by the Food for Peace Division to analyze and review program proposals submitted from the field, apply technical and administrative policy criteria to such proposals, and submit the proposals to the Inter-agency Staff Committee for approval. This process is roughly analogous to "program review" as applied to the capital development process.

is transmitted to the field for host government signature. This document, signed by the Assistant Administrator, MR, by authority of Delegation No. 23, constitutes the formal agreement between the United States and the recipient government. A Transfer Authorization is also prepared for ocean freight. According to a pre-determined schedule, or in response to mission "calls forward", MR/FFP prepares and transmits to USDA Commodity Requests which trigger commodity shipments. Appendix B contains detailed procedures for Title II.

5. Program Functions for Title III

Title III programs are originally submitted by the voluntary agencies to the missions for approval, including both program plans and annual estimates of requirements (AER). After mission review, the voluntary agencies transmit these documents to their respective headquarters in New York City from which they are subsequently forwarded to AID (MR/FFP). MR reviews the submissions, as do the regional bureaus, and simultaneously provides copies of the submissions to USDA and BOB for their review and approval. The programs are then reviewed by the Title III Review Committee -- the ISC Sub-committee -- and after approval are submitted to the ISC for approval, usually a formality. A letter of notification is then prepared by MR/FFP and transmitted to the voluntary agencies. Missions are notified by airgram. The voluntary agencies submit commodity requests directly to USDA. See Appendix C for detailed procedures. In addition, a chart of Food for Peace functions by organizational assignment may be found on the next page.

6. Differing Federal Agency Objectives in Food for Peace

The interagency nature of the Food for Peace Program makes it difficult to administer. Apart from questions relating to the use of local currencies, which in themselves generate differences of interest among the many agencies involved, the four principal agencies participating in the Program (USDA, State, AID, and BOB) represent significantly different and often conflicting views on specific programs and policies.

In practice, the primary concern of USDA is the protection of American agricultural markets. USDA concern particularly focuses on questions of "usual marketing" (the recipient country purchasing the same quantity of U.S. commodities that it would were there no program) and "offsets" (exports by the recipient country of identical or equivalent commodities to those provided by the program). While AID shares USDA concern over offsets and usual marketings, the Agency's emphasis on these considerations is tempered by its concern for development implications. As a result, there are differences between organization views on specific applications of these policies.

	TITLE I	TITLE II SECTION 201	TITLE II SECTION 202	TITLE III	TITLE IV
PLANS PROGRAMS	EMB/USAID	USAID	WFP	VOLAGS	EMB/USAID
MAKES PROGRAM PROPOSAL	AG ATTACHE	USAID	WFP	VOLAGS	AG ATTACHE
DEVELOPS PROGRAM	USDA	MR	MR	MR	USDA
FORMULATES STATE/AID POSITION	MR/DESKS	--	--	--	MR/DESKS
SUBMITS TO ISC	USDA	MR	MR	MR	USDA
DRAFTS NEGOTIATION INSTRUCTIONS	USDA	--	--	--	USDA
REVISES AND AUTHORIZES NEGOTIATION INSTRUCTIONS	MR	--	--	--	MR
AUTHORIZES SIGNING AGREEMENT	MR	--	--	--	MR
PREPARES PROGRAM DETERMINATION DOCUMENTS	--	MR/DESKS	MR/DESKS	--	--
PREPARES AND SIGNS TRANSFER AUTHORIZATIONS	--	MR	MR	--	--
PREPARES AND ISSUES COMMODITY REQUESTS TO USDA	--	MR	MR	VOLAGS	--

In addition to broad questions of a political or foreign policy nature, the Department of State is deeply concerned over problems relating to the export markets of friendly countries. AID's interest primarily relates to the effect of the sales programs on the overall commodity situation in the recipient country -- including the question of impact on agricultural development, the use of food for development purposes under Title II, and the utilization of local currencies from Title I sales programs for development and program assistance.

The Bureau of the Budget is, under Executive Order 10900, concerned mainly with the allocation of local currencies. However, the Bureau also takes a broad interest in all phases of the Program, including Titles II and III about which it is especially concerned with program criteria.

With the diversity of federal agencies involved and the occasionally conflicting views they hold on the application of policy in specific situations, it is not surprising that a principal characteristic of the Program is the continual relationships between the agencies in order to achieve agreement on specific program proposals. In addition, various AID personnel commented during this survey that perhaps the principal problem with the Program has been the multiplicity of objectives such as development, program assistance, and surplus disposal. Many feel that the need to achieve USDA objectives in program approval diminishes the value of Food for Peace to AID. Perhaps the most frequently expressed example is the conflict between efforts to encourage agricultural development in the less-developed countries -- including an export market to earn foreign currency -- and, at the same time, attempts to promote the interests of the United States market by reducing Title I or Title IV programs if they should be successful.

Administratively, the inescapable conclusion from the interagency characteristics of the Program is the need to include in any administrative or operational system within the Agency the capability of continuous relations with the other agencies, both on a day by day basis and through the Inter-agency Staff Committee. So long as the present assignment, or essentially the same assignment, of Program responsibilities continues, the ISC is probably as good a mechanism as can be devised, although procedures might be improved. No less important than operational relationships is the need for focusing policy responsibilities within AID so that specific questions with policy implications can be expeditiously and capably met.

FINDING:

Under statutory and executive assignments of responsibility, numerous federal agencies participate in various facets of Program operations. Their differing and sometimes conflicting views of Food for Peace objectives make Program administration difficult and

require that AID responsibilities be organized and executed to provide adequate focus on interagency relationships as well as on policy needs and planning, programming, and implementation activities.

C. Assignment of Program Responsibilities in AID

On December 28, 1962, the Acting Administrator signed Delegation of Authority No. 23 which assigned responsibilities under Public Law 480. The Assistant Administrator for Material Resources was delegated authority for four activities: (1) negotiating and making sales agreements for Titles I and IV; (2) with respect to Cooley Loans, waiving the application of Section 1415 of the Supplemental Appropriation Act of 1953, which requires that local currencies belonging to or owed to federal agencies be used only within the agency's appropriation; (3) signing Transfer Authorizations -- the document of agreement between the United States and the recipient government -- for issuance to the Commodity Credit Corporation under Title II; and (4) authorizing the payment of transportation charges on shipments made under Title III.

The regional assistant administrators were also delegated the following responsibilities: (1) utilizing portions of the local currency generated by Title I sales for various purposes including loans for development and Cooley Loans; (2) negotiating, authorizing, and implementing the use of such currencies; (3) requesting or authorizing the transfer of commodities under Title II, with the exception of signing Transfer Authorizations (to MR); and (4) determining the voluntary agencies or cooperating sponsors through which Title II programs are executed and the manner, terms, and conditions under which commodity transfers are made. They also may authorize the payment of ocean freight when deemed necessary to accomplish the purposes of Title II.

The Acting Administrator, in a memorandum of the same date, further developed the instructions to be followed for P.L. 480 program. The memorandum stated that the guiding principle of the Agency is to develop Food for Peace programs as integral parts of the over-all foreign assistance program for each recipient country. Accordingly the missions, regional bureaus, and AA/PC were given the responsibility of determining the extent to which each P.L. 480 program -- including both commodity input and currency utilization -- will advance foreign aid objectives, and to include such plans within each country program submitted for his approval.

The missions and regional bureaus were given primary responsibility within the Agency for initiating Titles I, II, and IV programs. In the case of Title II programs, MR provides the bureaus with guidelines and technical instructions, refines the initial program proposals of the bureaus, and presents the proposals to the ISC for clearance. For Titles I and IV programs, MR coordinates a State/AID position on all proposals, represents State and AID for interagency consultations, and prepares negotiating instructions. AA/PC is required to approve

any program proposal which involves a substantial departure from the terms of country programs approved by the Administrator. Under policy set by DFPE, the regional bureaus are responsible for making Cooley Loans and loans for development from Title I currencies, including the preparation of negotiating instructions for the latter which are included in the negotiating instructions prepared by MR for Title I sales programs.

The missions and regional bureaus -- in consultation with and subject to the concurrence of MR -- review and approve all Title III programs. MR is responsible for carrying out all other Agency responsibilities in the administration of Title III programs in consultation with the bureaus and other offices, including liaison with other agencies and representation for State/AID on the ISC.

FINDING:

Under an explicit AID guiding principle that Food for Peace programs should be developed as integral parts of the over-all foreign assistance program for each recipient country, the regional bureaus are charged in general with planning Food for Peace applications, initiating program proposals, and implementing or monitoring the implementation of programs. MR is responsible for various aspects of the program development and approval process, developing technical instructions and guidelines, and negotiating and making Titles I and IV agreements.

III. AGENCY ORGANIZATION FOR FOOD FOR PEACE

Within the general framework of Food for Peace administration in AID, the study team has focused on the specific responsibilities, activities, and processes of the Program to recommend means by which it may be integrated more fully with the overall assistance effort of the Agency.

Food for Peace is unique among the Agency's principal resource tools in that the underlying authority for the Program assigns major programming, policy, implementation, and evaluation responsibilities outside of the Agency. The Agency's role in Title I and Title IV sales programs is in some respects secondary to that of USDA. In day-to-day operations, numerous decisions affecting the programs are made in concert with the USDA, largely through the ISC mechanism which is chaired by Agriculture. In addition, continual relationships must be maintained with other federal agencies, notably the Department of State, and with private organizations. As a result, the usual pattern of AID program responsibilities -- in which the regional bureau Assistant Administrators have authority to develop, approve, and execute field programs while the central staff offices are primarily concerned with policy development and technical backstopping -- does not apply.

Nevertheless, because top Agency management has determined that Food for Peace resources and programs should be integral portions of the total AID program, and as increasing efforts are undertaken to use food as a tool to spur the production of foodstuffs in underdeveloped countries, it is necessary to draw together the procedures and program responsibilities of the Food for Peace Program with those for capital and technical assistance programs. The survey team finds that this effort is critical if AID is to make full use of Food for Peace resources.

A. Assessment of the Pattern of Program Administration

Within the context of the present inter-agency pattern of responsibilities, three approaches have been considered by the survey team in evaluating intra-Agency procedures and responsibilities: (1) decentralization of operational responsibility to the regional bureaus, leaving essentially a policy role for MR/FFP; (2) significantly increasing the MR/FFP role, particularly in relation to field operations, planning, and program evaluation; and (3) largely retaining the present division of responsibilities but with refinements in procedures and program support designed to overcome existing weaknesses. These alternatives are discussed below in turn.

1. Decentralization

Conversion to a decentralized system would include the transfer of MR/FFP program officers to the regional bureaus and the development in

each bureau of a specialized Food for Peace office or staff. The bureau Food for Peace personnel would be responsible for the review of mission planning, participation in the CAP reviews, program development, representation to and participation in the inter-agency activities -- notably the ISC and ISC Sub-Committee for Title II and Title III, program evaluation, relations with the voluntary agencies, and cooperation with USDA on matters relating to the shipping, packaging, and labeling of commodities, claims against losses, and similar concerns. Full operational responsibility would reside within the regional bureaus, and MR -- or another central staff office -- would be responsible for largely a residual technical support function and policy direction. The delegations of authority would be altered, transferring responsibility for approving the initiation of negotiations and signing of agreements under Title I and Title IV and the signing of Transfer Authorizations under Title II from MR to the regional Assistant Administrators.

The primary advantage of this arrangement would be to place within the bureaus effective control over all planning and programming, subject only to the same broad monitoring and policy direction from PC and other central offices that apply to capital and technical assistance programs. With this range of responsibility, the bureaus would themselves have to focus more clearly on the Program rather than depend upon MR and thereby possibly would develop more comprehensive and integrated programs. This pattern would be more in accord with the fundamental organization pattern of the Agency in which line authority for program planning, development, and execution flows from the Administrator through the regional Assistant Administrators.

This decentralized pattern, however, would also generate several disadvantages. They include the following:

- a. The need to duplicate within each bureau a staff of professional personnel within the various program areas, including specialists to work on such aspects as nutritional programs and World Food Program activities. This approach probably would be much more costly in terms of manpower requirements than the present arrangement and would, in addition, strain the Agency's limited skill resources in these fields.
- b. The Agency would lose the present strong central focus for Food for Peace which is particularly useful because of the high interest in the Program within the Congress. The Chief, MR/FTP, who spends a large portion of his time in relations with the Congress and other agencies, and his remaining staff would be largely divorced from Program operations. This change, moreover, would be particularly undesirable during a period in which a major shift in food aid concepts is under way.
- c. Relations with the twenty-five or more independent voluntary agencies engaged in Food for Peace activities would be immeasurably complicated. Communications with the voluntary agency headquarters

in New York City are continuous. Instead of dealing primarily with a small number of individuals grouped in one organization, the voluntary agencies would have to deal with many more throughout the four regional bureaus as well as in MR on policy and operational matters. The issues causing the communication often transcend individual country or regional programs and could not, therefore, be resolved by one desk or bureau. Furthermore, it would be difficult to avoid differences and even contradictions in operational procedure and program emphasis among the bureaus, thereby adding to the voluntary agency burden in their relations with the Agency over food grant programs. Thus, the problems the Agency has had in its dealings with universities would be duplicated, with perhaps even more serious consequences because of the extreme sensitivity of the voluntary agencies.

- d. The continuous relationship with USDA over shipments, commodity composition, packaging and labeling specifications, claims for losses, and similar operational matters would also be vastly complicated.
- e. There would be a separation between day-to-day operations and policy development. Many of the administrative policy needs -- as contrasted with the broad Program policy needs -- are identified and discussed through the inter-agency operational activities such as the ISC. With the transfer of operational responsibility to the bureaus, policy development in the residual MR component would be less effective.
- f. As a result of discussions with bureau and central staff office personnel, the survey team found in many areas a degree of general disinterest in Food for Peace, particularly in Title II and Title III programs. In some cases, individuals expressed opposition to the basic concept of these programs -- especially Food for Work -- or a disinclination to consider them as a useful portion of the AID development resources. While the survey team will not judge the merit of these views, it doubts that the full range of Food for Peace potentialities can be realized in this environment without a central focal point with operational responsibilities to encourage the use of these resources and assure the development of effective and imaginative programs.

2. Centralization

Centralization of the Food for Peace Program could be attained by focusing all responsibilities within the present MR/FFP or by creating a new component such as a central staff office within the Agency or an organization separate from the Agency but within the foreign affairs community. There is considerable range in the possible degree of independent

responsibility, but tasks assigned might include: (1) a strong back-stopping relationship to mission Food for Peace Officers, including selection, assignment, career development, and supervision; (2) the development of long and short range plans for Food for Peace utilization as well as specific program proposals; (3) the approval of all Food for Peace proposals or the representing of AID interests where inter-agency approval is required; (4) primary management of field operations, notably Title III programs involving the voluntary agencies and Title II Food for Work type projects; and (5) action on and monitoring of all audit reports with Food for Peace implications.

The centralized approach would have the virtue of providing an energetic Program management with the opportunity of developing a wide variety of Food for Peace programs in recipient countries. Management of field operations and control over the mission Food for Peace Officers would enhance the likelihood that Food for Peace would not be overlooked because of greater mission or bureau interest in technical or capital assistance. It would also lessen the possibility that Food for Peace Officers might be diverted from their primary role to other activities. The development of specific program proposals might be more sound than at present and deficiencies in program execution might be more effectively identified and corrected.

These advantages, however, are negated by other factors. Perhaps the most significant would be the virtual separation of the Food for Peace Program from the rest of the AID development assistance effort. With the removal of planning and programming responsibilities from the regional bureaus, it would be exceedingly difficult to correlate food aid with capital and technical assistance programs and to program food as a basic resource in the development effort. In view of the present shift in Food for Peace from an essentially surplus disposal program to one emphasizing the skillful use of food as a development resource, the separation of food aid from the balance of the AID assistance program would be retrogressive. The role of the Food for Peace Officer in the mission as a participant in the country team development effort could be adversely altered as his responsibility would be to an authority apart from the mission or bureau. A significantly larger Washington Food for Peace staff would be required ultimately to assume all planning and operating responsibilities. Furthermore, this approach would be contrary to the present organizational concept of the Agency which places operational responsibility in the regional bureaus and would be a partial reversion to the ICA functional organization.

3. The Existing Coordinated MR - Bureau Pattern

The present pattern of responsibilities in the Food for Peace Program has a variety of deficiencies in practice. They are discussed in subsequent portions of this report and recommendations are made to correct them. Nevertheless, the survey team finds that the present arrangement is basically sound and well designed to relate effectively the requirements of Agency organization and operations with the unique circumstances imposed by the inter-agency Program responsibilities and relationships with outside groups such as the voluntary agencies. While planning, program development, and

certain aspects of implementation are not now fully adequate, the present arrangement provides the necessary framework in which the deficiencies can be corrected. The advantages include:

- a. Primary responsibility for planning and the initiation of program proposals resides within the missions and regional bureaus where Food for Peace can be closely related to and integrated with other facets of the country assistance program;
- b. the regional bureaus retain primary operational responsibility for the execution of approved programs in conformance with the existing pattern of bureau responsibility for capital and technical assistance program management;
- c. a single control point permits consistent and coordinated relationships with other federal agencies on day-to-day operations as well as for the development and consideration of major policy questions;
- d. relationships with the voluntary agencies can be most effectively maintained and the applications of operating policies and procedures can most easily be made uniform;
- e. a central point is retained to develop food aid uses, methods, and procedures, and to encourage greater use of the Program where appropriate; and
- f. deficiencies in program policy and administration can be reviewed and correlated for the development of operational policies and procedures.

FINDING:

The present division of responsibilities between MR/FFP and the regional bureaus in the Food for Peace Program is, in broad outline, basically sound and well designed to effectively relate the requirements of AID organization and operations with the unique circumstances imposed by interagency Program responsibilities and relationships with private groups such as voluntary agencies.

B. Role of the Regional Bureaus

The Agency's effectiveness in attaining the objectives of the Food for Peace legislation depends to a large extent on the regional bureaus in the performance of their assigned responsibilities. The bureaus -- and the missions as their extensions in the field -- bear the primary burden for developing effective plans for the use of P.L. 480 commodities in the

context of a country assistance strategy, formulating specific programs to implement the plans in cooperation with other members of the country team, and executing or monitoring Title II and Title III programs once they are approved. No effort was made during this survey to assess the relative effectiveness of bureau performance in Food for Peace. Nevertheless, the survey team did make note of the emphasis given to the Program in the bureaus as reflected by interviews with bureau personnel and assignments of individuals to the Program.

The manual orders on Food for Peace assign broad responsibilities to the regional bureaus and missions, with some variation in the different Program titles. Generally, however, the bureaus are charged with determining the extent to which mission-proposed programs advance or are consistent with foreign aid objectives. The bureaus should include the use of food aid in country programs where appropriate and initiate specific program proposals. The missions should include P.L. 480 plans for Titles I, II, and IV in the CAP, evaluate host government program requests, and assist in refining such requests. In Title II Food for Development projects and Title III programs, the missions also have broad responsibilities to provide assistance and technical direction to the voluntary agencies and cooperating sponsors, and to maintain a general surveillance over all phases of commodity distribution activities and project execution.

Formal emphasis given to the Food for Peace Program varies within the bureaus as reflected by personnel assignments. Until recently there has been no individual in any bureau assigned to support the Program on a bureau-wide basis. In a few cases where Food for Peace programs are quite large (e.g., Brazil) one member of the desk staff has been designated to work largely or wholly within this program area. Generally, however, the program is monitored by a person having a variety of other responsibilities. It is questionable that this arrangement provides anywhere near the same degree of focus on Food for Peace as is given the technical and capital assistance programs by the ID and CD offices. Additionally, a continual problem arises because the rotating desk staff rarely develops any thorough knowledge of the Program. As a result, the desks rely heavily on MR/FFP program officers for almost all aspects of the Program.

There is a considerable range of opinion among bureau personnel as to the state of the Program in terms of the quality of planning, the utilization of Program potentialities, and the value of various portions of the Program -- notably Titles II and III -- to the Agency's assistance effort. With exceptions, it appears that the primary interest within the bureaus is the generation and use of local currencies. Several bureau officers expressed negative opinions as to the value of Food for Peace except for the commodity sales programs. While in some cases there is general satisfaction with mission planning and bureau reviews, many individuals stated that both planning and review are superficial and that program potentialities are not being achieved. The survey team was told, for instance, that CAP reviews do not often include discussions of P.L. 480 except for local currency matters.

These sessions occasionally might point up that proposed programs will introduce a certain volume of commodities into a country, but evidently there is little discussion on the nature and purpose of food grant aid, specific goals to be attained, how food programs can be related to rural or community development, or their potential economic implications. One individual suggested that this limited attention might be due to the absence during the reviews of anyone in the bureaus intimately familiar with the Program or primarily concerned with it -- the participants being basically oriented to capital and technical assistance.

The general inadequacy of bureau focus on Food for Peace as represented by interview comments goes beyond the planning and programming process. The bureaus are -- and should be -- primarily responsible for evaluating field management and progress of Section 202 Food for Development projects. Someone with Program knowledge and orientation should be concerned with providing general assistance to mission Food for Peace Officers and with the selection, training, and rotation of these officers. Additionally, attention should be directed to problems concerning program execution, such as commodities piling up and spoiling on the docks.

FINDING:

Regional bureau focus on Food for Peace -- as reflected by the assignment of personnel to Program responsibilities in AID/W and the attention given such bureau functions as food aid planning and program execution and monitoring -- is inadequate to assure that Program potentialities can be achieved.

There is a need -- clear to the survey team -- for developing within each bureau a focal point of Program expertise to assist the desks and bureau management. It does not seem realistic for the bureaus with operating responsibilities for planning, programming, implementation, and evaluation of so large and complex a program to depend wholly on a central staff office for program information and assistance or on the individual desks which rarely have any substantial knowledge of Food for Peace.

This need has been recognized to some extent to the bureaus. In 1965 the Bureau for Latin America assigned a Food Resources Officer to LA/MGT, afterwards transferred to LA/ID. Somewhat later in the year, the Bureau for Far East assigned an FSR on rotation to a similar position in FE/DP. In both cases the positions are described broadly with particular emphasis on planning aspects. In the Latin America case, however, there has been greater emphasis during the first months on management problems associated with the Program than with planning and programming aspects. This orientation was perhaps reflected by the assignment of the officer to LA/MGT rather than to LA/DP. In addition to these bureau specialists, an officer has been assigned to Food for Peace matters in the Office of Mediterranean Affairs, Bureau for Africa.

The survey team believes that the sine qua non for strengthening the bureau role in the Food for Peace Program and attaining the full range of Program potentialities is the assignment of individuals in the bureaus concerned wholly with Food for Peace. Broadly speaking, they would provide their bureaus with a thorough technical knowledge of the Program, serve as liaison with MR, and generally support the desks, the planning and management operations offices, and mission Food for Peace Officers.

The specific activities to be performed by these personnel fall into two groups, one relating to the planning and programming process and the other concerning program execution -- primarily for Titles II and III programs. The first group of activities includes:

1. assisting the desks in their review of mission Food for Peace plans by contributing operational experience, technical information, and policy and procedural guidelines;
2. helping missions enhance both their planning activities and the formulation of program proposals, particularly where no Food for Peace Officer is assigned;
3. assisting the desks in their review of voluntary agency Title III annual estimates of requirements for general conformity to broad country needs and adherence to Agency policy requirements;
4. assuring that specific program proposals submitted by the missions are adequately documented by required data and analysis and that they adhere to approved plans;
5. aiding the desks in relations with State desks and the "E" area;
6. serving as a Food for Peace specialist within the planning office to assure that Agency program emphasis generally is met;
7. serving as a spokesman during bureau CAP review hearings, developing position papers as required and assuring adequate focus on Food for Peace; and
8. serving as primary liaison with MR/FFP on Food for Peace matters, and particularly for obtaining MR views on bureau planning levels for submission to PC when required.

The second group of responsibilities relating to program operations includes:

1. receiving and coordinating program information from the missions and monitoring progress on Title II Food for Development projects;
2. monitoring or executing action assignments on Food for Peace audits when action is assigned to the bureau;
3. working with MR and TCR in developing new uses for Food for Peace under Title II and Title III and designing appropriate pilot and continuing projects;
4. researching and correcting or recommending corrective action for any program difficulties such as the handling of commodities, project supervision, and program administration;
5. participating in the selection of Food for Peace Officers and in the development of rotational assignment and training patterns; and
6. keeping mission Food for Peace Officers informed of Program developments and exchanging general information of value to mission personnel.

The volume of work generated by these duties and, hence, the requisite bureau staffing for Food for Peace will depend upon the particular volume and characteristics of the bureau food aid operations. It is understood that FE planned to establish two professional Food for Peace positions in the bureau planning office with a supporting clerical position. One of the two would spend much of his time on TDY overseas supporting the missions while the other would work primarily in AID/W. The number of countries assisted, the volume, variety, and nature of programs, the Food for Peace staffing on individual desks, and mission Food for Peace Officer staffing all bear on the staffing need in a particular bureau. It is recommended, however, that the bureaus initially should establish one professional position with adequate clerical support and defer judgement on the need for additional positions until workload implications are clearly demonstrated by experience.

The value of these positions in the bureaus will depend entirely upon the qualifications and abilities of the individuals assigned to them. It is strongly urged that only personnel with overseas Food for Peace experience and a thorough knowledge of the Program be considered. The survey team feels that these positions should not be used for on-the-job training or for the orientation of new mission Food for Peace Officers, however qualified they might be otherwise. Excellent candidates might be found among FSR personnel

overseas who are presently working as Food for Peace Officers -- or with relatively recent experience as such -- who are eligible for rotation to Washington.

The placement of this position within the bureau is also of crucial importance. While the Coordinator will have a variety of tasks involving program execution, his key role is within the planning process. His overriding responsibility is to assure that Food for Peace is adequately planned and coordinated with other forms of assistance. This activity requires a continuous association with the functions and personnel of the bureau planning offices. He must be a participant in all appropriate planning activities such as the program review hearings, development of bureau program guidance, and preparation of planning papers. At the same time, it is imperative that he not be channeled off into other work or otherwise diverted from his primary tasks.

FINDING:

To strengthen their Food for Peace operations, the bureaus require a focal point with responsibilities for supporting the desks in Food for Peace planning, execution, and monitoring, for working with MR in program development, and providing support to mission Food for Peace activities.

RECOMMENDATION NO. 1:

- A. THAT A/MP RECOMMEND TO AA/A THAT ONE FOOD FOR PEACE COORDINATOR POSITION BE AUTHORIZED FOR EACH REGIONAL BUREAU PROGRAM OFFICE.
- B. THAT EACH REGIONAL BUREAU:
 - (1) CREATE IN THE BUREAU PROGRAM OFFICE ONE OR MORE (DEPENDING UPON PROGRAM VOLUME AND CHARACTERISTICS) FOOD FOR PEACE COORDINATOR POSITIONS WITH RESPONSIBILITIES AND FUNCTIONS AS DESCRIBED IN THE TEXT OF THIS REPORT; AND
 - (2) FILL SUCH POSITIONS WITH QUALIFIED INDIVIDUALS WHO ARE KNOWLEDGEABLE OF FOOD FOR PEACE OPERATIONS, PREFERABLY EXPERIENCED MISSION FOOD FOR PEACE OFFICERS.

C. The Role of the Office of Program Coordination

As a principal staff arm of the Administrator, the Office of Program Coordination has a major responsibility in the Food for Peace Program. Broadly speaking, the Office has two primary functions, the formulation of policy and participation in the planning and programming process.

1. Policy Formulation

Fundamental to the development and maintenance of an effective Food for Peace Program is the generation of policy guidance which sets the framework for planning and programming. There are two types of policy required. The first is technical policy which provides specific directions to Program personnel for the development and administration of individual programs. This, the responsibility of MR, includes such criteria as rates of consumption, administrative controls, and categories of recipients. The second consists of broad assistance strategy in which the potential applications of food aid are set forth as they relate to other assistance resources and programs or to general political, economic, social, and cultural circumstances. The Office of Program Coordination should provide the Agency with this guidance.

In the past, AA/PC has been involved in many broad policy questions affecting the Food for Peace Program. During 1965, the Deputy AA/PC participated in an interagency task force effort to study the future role of Food for Peace in an environment of growing food needs overseas coupled with declining commodity surpluses in the United States. The Office has been involved in discussions relating to such questions as usual marketings and offsets together with USDA and State. Recently it has participated in policy formulation relating to the nutrition problem overseas. In addition, PC provides support to the Advisory Committee by preparing position papers.

The survey team believes that PC is the proper AID component to develop this sort of program policy. It is the only point within the Agency that has a broad overview of AID assistance strategy along with competence in such areas as capital and technical assistance. There are individuals within the Office who have a working knowledge of different aspects of the Food for Peace Program and one individual is assigned to work primarily in this field. Essential to the development of a more effective Program -- as the direction of the Program thrust veers from surplus disposal to a more carefully designed utilization of food commodities for country development -- is the correlation of Food for Peace potentialities with other tools and resources at the Agency's disposal.

2. The PC Role in Food for Peace Planning

Because of the unique characteristics of the Program, the PC role in planning and programming Food for Peace has been essentially different from that for other assistance resources. As there generally has not been a need to allocate a limited volume of food resources among regions and countries -- a principal PC task in the capital and technical assistance planning process -- the Office has not been as consistently involved in Food for Peace planning. It appears that the Office regularly focuses on food aid planning only to the limited extent that planning is developed during the CAP reviews and OYB hearings. The Office does prepare the annual program guidance which in 1965 emphasized the general problem of food production,

nutrition, and population growth. In addition, it incorporates Food for Peace planning levels in the Congressional presentation and participates in the development of legislative proposals. The principal PC focus, however, generally arises from a major problem within a specific country program where there are large policy questions -- often of a political or foreign policy nature. To this end, an internal briefing or position paper may be prepared. In the overall, however, PC has not been able to take a strong role in the planning of food aid -- and it would seem that the weakest facet of Program operations is in the planning process. Nevertheless, PC does have a major contribution to make to the Food for Peace planning process by reviewing bureau plans for balance, consistency with program guidance, and adherence to the Agency's assistance strategy.

Another aspect of the planning in which PC has not heretofore taken an active role is the allocation of food resources among competing programs. Unlike capital or technical assistance, the Agency usually has not been confronted with an inadequate volume of resources to be parceled out among bureaus and country programs. With diminishing surpluses, however, the need to establish priorities is arising. At present, planning levels are generally set by MR with clearance by the regional bureaus. These planning levels are provided to PC for the CAP reviews, Congressional presentation, and periodically for inclusion in the OYB along with data representing implementation levels. The data are incorporated into the OYB more for informational value than for control purposes since PC does not exercise a control over the allocation of food resources to the different country programs. As a result, the MR determination prevails except as it is subsequently modified by ISC program decisions. In recent cases of specific commodity shortages, MR also developed priorities for the allocation of these commodities rather than PC. Such allocations, however, should be made among country programs by PC under political and economic criteria.

The survey team strongly believes that PC leadership is essential to the development of a more effective Food for Peace Program. By policy development, program guidance, program review, and monitoring the development of specific program proposals, PC can stimulate within the missions and bureaus higher quality programs which are better integrated into the country programs and which may result in a better utilization of food resources. Specific recommendations affecting the PC role in planning and programming are made and discussed in Sections V and VI of this report.

FINDING:

The Office of Program Coordination, as a principal staff arm of the Administrator, is the appropriate organization to formulate and issue broad AID policy relating to food aid and to determine Agency Food for Peace planning levels, including the allocation of limited agricultural commodity resources among competing programs.

D. The Role of AA/MR

It is no exaggeration to state that MR has the keystone role in the development and maintenance of an effective Food for Peace Program within the Agency. It serves as the focal point for inter-agency operational relationships, liaison with the Congress, and with private groups such as the voluntary agencies and others interested in different aspects of the Program. The Food for Peace Division provides the Agency with the primary source of Program knowledge, experience, and continuity; and its staff must actively participate in developing imaginative uses for food aid, assisting bureau and mission personnel to convert policies and guidelines into plans and programs well designed to utilize food resources optimally, and translate operational experience into new policies designed to overcome Program deficiencies.

Comments made by bureau personnel during this survey reflect a generally high opinion of the work of the Food for Peace Division and a high regard for many of the Division personnel. Criticisms were few and those rarely specific; perhaps the most frequent was a feeling expressed by a few desk personnel that the Division too often reflected the USDA viewpoint in such matters as "usual marketings."

While the Food for Peace Division performs a variety of activities in support of the Program, two basic responsibilities stand pre-eminent: the formulation of technical policy and guidelines, and the development of specific programs proposed by the missions and bureaus.

1. Policy Development

Before the missions and bureaus are able to formulate effective Food for Peace plans and later convert the plans into specific programs and projects, there must be a solid framework of technical and administrative policy. Unlike the broad policy which relates Food for Peace to other assistance resources or to the Agency's assistance strategy (a responsibility of PC), technical policy is defined as that which guides and directs the missions and bureaus in the application of food aid resources to specific program needs within the established assistance strategy. The end-product of such policy effort should be found in both the manual order system and in implementing instructions sent to the missions from time to time.

Technical policy may derive from several sources. Revisions in the legislation may provide for changes in program procedure or emphasis. A recent example of this is the provision that Title III voluntary agency programs may now require labor in payment for food. Changes of this sort require carefully considered and designed policies enabling the agencies to comply with understanding as well as the preparation of issuances containing not only the broad policy change but also specific guidance, suggestions, and limitations.

A second source of technical policy is the Division review of audit reports and other evidence of program deficiencies. The Division program officers and supervisory personnel should -- and do -- review audit reports to uncover areas requiring policy or procedural change. While many or most of the audit findings relate to a particular program, the implications often affect the entire Food for Peace Program and require attention by MR/FFP. This activity requires a staff adept at perceiving and interpreting deficiencies and then converting them into new corrective policies.

The Division personnel should also, in cooperation with other appropriate AID components, develop new imaginative and effective uses of food resources. This responsibility may not derive from any specific statutory revision or Program deficiency, but rather reflects a positive endeavor to attain the maximum potentialities of Food for Peace. The particular contribution which MR/FFP can make is its long experience and association with the Program and the operating perspective which these have provided. In the Division is the primary concentration of Program experience and expertise. While TCR, for example, may stimulate research on nutritional needs or may develop uses of food aid to supplement community or rural development activities, the Division must translate these efforts into specific Program guidance and work closely with the bureaus and missions to institute pilot and continuing programs.

MR/FFP has been concerned with this responsibility and, during the past year, has drafted manual orders setting forth program criteria, guidelines in preparing program proposals, and procedures for the various aspects of planning, programming, and implementation. There is, nevertheless, criticism within the Agency concerning the delay in preparing and promulgating them. A detailed evaluation of Food for Peace policy issuances may be found in Section IV of this report.

2. Program Development

The second major function of MR is the conversion of mission and bureau plans into specific programs. For other forms of AID assistance, this process is largely executed within the bureaus. Because of the multi-agency responsibilities for program development and approval in Food for Peace, however, a shift of focus to the central staff office has been required.

In general, it is the field's responsibility to formulate comprehensive program proposals for submission to Washington for approval, although there is provision for program initiation in Washington. Title I and Title IV program proposals usually emanate from Agricultural Attaches in reflection of a country team decision and are then developed within the Department of Agriculture for submission to the ISC. Title II programs originate within the mission and, after bureau review, are submitted to MR for development and presentation to the ISC. Title III programs originate in the voluntary agency field offices, are reviewed by the mission, transmitted to the voluntary agency headquarters in New York City, and then forwarded to MR for processing and submission to the ISC.

a. Titles I and IV Programs

The specific role of MR/FFP in program development varies according to the P.L. 480 title under which the program falls. In general, the Division must take the lead within the Agency in developing and approving programs in cooperation with the other interested agencies. In the case of Titles I and IV, the initiative lies within USDA where the specific proposal is formulated. Nevertheless, MR must take an active role in developing the State/AID position and representing that position effectively so that the program, when approved, adequately reflects the interests and views of the two agencies. In this process, MR applies a thorough knowledge of legislative provisions and policy, a comprehensive understanding of AID and other agency views and objectives, and a sensitive ability to negotiate divergent objectives into an acceptable agreement. During the program development process, the Titles I and IV branch of MR/FFP (the Food Resources Branch) serves as a bridge between the regional bureaus of AID and State on the one hand and USDA and other agencies on the other. The particular value of the MR/FFP role is the continuity and broad overview of all sales programs worldwide which provide the Agency with the strongest representational capability for interagency negotiations and determinations.

The second phase of work performed by this branch in Titles I and IV program development is the backstopping of bilateral sales negotiations in the field. Under the regulations, the Department of State conducts the negotiations with foreign governments. The major differences which arise during such negotiations -- the disposition of local currencies generated by the sales, usual marketings, and offsets -- are usually of great interest to USDA and other agencies. In this process, therefore, MR/FFP serves as a bridge between State/AID and the other agencies through its support of the negotiating team by providing clarification of instructions, developing alternative positions, evaluating counter-proposals, and providing information -- with most of these activities requiring inter-agency consultations and clearances.

b. Title III Programs

In Title III, the role of MR/FFP is -- and should be -- much broader in the range of responsibilities performed than for Title I or Title IV. This larger role is required because of the independent status of the voluntary agencies and the absence of bureau capability for continuously working with their headquarters offices in New York City. In addition, there is an absence of operational responsibility elsewhere in the Agency for executing Title III programs. The regional bureaus and missions do little beyond maintaining a general surveillance over voluntary agency field activities and assisting them in relations with the host governments. This minor bureau role has contributed to a disinclination in the bureaus to be much concerned with Title III programs. The result has been an inadequate review of Title III planning -- a weakness discussed in Section V of this report.

Aside from mission and bureau responsibility to assure that Title III plans are consistent with the country program and administratively feasible, and the mission responsibility for monitoring voluntary agency execution, MR/FFP serves as the Agency's representative in most phases of Title III operations, particularly program development. The end result of this process is the preparation of a proposal for presentation to the ISC Sub-committee. This proposal includes a detailed evaluation of the voluntary agency estimates of commodity requirements in relation to the number of anticipated recipients, consumption rates, types of recipients, commodity mix, and similar criteria to assure that all regulations and policies are being met. Attention is given by MR/FFP to administrative capabilities and arrangements, operational experience, and the social and economic effects of program levels. This review and development process requires a group of technically knowledgeable individuals able to deal with the various voluntary agencies on a worldwide basis to assure a uniform application of policies and regulations.

c. Title II Programs

Title II programs -- and especially Section 202 Food for Development programs -- differ markedly from other provisions of the Food for Peace Program in that the regional bureaus and missions are directly involved in program execution and many of the activities take the form of projects essentially identical to technical and capital assistance projects. As a result, the Title II program proposals more commonly arise from the context of the country program and receive a somewhat greater interest in the bureaus than that given the Title III programs. The bureaus and MR, therefore, share the responsibilities for Title II programs: (1) MR takes the bureau plans and proposals and converts them into a specific program proposal acceptable to the ISC Sub-committee, applying all pertinent regulations, policies, and criteria so that the commodity resources are properly and optimally used; and (2) the bureaus retain the primary task of executing the programs in the field. In short, MR is responsible for providing the commodities for a properly designed program and the regional bureaus and missions for executing the project.

The preceding does not suggest that MR is not or should not be at all concerned with the manner of utilization. MR should be involved to assure that the Food for Peace Program requirements are being met and to identify operational difficulties as they arise which involve commodity utilization. Conversely, the bureaus are -- and properly should be -- interested in the progress of program development in MR. The total process is a cooperative one.

Regardless of the title under which a program proposal is being reviewed, refined, and developed for consideration by the ISC or its Sub-committee, the essential nature of the MR/FFP role is the same. The Division takes a program proposal, applies all pertinent regulations, technical criteria, and judgment to it, and constructs a defensible position which

reflects the Agency's assistance goals and the needs of the country program. Then it must work and negotiate with other participating agencies until a satisfactory decision is made. This process does not go on apart from the bureaus. To the contrary, it is expected that the Division program officers perform their work in close association with bureau personnel. Nevertheless, because of the technical Program knowledge, judgment, and operational experience of the MR program officers, it is clear that they should take the lead in program development within the Agency.

FINDING:

The Office of Material Resources, as a central Staff Office with overall Program perspective, technical expertise, and operating experience, is the appropriate organization to develop and issue technical and administrative policy guidelines designed to direct the application of food aid resources to specific program needs, and to review, process, and submit Food for Peace program proposals to the Interagency Staff Committee.

IV. DEVELOPMENT OF FOOD FOR PEACE POLICY

As stated previously in this report, the formulation and issuance of adequate policy and procedural guidance is critical to the development and maintenance of an effective Food for Peace Program. Without guidance, the missions cannot be expected to properly plan and execute effective programs and it is unlikely that Food for Peace can fully achieve the potentialities which are available to the Agency's assistance effort.

The AID Manual, through the issuance of manual orders, manual circulars, and policy determinations, is the mechanism by which policy and procedural guidance is promulgated. The current Food for Peace manual orders have been examined to identify deficiencies and needed improvements. Of particular concern is the provision of administrative and technical guidance necessary for the planning and implementation of P.L. 480 programs and the context in which such guidance should be formulated.

The survey team noted that PC and MR/FFP, the two organizations primarily responsible for the issuance of policy guidance on Food for Peace, are generally aware of the deficiencies described in this section. In several instances, preparation and issuance of manual orders by these organizations have been delayed by the press of routine operating responsibilities which have prevented those responsible for drafting the issuances from completing their work. Policy development has also been impeded by the difficulty of obtaining clearances from other AID offices and federal agencies. In addition, there has not been in MR/FFP any organizational focus to encourage the preparation of manual orders. It is anticipated, however, that the organizational and staffing recommendations made in Section X of this report, particularly those relating to the proposed Program Review and Policy Development Staff, will provide adequate personnel resources and focus to MR/FFP for the development and promulgation of essential administrative and technical guidelines as requirements regularly arise in continuing operations.

The urgency and magnitude of the effort to provide Agency personnel with both MR administrative and technical policy and PC broad program policy guidelines which they lack, coupled with the need to implement the provisions of the proposed Food for Freedom legislation in the near future, require that the Agency temporarily bring extraordinary resources to the task.

A special task force, consisting of representatives of MR, PC, TCR, the regional bureaus, and MP/PDD, would provide the manpower required to bring the present policy backlog up to date as well as translate Food for Freedom provisions into operational guidance. The Assistant Administrator for Administration should be requested to take the initiative in drawing the participants together and beginning work as soon as feasible.

Throughout this section of the report, recommended action for meeting policy formulation or clarification needs are assigned to AA/MR or AA/PC in accord with their regular responsibilities. Nevertheless, it is envisaged that the proposed task force would undertake to meet the specific needs which follow in this section.

FINDING:

The present backlog in formulating and issuing Food for Peace policy guidance, and the need to translate Food for Freedom legislation into operational policy when enacted, require that the Agency temporarily provide special manpower resources for adequate performance of this work.

RECOMMENDATION NO. 2:

THAT THE AA/A ESTABLISH A SPECIAL TASK FORCE WITH REPRESENTATIVES FROM MR, TCR, PC, REGIONAL BUREAUS, AND MP/PDD TO FORMULATE AND ISSUE FOOD FOR PEACE POLICY GUIDANCE.

A. The Formulation of Broad Program Policy

As stated earlier in Section III.C. of this report, The Role of the Office of Program Coordination, a primary requirement for an effective Food for Peace Program is the formulation of broad assistance strategy in which the potential applications of food aid are related to other assistance resources and to general political, economic, social, and cultural circumstances. The preparation and issuance of such policy is properly a responsibility of PC with the assistance of other offices. Although PC has been involved in a variety of major policy issues affecting the Program -- including interagency discussions -- interviews during this study revealed much opinion that there is inadequate guidance relating food resources to other forms of assistance, defining food aid objectives, or establishing criteria for determinations such as program phase-out and providing food to dependencies of developed countries. In view of the transitional nature of Food for Peace from primarily a surplus disposal effort to a positive development tool and because of anticipated new Program legislation, it is particularly urgent for PC to make every effort to provide necessary guidance for planning, programming, and implementing activities.

FINDING:

The Agency lacks adequate policy on broad issues such as relating food aid to other assistance resources, Food for Peace Program objectives, and planning criteria.

RECOMMENDATION NO. 3:

THAT THE OFFICE OF PROGRAM COORDINATION
MAKE EVERY EFFORT TO FORMULATE AND ISSUE BROAD
PROGRAM POLICY TO MEET EXISTING DEFICIENCIES.

B. Policy Guidance for Title I and Title IV Programs

Guidance for commodity sales programs under Title I and Title IV was developed during the AID Implementation Project subsequent to the establishment of the Agency and issued as Manual Orders 1142.1 and 1145.1 within the Manual chapter for program assistance. For the most part, the survey team feels that this material is adequate. There are, however, certain omissions which should be corrected. These deficiencies relate to policy questions such as "usual marketings", the use of Title I as opposed to Title IV programs in a given situation, and criteria for switching from Title I to Title IV as country circumstances evolve.

In addition, the survey team noted that Manual Circular 10:46, AID Financing of "Basic Rates" of Ocean Freight Charges for Title I, P.L. 480 Commodities, which was issued on July 19, 1965, expired on October 31, 1965. The content of this Manual Circular is still applicable but has not been incorporated into an updated version of M.O. 1142.1 which should have been completed before the date of expiration.

FINDING:

While generally adequate, the manual orders for Title I and Title IV programs omit various policy questions and have not been amended to reflect manual circular content.

RECOMMENDATION NO. 4:

THAT PC, IN COOPERATION WITH MR/FFP, FORMULATE
NECESSARY POLICY REQUIREMENTS FOR TITLE I AND TITLE IV
PROGRAMS, SUCH AS "USUAL MARKETINGS" AND CRITERIA
FOR SWITCHING FROM TITLE I TO TITLE IV PROGRAMS,
AND INCORPORATE THEM INTO THE AID MANUAL.

RECOMMENDATION NO. 5:

THAT MR/FFP AMEND M.O. 1142.1 BY INCORPORATING
THE PROVISIONS OF MANUAL CIRCULAR 10:46 OF JULY 19,
1965, ON AID FINANCING OF "BASIC RATES" OF OCEAN
CHARGES FOR TITLE I COMMODITIES.

C. Policy Guidance for Title II Programs

The Title II program is a complex and growing multi-faceted program administered by AID with the cooperation of USDA and involving participating organizations such as voluntary agencies, intergovernmental organizations, and host governments. As such, it is a difficult program to administer and, to achieve adequate management, requires operating policies which are clearly promulgated and enforced. Title II has grown far beyond the pilot stage that it was still in when most of its administrative policies were devised and issued. Consequently, existing policy guidance for the Title II Program is deficient and requires immediate attention. The specific recommendations which follow apply to a few particular deficiencies. In addition to making these recommendations, however, the survey team urges MR/FFP to review continually all policy issuances and requirements to assure that operating personnel have adequate guidance on all facets of Program activity.

1. The Title II Regulation

In the summer of 1964, MR/FFP began to formulate a Title II Regulation for the Federal Register and subsequent issuance as an AID Manual Order. It was expected that work would be completed late in that year or in early 1965. Because of changes in legislation and protracted clearances, completion was delayed. Clearance was finally secured in the fall of 1965. Nevertheless, the regulation has not been issued as of January, 1966.

FINDING:

Issuance of the Title II regulation has been excessively delayed.

RECOMMENDATION NO. 6:

MR/FFP SHOULD MAKE EVERY EFFORT TO COMPLETE AND ISSUE THE TITLE II REGULATION IMMEDIATELY.

2. Section 201, Emergency Assistance

No manual order has been issued for the Section 201 program. A draft was prepared for agency review in late 1964 but required clarification because it did not differentiate between assistance for disaster relief -- as defined in Section 1560 of the AID Manual -- and other forms of 201 assistance such as refugee feeding. Although the disaster relief manual orders contain some guidance on the use of food for disaster relief and the Title II manual order 1558.6, Transfer and Expeditious Shipment of Commodities for Special Purposes, contains procedures for transferring P.L. 480 food from one Title to another to meet unexpected contingencies, these issuances do not meet the need for a separate and comprehensive manual order on Section 201 programs.

FINDING:

There is no manual order for Section 201 emergency assistance programs.

RECOMMENDATION NO. 7:

MR/FFP SHOULD FORMULATE AND ISSUE A COMPREHENSIVE MANUAL ORDER (1545.1) FOR THE SECTION 201 PROGRAM.

3. The World Food Program

The United States contribution to the World Food Program is made under the authority of Title II, P.L. 480. Although AID has participated in this program for three years, no Agency directive has been issued to establish AID policies and procedures for exercising our commitment to the Program. The pilot stage of this Program has ended and the United States has made a commitment to support it for three more years. In addition, the American contribution for the second three year period will be two and one half times that of the three year pilot period. It is therefore both timely and essential that the Agency formulate and issue AID policies and procedures for this Program. A recommendation for PC action to examine the question of AID review responsibilities for WFP program proposals is made in Section VI.C. of this report.

FINDING:

There is no manual order for the policies and procedures attendant to United States participation in the World Food Program.

RECOMMENDATION NO. 8:

~~THAT~~ MR/FFP PREPARE AND ISSUE A MANUAL ORDER (1547.1) FOR PARTICIPATION IN THE WORLD FOOD PROGRAM.

4. The Classification of Title II as Program Assistance

The Title II program is categorized -- and attempts to fit into AID's administrative framework -- as program assistance. Because Title II programs involve the use of food commodities as capital for development projects and specific emergency assistance efforts, its classification as program assistance has created some anomalies. For example, although Manual Order 1143.1 -- which provides guidance for Section 202 programs -- requires that the regional bureaus prepare a PAAD, a standard program assistance document, this document is not designed to provide the information necessary for assessing and approving projects. In fact, the PAAD is never used. Another example is that control numbering is done by Transfer Authorizations. Individual projects are not numbered. Because a TA may provide commodities to more than one project and one

project may be serviced by more than one TA, accountability in terms of projects is not assured and evaluation of the projects is difficult. Furthermore, the inadequacy of guidance for integrating Title II resources with those of capital and technical assistance in support of development projects arises in part from the obsolete program assistance orientation of Title II.

FINDING:

The Title II program is incorrectly classified as program assistance, thereby creating difficulties in planning, programming, and reporting activities.

RECOMMENDATION NO. 9:

THAT PC CLASSIFY THE TITLE II PROGRAM AS A SPECIAL RESOURCE AND MP/PDD INCLUDE ALL APPLICABLE POLICIES AND PROCEDURES IN CHAPTER 1500 OF THE AID MANUAL, SPECIAL ACTIVITIES AND PROCEDURES.

D. Policy Guidance for Title III Programs

In August, 1964, MR/FFP in cooperation with A/MP prepared and issued a comprehensive series of manual orders setting forth policies and operating procedures for Title III. There are, however, several provisions which have not been incorporated into the manual system.

1. Scope of Voluntary Agency Activity and Relations with U.S. Government

In response to a letter from Mr. Hugh D. Farley, Executive Director of Church World Service, the Assistant Administrator for Administration wrote in January 1965 that "...to assure that users of the Title III manual orders are informed of the role and function of the voluntary agencies overseas a description of the breadth of voluntary activities and, in addition, an explicit statement respecting the partnership relationship between the voluntary agencies and the United States with respect to Title III programs, will be added to the Title III manual orders." MR/FFP cleared this letter and agreed to amend the manual orders accordingly. Nevertheless, the Title III manual orders have not been so amended.

FINDING:

The Title III manual orders have not been amended to include a description of the scope of voluntary agency activities and a statement respecting the relationship between the voluntary agencies and the U.S. Government.

RECOMMENDATION NO. 10:

THAT MR/FFP AMEND M.O. 1556.1, P.L. 480
TITLE III: INTRODUCTION, IN ACCORD WITH THE
COMMITMENT MADE BY THE ASSISTANT ADMINISTRATOR
FOR ADMINISTRATION TO THE EXECUTIVE DIRECTOR,
CHURCH WORLD SERVICE.

2. Emphasis on Self-Help

In 1964, the Congress amended P.L. 480 to provide that "...the assistance to needy persons provided (under Title III) shall, insofar as practicable, be directed toward community and other self-help activities designed to alleviate the causes of the need for such assistance." This amendment supersedes the provisions contained in M.O. 1558.5, P.L. 480, Title III, Voluntary Work by Recipients. To provide guidance in accordance with this amendment, MR/FFP issued AIDTO Circular A-309 on March 19, 1965. The airgram contained a draft manual order 1558.5, P.L. 480, Title III: Self-Help Activities by Recipients. Although almost a year has elapsed, this draft has not been promulgated.

FINDING:

No manual order has been issued incorporating the provisions of a 1964 Congressional amendment to P.L. 480 which encourages self-help activities by recipients of Title III assistance.

RECOMMENDATION NO. 11:

MR/FFP SHOULD PREPARE AND ISSUE MANUAL ORDER 1558.5 TO IMPLEMENT THE CONGRESSIONAL DIRECTIVE THAT TITLE III PROGRAMS BE DIRECTED TOWARD COMMUNITY AND OTHER SELF-HELP ACTIVITIES.

3. Suspension and Termination of Program

When the Title III manual orders were issued in August, 1964, it was noted that there was no provision for the suspension and termination of Title III programs. At that time, MR/FFP agreed to issue a manual order setting forth the policy and procedure for doing so. This manual order has not been issued.

FINDING:

No manual order has been issued on the suspension and termination of Title III programs.

RECOMMENDATION NO. 12:

MR/FFP SHOULD PREPARE AND ISSUE POLICY AND PROCEDURAL GUIDANCE FOR THE SUSPENSION AND TERMINATION OF TITLE III PROGRAMS AS M.O. 1558.9.

E. The Use of Title I Currencies to Improve Titles II and III Programs
(Section 203)

In late 1964, the Congress authorized under Title II an amount not exceeding \$7,500,000 annually to purchase foreign currencies accruing from Title I sales to improve Titles II and III programs. The House Committee on Agriculture stated that the basic objective of this provision is to assist the use of food programs "...to reduce the need for continuing food assistance." On March 3, 1965, a circular airgram (A-327) containing guidance for using the new authority and a draft manual order was sent to the missions. The instruction, however, was deficient in that it did not establish a mechanism for programming these funds. This guidance has not been included in the AID Manual yet, nor have specific programming instructions been developed. It is noted that, to date, only one program for Israel and nine programs for India have been approved under this authority, perhaps reflecting the inadequate guidance.

FINDING:

There is no manual order providing guidance on the use of Title I currencies for improving Titles II and III programs under the authority of Section 203, P.L. 480.

RECOMMENDATION NO. 13:

MR/FFP SHOULD PREPARE AND ISSUE PLANNING AND PROGRAMMING GUIDANCE FOR ADMINISTERING THE PROGRAM SUPPORT FUNDS PROVIDED BY SECTION 203 AS M.O. 1541.2.

F. Consolidation of Title II and Title III Manual Orders

The transfer of Title II program guidance from Chapter 1100 to Chapter 1500 of the AID Manual in accordance with Recommendation No. 10 above will consolidate in one chapter all of the Agency's guidance on P.L. 480 grant programs. Title III guidance, generally adequate in structure and content except as noted in Section IV.C. of this report, is already in Section 1550. Section 1540 may be used both for manual orders on Title II only as well as for material applicable to both Title II and Title III. Four public safety manual orders presently assigned to the 1540 section can be moved to the 1590 section which is presently unassigned to any subject field. A checklist for manual order requirements in Section 1540 follows on the next page. Of these, only the proposed M.O. 1546.1 presently exists (M.O. 1143.1), though it is not sufficiently broad in scope. When completed and issued, these manual orders would, in conjunction with those on Title III in Section 1550, provide comprehensive policy and procedural guidance on food grant programs in one manual chapter.

FINDING:

Transfer of Title II manual orders to Section 1540 of the AID Manual, and preparation and issuance of manual orders as indicated in the checklist which follows, would provide a comprehensive grouping of policy and procedural guidance on food grant programs.

RECOMMENDATION NO. 14:

THAT MR/FEP, IN COOPERATION WITH MP/PDD, PREPARE AND ISSUE COMPREHENSIVE MANUAL ORDERS ON TITLE II AS INDICATED ON THE CHECKLIST, AND INCLUDE THEM IN CHAPTER 1500 OF THE AID MANUAL WITH TITLE III GUIDANCE.

Checklist for Section 1540 of the AID Manual

- M.O. 1541.1 - P.L. 480 Grant Programs - Objectives of Title II and Title III Programs. (A discussion of Title II and Title III objectives, how the two titles differ, how they are alike, when to use one or the other, etc.)
- M.O. 1541.2 - P.L. 480 Grant Programs - Using P.L. 480 Title I Local Currency in Title II and Title III Programs. (Agency policy and procedures for utilizing local currency in support of Titles II and III programs which are helping to reduce the need for continuing food assistance.)
- M.O. 1542.1 - P.L. 480 Grant Programs - School and Maternal-Child Feeding. (Agency policy and guidance for planning and programming school lunch projects and for improving the nutrition of pre-school children under Title II and Title III.)
- M.O. 1543.1 - P.L. 480 Grant Programs - Quarterly Report on Titles II and III Programs. (The proposed quarterly report is discussed in Section VII of the survey and a draft manual circular establishing the report is Attachment E of this survey.)
- M.O. 1544.1 - P.L. 480 Title II (Section 201 and 202) - AID Regulation : Transfer of Food Commodities for Use in Emergency Assistance and Economic Development.
- M.O. 1545.1 - P.L. 480 Title II (Section 201) - Emergency Food Assistance. (Agency policy governing the Section 201 program and guidance for planning and programming to meet emergency needs.)

M.O. 1546.1 - P.L. 480 Title II (Section 202) - Food for Development.
(Agency policy and guidance for planning and programming food for work projects, land resettlement projects and livestock and poultry feeding projects, including guidance on how this resource can best be and should be utilized in conjunction with capital and technical assistance to improve agriculture and rural development.) (Presently exists as 1143.1)

M.O. 1547.1 - P.L. 480 Title II - World Food Program (Agency policy and procedures for handling our commitment to the World Food Program.)

V. FOOD FOR PEACE PLANNING

A. Planning for a Changing Program

In recent months, the Food for Peace Program has received considerable attention within the government as the increasingly critical food needs of underdeveloped countries become apparent. Simultaneously it has become obvious that American agricultural surpluses -- for years a principal characteristic of the domestic agricultural economy -- are declining and that a full examination of the future role of the Program within these emerging patterns is essential. As a result, an inter-agency task force studied the alternatives open to the United States and prepared a report which has been submitted to the White House.

It appears likely that, regardless of the specific nature of new legislation to replace that which expires in 1966, there will be an increasing emphasis on the use of food aid to further the development of the countries we are assisting, especially the development of agriculture. Despite any possible changes in policy or in the responsibilities assigned to the participating agencies, it is evident that all phases of the food aid program within AID must be operated at their most effective and efficient levels. Central to this need is a planning procedure designed to stimulate a review of food aid plans in terms of national policy, assistance strategy, development priorities, and commodity availabilities.

Previously, the Agency has not often been faced with the problem of allocating inadequate food resources among competing programs in the same sense as AID appropriation dollars are allocated according to Agency priorities. Two commodities, rice and dry milk, have at times been in short supply for all program needs. In these cases, MR/FFP developed an ad hoc priority grid. It is clear that the Agency henceforth must plan its food resources as effectively as possible and develop a suitable mechanism by which the limited resources available can be best allocated according to criteria established by management.

B. Present Food for Peace Planning

The manual orders explicitly require the missions to determine the extent to which programs under Title I, II, and IV effectively advance foreign aid objectives in each cooperating country and to include in each CAP submitted to AID/W such plans as are consistent with the attainment of these objectives. In the case of Title III, the manual orders only require

that commodity statistics for the actual, operational, and budget year programs be included in the E-2 tables, although some missions also include narrative descriptions.

1. Mission Planning

There is no concensus among bureau personnel as to the adequacy of Food for Peace planning as reflected in the CAPs. In many cases general satisfaction was expressed with mission responsiveness in including food aid plans and integrating such aid into the country program. However, several of these individuals expressed views that Food for Peace planning is of little value or that it is treated wholly as program assistance with importance only in terms of effect on the balance of payments or the generation of local currencies. Others expressed more positive views by indicating that the full range of Food for Peace potentialities is well treated in the CAPs and that food aid -- including Title II projects -- is of paramount importance to the country program.

A large number of persons interviewed expressed negative views. In some cases it was said that Food for Peace is not well or imaginatively planned. Many find that it is poorly integrated with the country assistance program and that the CAPs have not been sufficiently responsive to program guidance and the need for thorough planning. A few individuals suggested that, while the planning is poor, the nature of the Program makes valid advance planning impossible. Commodity production in recipient countries may vary so much that any advance planning is likely to be meaningless. In contrast, others said that while there may be variations from year to year, the need for food in many countries often continues in more or less predictable quantities.

A review of sample CAP submissions by the survey team revealed a considerable range in the treatment of Food for Peace. Narrative descriptions of programs may be confined to a few lines of program volume in terms of commodities and recipients, with little or no analysis of the purposes or goals of food aid and its impact on country development. In other cases there may be a dozen or more pages devoted to detailed descriptions of various Title II projects, the nature of Title III programs, and analyses of the impact of Title I or Title IV sales. To some extent the length and detail of the analyses and descriptions correlate with the size of the Program. For example, CAP submissions from Brazil and Tunisia include considerable narrative and statistical data. Where food is not a significant problem, little detail is included. However, many CAP submissions show little evidence of serious consideration of Food for Peace applications, even in areas where the Program might well be a significant contribution to development.

2. AID/W Review of Planning

The review of mission plans for all assistance programs as set forth in the CAP submissions occurs within the bureaus. Typically, each bureau formulates a comprehensive program of technical and capital assistance which, in the fall, is presented to the Administrator. A bureau position on technical and capital assistance program levels represents the joint participation of the desks, planning office, and the ID and CD offices. The ID and CD offices provide detailed and technical program knowledge which is ordinarily not available on the desk. The desk assists in bringing the country package together into a coherent whole.

In the case of Food for Peace, however, the principal effort to establish planning levels or estimates is made within MR/FFP. In the fall, MR estimates Food for Peace commodity levels for the budget year beginning a year from the following July. These figures are provided to PC for the CAP reviews without formal clearance by the bureaus or any reconciliation with estimates they might have. MR develops these estimates from operating experience, relations with the desks, and program knowledge, but not from CAPs. The Food for Peace Division does not systematically use the CAPs in their planning -- indeed, several MR program officers have stated that they do not have time to use them at all.

Later in the winter, about January or February, MR prepares a second estimate of program levels for the Congressional Presentation. These detailed estimates, based on somewhat more up to date program information, are submitted to the bureaus and PC simultaneously. Subsequently bureau and MR differences in estimates are reconciled.

Shortly after the beginning of the operating year, a third estimate of planning levels is prepared by MR and submitted to PC for the OYB program summary. In previous years PC forwarded these estimates to the bureaus for comment and reconciliation. This past fall, however, MR was requested to obtain bureau clearance before submission; however, MR reports that they have never received comments from the bureaus. As the OYB proceeds, the planning levels remain fairly stable. There are cases, however, where they are changed to reflect current program information, particularly agricultural production in recipient countries and U.S. commodity availabilities.

Planning levels for the various forms of AID assistance are set in program review hearings, first at the bureau level and finally at the Administrator's hearings. In this process, Food for Peace is normally not discussed at length; comments are usually confined to brief mention of the proposed levels, particularly of Title I or Title IV sales programs. Such discussion as there may be usually relates to local currencies generated by the sales. There is rarely any thorough analysis during the hearing of proposed programs in terms of economic implications, agricultural development, or objectives. The survey team was also told that Food for Peace was little discussed during the Administrator's review.

It is clear that MR/FFP takes the lead in setting program levels during the planning process. MR does not operate in isolation; in fact, the MR/FFP program officers are in frequent communication with the desk officers, acquire program information and field views by airgram contact with the missions, and obtain clearances from the bureaus on most of the estimates which are provided to PC. Nevertheless, MR exercises the principal thrust in setting these estimates, based largely on operating experience, historical program trends, and some idea of USDA views.

FINDING:

Food for Peace planning levels provided to PC for budget review and Congressional Presentation purposes are set primarily by MR/FFP from operating experience and program knowledge, rather than by the regional bureaus based on criteria of political, economic, and developmental need. This approach, which emphasizes the separation of Food for Peace from the rest of the assistance effort, is contrary to the Food for Peace manual orders which state that the regional bureaus will be responsible for providing planning levels.

RECOMMENDATION NO. 15:

THAT PC DIRECT THE REGIONAL BUREAUS TO PROVIDE ALL ESTIMATES OF FOOD FOR PEACE PLANNING LEVELS WHEN REQUIRED, IN ACCORDANCE WITH MANUAL ORDER PROVISIONS.

C. Improving Planning Procedures

1. Strengthening Mission Planning

As we have already indicated, a simple review of CAP submissions for 1965 suggests that there is a considerable spread in the quantity and quality of Food for Peace planning among country programs. Part of this variance is no doubt caused by the wide differences in country situations -- whether or not a serious food deficit exists, the state of economic development in the country, and similar factors. It also appears evident, however, that there are areas in which food aid potentialities have not been realized. In large part this failing is due to an absence of Food for Peace knowledge or focus in many missions.

Even though criticism has been directed towards Food for Peace planning, many individuals have pointed out that it is improving. This improvement is usually attributed to the establishment of more than forty Food for Peace Officer positions in the missions during recent years. It may be reasonably anticipated that further improvements will occur as additional positions are established where appropriate and as the incumbents acquire greater experience. The undeveloped potential which might exist in many countries for expanded Food for Peace activities may be illustrated by the results of a trip in mid-1965 to the Far East by the FE/DP Food for Peace Specialist.

In three countries specific programs were generated and in others discussions were held on possible programs to meet certain needs. There are cases where the individual country's program potential cannot justify a Food for Peace Officer and an area assignment might be feasible. Areas such as East Africa and Central America might find this approach useful.

The survey team does not believe that it can properly evaluate specific country or area requirements for Food for Peace staffing without detailed country knowledge on food resources, Program potential, and related matters. We have not, therefore, made recommendations on the placement of such officers. Nevertheless, the bureaus are urged to evaluate fully the potential use of food aid on a country by country basis and, where appropriate, take action to place a Food for Peace Officer to serve either a single country or a group of countries.

FINDING:

Effective performance of Agency responsibilities under the Food for Peace Program requires mission capability to plan, implement, and evaluate Food for Peace programs. It is the experience of bureau management personnel that implementation of the Food for Peace Program is more effective in those missions having Food for Peace officers.

RECOMMENDATION NO. 16:

THAT THE REGIONAL BUREAUS, AIDED BY MP/MGT. AND MR/FFP, RE-EVALUATE COUNTRY NEEDS AND POTENTIALITIES TO DETERMINE MISSION FOOD FOR PEACE OFFICER MANPOWER REQUIREMENTS.

2. Food for Peace in CAP Submissions

Effective and meaningful planning should be done in the missions within the context of country requirements and development needs. Nevertheless, decisions as to program levels are made within the AID/W and by the Inter-agency Staff Committee mechanism. Therefore, it is essential that Food for Peace planning be comprehensively treated within the CAP submissions, which presently do not uniformly attain adequate standards for this program. The submission should include all proposed programs in all applicable titles, both statistics and supporting narrative which sets forth purposes, goals, environmental circumstances, and relationships to overall AID assistance strategy and country development needs. A standard format should be developed for a Food for Peace section of the CAP submission. While portions of the Food for Peace Program will be discussed within the context of macro-economic analysis and other specific development activities, they should also be brought together in Part II of the CAP and treated in detail.

FINDING:

Effective review of food aid planning in AID/W requires comprehensive statistical and narrative descriptions of programs and projects, as well as broad analyses of Food for Peace needs in the context of country economic and developmental requirements and AID assistance plans. Except for E-2 commodity statistics there is no provision for comprehensive treatment of food aid plans in the CAP and, as a result, the CAP submissions follow no standard format and vary widely in the quality and depth of treatment.

RECOMMENDATION NO. 17:

THAT PC, WITH THE ASSISTANCE OF MR/FFP AND MP/PDD DEVELOP A STANDARD FORMAT FOR THE FOOD FOR PEACE PRESENTATION IN THE CAP, INCLUDING COMPREHENSIVE STATISTICAL AND NARRATIVE EVALUATIONS AND PLANS.

3. Voluntary Agency Plans Under Title III

Under present regulations, the voluntary agencies are required to submit program plans every three years for the activities they wish to conduct under Title III. These plans are reviewed by the missions, which submit to AID/W a Program Plan Review Report, and later in AID/W. Unless there is a significant change in the program of a voluntary agency, this plan remains in effect for the three years after which a new plan is prepared. Few plans are re-submitted before a three year lapse.

The voluntary agencies implement the Program Plan each year by means of the Annual Estimate of Requirements (AER) which is a one or two page summary in statistical format of commodity requirements and estimates of recipients by category. Accompanying the AER is a Program Plan Operating Report (PPOR), an unstructured narrative document designed to provide comment on the AER and including such subjects as a comparison of the number of recipients between the current operational year and the next year, explanations for changes in rates of distribution, comments on "open" audit findings, and a summary of any problems. The AERs and PPORs are reviewed at the mission and then submitted to AID/W by the voluntary agency New York City headquarters offices. The missions are required to submit to MR/FFP an AER Review Report, a narrative evaluation of the AER.

Within AID/W, the review and analysis of these plans are performed primarily by MR/FFP. In most cases, the desks also review them but this review is usually cursory. There has been a rather common attitude that the Title III programs are, at best, a peripheral charitable activity with little value to the AID program except, perhaps, for the public relations or "image"

achieved. Many bureau personnel seem content to have MR perform alone all necessary review and program development activities. The survey team believes, however, that the size of the Title III program -- exceeding a third of a billion dollars a year in commodities -- and its impact on recipient countries are such that the Agency should assure a full review by the mission and bureau within the context of the country program as well as a review by MR according to technical and administrative criteria. The possible significance of a Title III program within a single country may be illustrated by the Title III program in Brazil which amounted to \$26 million in 1964, almost 20% of the total Food for Peace Program there.

During the last year or so, the impact of Title III programs on the Agency's development assistance effort has grown considerably. The recent statutory provision for self-help projects in Title III, whereby the voluntary agencies may require labor from the recipients in return for food, permits the development of numerous small scale localized projects. This new emphasis suggests that the Agency should become increasingly concerned with the validity of programs proposed by the voluntary agencies in terms of their responsiveness to the developmental goals now possible within the food aid program. Furthermore, the Agency should evaluate thoroughly the possible impact that Title III programs can have on country development by focusing program attention on particular geographic or economic areas of malnutrition or hunger and by supporting community and rural development programs.

The criteria for Agency review in the past generally has emphasized the administrative capabilities of the voluntary agencies to conduct the programs proposed rather than any evaluation of program purposes or goals as they relate to long range country assistance objectives. This approach was understandable because the voluntary agencies, until recently, were prohibited from requesting any sort of labor from the recipients, thereby depriving the program of any developmental characteristics. With the new emphasis in Title III on self-help, however, the Agency's review should encompass program impact on the development effort as well as administrative and technical factors.

In making this statement, the survey team gives full recognition to the independent position of voluntary agencies. It would not be in their interest or the Agency's to reduce their independent role to something approximating instrumentalities of the AID program. The voluntary agencies have been performing useful and creative work of this nature for many years and hopefully they will continue to do so. Nevertheless, the Agency should provide the mechanism by which the voluntary agencies in their use of Food for Peace resources can effectively coordinate with AID in attaining common objectives and to assure that the purposes of the legislation are achieved.

FINDING:

Although Title III now authorizes self-help projects with potentially significant impact on development activity, there is limited Agency review of Title III programs within the context of the overall country assistance effort.

RECOMMENDATION NO. 18:

THAT:

- A. THE REGIONAL BUREAUS AND MISSIONS REVIEW VOLUNTARY AGENCY TITLE III PROGRAM PLANS TO ASSURE GENERAL CONFORMITY TO THE OBJECTIVES OF THE COUNTRY ASSISTANCE PROGRAM;
AND
- B. MR/FFP, WITH THE ASSISTANCE OF MP/PDD, AMEND THE MANUAL ORDERS TO REQUIRE THAT THE MISSIONS SPECIFICALLY COMMENT ON SUCH CONFORMITY IN THE NARRATIVE PROGRAM PLAN REVIEW REPORT AND IN EVALUATIONS OF TITLE III PLANS WITHIN CAP SUBMISSIONS.

In order to provide the missions and the bureaus with a better tool for reviewing the Title III program plans, it is necessary to revise the format and periodicity of the voluntary agency plan. The first requirement is that the submission of program plans be meshed with the CAP submission and AID program cycle. The plans should be submitted to the missions sufficiently in advance of the date by which the missions submit the CAP to AID/W so that the plans can be evaluated and incorporated into the CAP with any comments and data required by the standard format for Food for Peace submissions proposed by Recommendation 15 of this report.

Second, in place of the present triennial submissions, the voluntary agency program plans should be submitted annually with three year projections. This revision would encourage the voluntary agencies to carefully evaluate each year their objectives and progress, and would promote the same self-discipline which the AID programming system intends for the Agency. More important, however, this approach would encourage the voluntary agencies to change the direction or emphasis of their programs to meet new legislative direction or Agency policy. The recent statutory provision permitting self-help projects in Title III again serves as a good example. Every program plan for a Title III activity should be fully re-evaluated by the voluntary agencies and many completely revised to reflect this significant policy change. Annual plans would provide a positive mechanism to assure periodic focus on such changes and encourage the voluntary agencies to revise their programs accordingly.

The annual program plan should contain both narrative and statistics. The narrative might indicate the goals of the voluntary agency programs, comments on the environment which justifies the program, the applicability or non-applicability of various Title III provisions such as self-help projects, comments on increasing or decreasing numbers of recipients, and similar subjects. Statistics would include projected volumes of commodities, numbers of recipients by category, and analyses of usage or program change. With this format, the voluntary agencies would not have to submit the PPOR with the AER unless there were special problems requiring discussion, unresolved audit findings, or a need for explaining significant differences in specific commodity requests from those proposed in the program plan several months earlier. The AERs, which serve as the detailed commodity request documents for programming purposes from the voluntary agencies to the Agency (but not as specific requests to USDA for commodity shipments), would continue to be submitted as at present.

FINDING:

The format and periodicity of voluntary agency Title III Program plans discourage annual program revisions to reflect new Agency policy or legislative direction and do not engender adequate review in the context of the country assistance program.

RECOMMENDATION NO. 19:

THAT MR/FFP, WITH THE ASSISTANCE OF MP/PDD, REVISE THE TITLE III MANUAL ORDERS TO REQUIRE THAT THE VOLUNTARY AGENCIES SUBMIT ANNUAL PROGRAM PLANS WITH THREE YEAR PROJECTIONS COMPARABLE TO THE CAP, AND CONTAINING NARRATIVE AND STATISTICAL SUPPORT IN ACCORD WITH A STANDARD FORMAT. THE SUBMISSION SHOULD BE TIMED SO THAT BOTH THE PLANS AND MISSION EVALUATION MAY BE INCLUDED IN THE CAP.

4. Bureau Review of Mission Plans

Within the regional bureaus, Food for Peace plans should be fully reviewed, evaluated, and approved, altered, or rejected. This process should be taken in the context of the entire country program so that Food for Peace determinations can be made relative to their effect on the development assistance program, host country economic patterns, and with due regard to foreign policy considerations.

At present, the principal thrust of establishing Food for Peace planning levels is found in MR/FFP, as previously stated. The flaw in this approach is that Food for Peace planning does not begin with a positive

initial effort to establish country program needs within the context of economic and development requirements and U.S. policy objectives. MR/FFP is not capable -- nor should it be -- of performing the broad country analysis, determining what the levels and nature of U.S. assistance should be, and deciding what role Food for Peace should play in attaining United States policy and country development objectives. Food for Peace planning should be initiated in the mission and then reviewed and confirmed or altered within the bureau -- and by the Administrator -- against these criteria. This constructive review process -- as opposed to a clearance process -- should take place within the bureaus, first at the desks and then in the planning offices, to determine the appropriate program levels.

Typically, the country desk has responsibility for developing an integrated country program -- including Food for Peace -- for bureau approval. In formulating the Food for Peace portion of the country program, the desk should take the lead in evaluating and further developing mission plans and supporting rationale. At this point in review, broad questions should be asked, such as the economic effect of introducing the proposed levels of commodities; the spread, size, and nature of Title II Food for Work projects; the most useful geographic and economic areas for Title III feeding programs; and the role of Title III self-help projects in rural and community development:

In performing this analysis, the desk officer should call on the bureau Food for Peace Coordinator (recommended above in Section III.B.) for professional judgment and technical guidance in matters relating to the general soundness of projects, use of Program potentialities within the country environment, and the soundness of mission planning. The Coordinator should not perform the review for the desk. His role should be that of technical support, program stimulation, and general guidance.

During this process, MR has a significant task to perform. The MR/FFP program officers should provide technical information, program history, operating experience, and general USDA attitudes to the desks. In their planning activities, the desks must fully consider USDA and other agency views so that planning does not depart from attainable levels. Thus, when establishing food aid planning levels, the bureaus should strike a balance among all factors -- economic, political, and developmental as well as commodity availabilities and USDA policies.

During the bureau CAP review hearings, Food for Peace should be appropriately considered and the individual country programs approved or revised. The bureau Food for Peace Coordinator should attend these hearings and provide program information and technical guidance as required. As a result of these hearings, an overall bureau position on Food for Peace levels should be established. When required, such as for the Congressional Presentation or the Administrator's hearings, the bureaus should provide PC with the established Food for Peace planning levels which have been reviewed by MR/FFP.

FINDING:

The regional bureaus are the appropriate organizations to develop comprehensive Food for Peace planning levels in the context of the over-all country programs for the Agency's program review determinations.

RECOMMENDATION NO. 20:

THAT THE REGIONAL BUREAUS ESTABLISH FOOD FOR PEACE PROGRAM LEVELS CONCURRENTLY WITH AND IN RELATION TO THE OTHER PORTIONS OF COUNTRY PROGRAM BY MEANS OF REGULAR PROGRAMMING MECHANISMS SUCH AS THE BUREAU CAP REVIEW HEARINGS.

5. Setting Tentative Program Levels by the Administrator

Program levels for the various types of Agency assistance resources are set by the Administrator during the CAP/LAS reviews in the fall of each year. These decisions are the basis for subsequent submissions to the Bureau of the Budget and the Congress. Actual program levels are later established when the monies appropriated by the Congress are allocated to the bureau for implementation.

These procedures have not been employed by the Agency for Food for Peace largely because the Program is not included in the AID appropriation. Estimates of future program levels are developed primarily by MR with bureau clearance and provided to PC; but since PC has never had a resource-allocating role in Food for Peace, the estimates are used primarily for information purposes. As stated earlier in this report, on the few occasions in the past when it has been necessary to allocate a limited quantity of one commodity between programs, the priorities and allocations were established by MR.

As increasing Program needs and declining American surpluses meet, it will become necessary to plan and allocate available resources carefully among the various assistance programs. This function properly should be exercised by the Administrator and by PC as his staff arm, and should be done in terms of the same political, economic, and developmental criteria that are applied to other forms of assistance. The levels which are set at this point should meet the overall Program limitations set by the Congress and are subject to revision as commodity availability information is provided by USDA.

Emphasis of this function in the Agency would not remove from the Secretary of Agriculture his responsibility to determine the commodities available to be granted or sold to the various recipient countries. This recommended planning process, in effect, would set the Agency position on program levels, subject to later revision as current production level statistics become available from recipient countries. As individual programs are submitted to the ISC and the ISC Sub-committee during the operational year, the present decision process would be followed in accordance with the intent of legislation and executive orders.

FINDING:

Growing program needs and declining surpluses require that commodity resources be planned and allocated carefully among programs in terms of political, economic, and developmental criteria.

RECOMMENDATION NO. 21:

THE ADMINISTRATOR AND PC AS HIS STAFF ARM SHOULD SET TENTATIVE FOOD FOR PEACE PROGRAM LEVELS AS A RESULT OF THE CAP/LAS PROGRAM REVIEW HEARINGS.

6. Notifying USDA of Agency Food for Peace Planning Estimates

At the same time that MR/FFP prepares data for submission to PC in connection with the Congressional Presentation (about February), the Division also provides estimates to USDA on anticipated Title I and Title IV levels for the next fiscal year. These data are for information purposes only and not for USDA clearance. Title III levels are not included because procedures call for consideration of the specific voluntary agency program requests (AERs) immediately thereafter, well before the beginning of the operational year. Title II is also omitted at this time. In the fall, however, MR provides USDA with gross estimates by commodity for all Title II program through the following five years. These data are for USDA use in making export estimates.

In view of the imminent need to generate commodities to meet Food for Peace requirements, whether by purchase from current production or by adjustment of the farm program to increase surpluses, the Agency should provide USDA with estimates of total Program needs well in advance of the operational year when specific quantities are programmed by the ISC. These estimates would be the tentative levels established by the Administrator and PC as a result of the CAP/LAS program review hearings. While they would be tentative and could not be considered as binding on USDA without ISC approval, they would provide Agriculture with the Agency's best analysis of the following year's commodity requirements from the context of the country programs, tempered by MR opinion on probable USDA views on specific food aid programs.

FINDING:

The Agency does not provide USDA with comprehensive estimates of commodity requirements for all Food for Peace Programs -- as determined by the Administrator -- for USDA use in forecasting commodity exports and planning acquisition levels in an environment of declining surpluses.

RECOMMENDATION NO. 22:

THAT PC PROVIDE USDA WITH AID ESTIMATES OF FOOD FOR PEACE COMMODITY REQUIREMENTS FOR THE BUDGET YEAR AT THE CONCLUSION OF THE AGENCY PROGRAM REVIEW HEARINGS AND AFTER TENTATIVE PROGRAM LEVEL DECISIONS HAVE BEEN MADE BY THE ADMINISTRATOR.

7. Confirmation or Revision of Program Levels

Although the Administrator would give tentative approval to program levels by the procedure described above, subsequent domestic agriculture production might result in shortages of specific commodities available for the Program, thus requiring alteration of the tentative levels. In such circumstances, specific choices would then be required between competing priorities according to political and economic criteria, in the same sense that Viet Nam has been accorded first priority for inadequate price stocks. This determination should be performed by the Administrator or PC as his staff arm.

In the spring of each year, the Department of Agriculture begins to make domestic crop forecasts for that year. A report is prepared and, in June, approved by the Board of Directors of the Commodity Credit Corporation. Later in the summer, more accurate and current forecasts become available.

This schedule suggests, and USDA has informally confirmed, that it would be possible for Agriculture to provide the Agency with estimates on commodity levels available for the Food for Peace Program at the beginning of the operating year. These data would be for informational purposes and would be in gross totals without any breakdown by country programs. Because development of these estimates precedes the ISC approval process, their use by AID in its planning process would not involve any commitment of USDA as to specific program levels. On receipt of these commodity estimates for Food for Peace, the Administrator or PC would confirm the previously approved program levels or alter them as necessary. After this process, the Agency

would have an Agency position for specific program levels on a country by country basis to reflect AID's best judgment on the role of Food for Peace in attaining country development objectives. Negotiating specific program approvals through the ISC then would be done from this frame of reference.

FINDING:

To properly allocate scarce commodities among competing programs, a procedure is needed whereby the Agency would approve or revise previously approved program levels in light of commodity availability forecasts provided by USDA.

RECOMMENDATION NO. 23:

THAT:

- A. PC REQUEST USDA TO PROVIDE THE AGENCY WITH ESTIMATES OF COMMODITY AVAILABILITIES WHEN KNOWN BY APPROXIMATELY THE BEGINNING OF THE OPERATIONAL YEAR; AND
- B. THE ADMINISTRATOR, OR PC AS HIS STAFF ARM, CONFIRM OR REVISE AS APPROPRIATE THE TENTATIVE PROGRAM LEVELS PREVIOUSLY ESTABLISHED.

VI. DEVELOPING FOOD FOR PEACE PROGRAMS

Program development is defined as the process of converting mission and bureau food aid plans into implementable programs by: (1) reviewing specific program proposals usually submitted by the field; (2) applying to these proposals technical criteria and evaluations of administrative capability on the part of voluntary agencies and cooperating sponsors; and (3) developing a formal proposal for determination by the ISC. While the regional bureaus participate in this process, particularly in the application of broad political and economic considerations and in the determination of the use of local currencies generated by Title I; the major role within the Agency is performed by MR. This activity is described in greater detail in Section III.D.2 of this report, The Role of MR.

A. Processing Title I and Title IV Programs

Program proposals made by the country team are transmitted to Washington and developed for presentation to the ISC by the Department of Agriculture. During the period prior to presentation, AID's function is to formulate a joint position with State on the proposal so that our interests may adequately influence ISC determinations.

The manual orders for Title I and Title IV programs, 1142.1 and 1145.1, require that the regional bureau prepare a draft Program Assistance Approval Document (PAAD) before the ISC hearing and that, after the ISC determination, it be revised to reflect the decision and then signed by the regional assistant administrator. The survey team found no evidence that a PAAD has ever been prepared for Title I and Title IV programs.

The use of the PAAD as presently structured by the manual orders would create problems both in terms of the document format and of the fundamental purpose it serves. Unlike other forms of program assistance, Food for Peace commodities are not within the AID appropriation and, more significantly, the regional bureaus do not actually authorize Titles I and IV programs. The Secretary of Agriculture has the responsibility for authorizing these programs and he exercises it through the ISC mechanism. The present PAAD format is not suitable for P.L. 480 because large portions of the document are set aside for data which do not apply to Title I and Title IV programs. Also, there is inadequate provision on the PAAD for information and rationale on important considerations such as local currency use. More important, however, is that revision of a draft PAAD after the ISC decision and the signature of a regional assistant administrator serve no purpose. He does not authorize the program -- the ISC does. Moreover, there seems to be no reason to send copies of the document to C/BUD for record purposes as M.O. 1121.1 requires.

For these programs, a document is needed which is designed to focus bureau attention on the development of a joint State/AID position on the proposal, and to provide an opportunity for appropriate offices -- including PC, State/E, and the State desks -- to clear the position established. Such a document would be primarily a narrative position paper setting forth the joint State/AID view on the country team proposal, including such factors as program levels, currency utilization, political and economic rationale, effect on development assistance efforts, and impact on U.S. and third country export interests. It would be prepared by the appropriate desk in close cooperation with the MR/FFP Program Officer, reviewed and cleared by the bureau planning office, and signed by the regional assistant administrator as the formal bureau position, similar in purpose to the Program Determinations used for Title II programs. In drafting this paper, the particular contribution of the desk should be the relationship of the proposed program to and its impact on the overall country assistance program. Clearance by other offices would be largely a formality. State would be consulted during bureau deliberations and the PC regional coordinator or Food for Peace specialist would be informed of program views and perhaps attend bureau meetings or hearings.

The preparation and clearance of this proposed position paper would be an essential part of the process of bringing Food for Peace programs clearly into focus as a part of the country program. While programs of large size or of current political significance -- e.g., India, Egypt, Brazil -- are discussed thoroughly in the bureaus as well as at higher levels, there is some question as to whether the bureaus give enough attention to more routine Food for Peace programs. MR's role is large and important; but the Agency position should primarily arise from the country situation and bureau policy.

FINDING:

Contrary to manual order provisions, neither Program Assistance Approval Documents nor any substitute documents are prepared for Title I and Title IV programs, partly because the PAAD format is unsuitable for Food for Peace application. As a result there is no document setting forth the political, economic, and developmental position of AID and State on which bureau and Agency management may focus for review purposes.

RECOMMENDATION NO. 24:

THAT MR/FFP, WITH ASSISTANCE OF MP/PDD AND IN COOPERATION WITH PC AND THE REGIONAL BUREAUS, (1) PREPARE A PROPOSED DOCUMENT FORMAT FOR A FOOD FOR PEACE TITLES I OR IV POSITION PAPER TO REPLACE THE PAAD; AND (2) AMEND THE MANUAL ORDERS TO REFLECT ITS USE. THE DOCUMENT SHOULD BE PREPARED BY THE BUREAU (DESK) IN CLOSE COOPERATION WITH THE APPROPRIATE MR/FFP PROGRAM OFFICER, REVIEWED AND CLEARED BY THE BUREAU PLANNING OFFICE, SIGNED BY THE REGIONAL ASSISTANT ADMINISTRATOR, AND CLEARED BY APPROPRIATE ORGANIZATIONS INCLUDING PC, MR, STATE BUREAUS, AND STATE/E.

B. Processing Sales Agreements with Recipient Governments

After a decision is made by the ISC for a Title I or Title IV program, the Department of Agriculture drafts negotiating instructions. MR reviews and refines the instructions and, after approval by AA/MR, they are transmitted to the field as authority and guidance for conducting negotiations with the recipient government. After agreement is reached, AA/MR approves an instruction giving authority to the embassy to sign the agreement.

At present, every Title I and Title IV program agreement is processed as a separate international agreement, including publication and recording in the treaty series. While this activity does not materially add to the workload of MR/FFP, it is a costly and cumbersome procedure in view of the repetitive nature of these programs from year to year. Most of these programs, once initiated, are re-negotiated each year.

To avoid the necessity of repeatedly processing each annual agreement, a procedure should be used by which the initial agreement would be published and subsequent annual programs then processed as extensions of the basic document. The initial agreement should be couched in rather general terms to avoid inflexibility or the need for broad changes in subsequent agreements.

The survey team has learned that a proposal is being formulated jointly by State/Legal and GC/NESA which would introduce essentially this procedure. Specific details of terminology and the initial applications remain to be decided pending possible changes in the Food for Peace legislation during the present session of the Congress. This effort should be encouraged and application of the procedure extended to all bureaus.

FINDING:

The present procedure of processing all Title I and Title IV programs as international agreements with inclusion of the agreements in the treaty series is cumbersome.

RECOMMENDATION NO. 25:

THAT GC AND STATE/LEGAL, IN COOPERATION WITH MR AND THE REGIONAL BUREAUS, CONTINUE THEIR EFFORTS TO FORMULATE AND IMPLEMENT PROCEDURES WHEREBY AN INITIAL AGREEMENT COUCHED IN BROAD TERMS BETWEEN THE UNITED STATES AND THE RECIPIENT COUNTRY WOULD SERVE AS THE BASIC AGREEMENT IMPLEMENTED BY ANNUAL PROGRAMS.

C. Review of World Food Program Proposals

Although AID authority to participate in the World Food Program (WFP) arises from Title II of the Food for Peace legislation, the procedures for reviewing WFP proposals within the Agency differ from those for regular bilateral Title II programs. Requests for food aid emanate from the recipient government and are submitted to WFP headquarters in Rome. After analysis and review there, a project summary is forwarded to MR through the FAO Consultative Sub committee on Surplus Disposal in Washington. Within AID, copies of the summary are distributed to the Food for Peace Division, the appropriate mission, and the parent bureau. A fourth copy is sent to USDA/Foreign Agriculture Service. After receipt of mission comments and an exchange of information and views between MR/FFP, the bureau, and USDA, the program -- if acceptable -- is developed by MR/FFP for submission to the ISC Sub-committee. If the ISC approves the proposal, it is reviewed by the FAO Sub-committee on Surplus Disposal for a determination on possible market displacement, after which WFP in Rome is notified of the program approval. WFP concludes an agreement with the recipient government and then makes a request to MR/FFP for commodities. At that time a Program Determination is prepared within the Food for Peace Division, cleared by the appropriate bureau and GC, and signed by the Assistant Administrator for Material Resources. Procedures for the review and development of World Food Program proposals may be found in Appendix D.

Operating experience during the initial three years of WFP activity has generated differences of opinion within the Agency as to the precise role the Agency should play in reviewing WFP program proposals. One view holds that the review of these programs by the United States should be minimal, both to avoid a duplication of effort and because this government properly should not infringe upon WFP responsibilities for their programs. It is stated that the United States, in sponsoring and supporting the World Food Program, accepted that organization's responsibility for making decisions on the location and nature of specific projects and that, while this government might demur on a specific program for political reasons (e.g., within an unfriendly country), the United States does not have the authority to impose AID administrative and technical criteria.

An opposing opinion is that the Agency should examine carefully all aspects of WFP proposals including technical and administrative factors, political circumstances, and economic implications. This view is supported

by the contention that responsibilities under Title II authority require such review and that the WFP is consortium in nature -- i.e., unlike the various international programs supported by financial contributions and administered wholly by international bodies, the Agency and foreign government bodies must actively participate in the planning and scheduling of commodity shipments and other facets of program management in cooperation with WFP.

A more widespread rationale within the Agency to support AID's continued review of WFP proposals is that errors in planning and poor execution by the WFP staff have caused severe difficulties, with resulting negative impact on our objectives and activities in recipient countries. Interviews with bureau personnel during this survey elicited particularly strong expressions of concern over WFP activities in various countries, leading to support for a strong review role for the Agency including all technical and administrative aspects.

Although individuals have at different times expressed views both orally and in writing, the Agency has apparently not focused on this issue adequately to formulate a specific position. Two present circumstances make such formulation timely. First, the three year trial period of the World Food Program is concluded and the United States has determined to support an expanded program during the next three years. The Agency, therefore, has the operational experience of the trial period for a criterion in establishing its policy vis-a-vis the continuing program. Second, the proposed Food for Freedom legislation specifically provides for participation in World Food Program. Therefore, AID requires a clear policy delineating its relationships to and role in WFP activities and the promulgation of this policy in manual orders as guidance to Washington and mission personnel.

FINDING:

Operating experience during the three year trial period of the World Food Program has generated within AID wide differences of opinion on the degree and nature of the review of program proposals, but no Agency policy has been developed setting forth bureau and MR/WFP review responsibilities.

RECOMMENDATION NO. 26:

THAT PC, IN COOPERATION WITH MR, FORMULATE AND ISSUE AN AGENCY POLICY ON THE REVIEW OF WORLD FOOD PROGRAM PROPOSALS TO ESTABLISH THE NATURE, IF ANY, OF THE REVIEW AND ITS SCOPE.

D. Program Approval Process for Title II and Title III

Title II and Title III program proposals are submitted to MR/FFP by the regional bureaus and voluntary agencies respectively. The proposals are reviewed and evaluated against technical and administrative criteria and submitted to the ISC Sub-committee for Titles II and III: The Sub-committee, consisting of representatives from USDA, BOB, MR/FFP, AID desks, and on occasion State desks, reviews and discusses the proposal and, if it is acceptable, recommends approval to the ISC. The ISC then reviews the proposal and makes a decision.

The agencies participating in the Sub-committee review also take part in the ISC determination and usually the same representatives are present. The survey team noted when attending ISC meetings that the representatives of agencies not represented on the Sub-committee took little or no part in the review of Titles II and III programs, reflecting the absence of responsibility for or interest in these programs. ISC approval of the programs in response to Sub-committee recommendations evidently is pro-forma in most cases.

These procedures, with a double review and approval process involving the same participants, are cumbersome and time consuming. The Sub-committee meetings, which regularly occur each week for two or three hours, are attended by about eight persons. The ISC meetings, also weekly, usually include twenty or more individuals. With more than 400 Title II and Title III programs each year, many hundreds of hours are expended by the personnel involved. No less important is the delay caused by the double review.

In August, 1965, the Chief of the Food for Development Branch, MR/FFP, drafted proposals designed to expedite the review and approval process for Title III programs. While he discussed only Title III programs, his comments and conclusions may be applied equally to Title II programs. He proposed a procedure which would substitute a paper clearance process for most Title III programs in place of the present committee meeting. In brief, he recommended that MR/FFP perform its present program review and development function and also provide appropriate program documentation to the responsible desks, BOB, and USDA for their review. By means of an attached transmittal sheet, the recipient organization could clear the program or indicate non-approval. If the program were disapproved by any organization, the Sub-committee would review the program proposal in formal session as at present. MR/FFP would not propose a program for consideration until all administrative requirements had been met, including satisfactory response by the voluntary

agencies to adverse audit findings. The decision taken by the Sub-committee, whether by the paper clearance process or in formal session, would constitute approval by the ISC. Nevertheless, all ISC participating agencies would be notified of Sub-committee decisions regularly and any agency could request a review of any Sub-committee determination by the entire ISC.

On the basis of his experience as Chairman of the Sub-committee, the Chief of the Food for Development Branch estimates that seventy percent of all Title III programs could be cleared by the memoranda transmittal process and an additional twenty percent by the Sub-committee in formal session. As a result, only ten percent of the programs would require further consideration by the full ISC. He further estimates that this procedure would reduce by more than eighty percent the time devoted to Title III approval and save over 600 man-hours of time for ISC participants while still permitting a full interagency review when needed. Similar estimates could be made for Title II programs. The proposed procedure would require a certain amount of paperwork, notably the completion and return of transmittal forms by the reviewing agencies. This work would be minimal, however. MR/FFP at present prepares detailed program summaries of two to three pages which set forth a complete description of the proposal with commodity requirements listed and transmits them to the participating agencies before the Sub-committee meeting. There would not be, therefore, any increased workload to provide the desks and other agencies with program documentation.

The proposed changes in program approval procedures were transmitted to AID bureaus and ISC agencies by a memorandum of September 15, 1965, signed by the Chief, Food for Development Branch. Of the responses received to date, only USDA/Foreign Agriculture Service has expressed opposition, on the grounds that the time spent by USDA personnel in these meetings is not significant, that man-power savings would be offset by the time required to prepare forms and make telephone calls for clarification, and that little is to be gained by this procedure while much would be lost through the elimination of the interchange which takes place during the meetings. Although BOB has not yet replied, the survey team was told informally that the bureau could see no objection to the proposed revision.

While noting the USDA/FAS view, the survey team believes that the proposal has merit. The weekly Sub-committee and ISC meetings, attended by several MR/FFP personnel, constitute a significant drain on Division manpower. It would seem that the continual relationships maintained by MR/FFP and USDA personnel should be adequate to maintain an interchange of information and, in any event, the Sub-committee sessions would be held for any program proposals about which any agency has reservations. Approval of the large majority of programs at the Sub-committee level rather than after a duplicatory review by the full ISC would expedite the approval process, save manpower, and not diminish the review process or participation of interested agencies. Moreover, the proposed procedure would meet the President's expressed desire that interagency committees be used efficiently and effectively.

FINDING:

The present ISC review and approval process for Title II and Title III program proposals is duplicatory and time consuming.

RECOMMENDATION NO. 27:

THAT THE ASSISTANT ADMINISTRATOR, MR, IN COOPERATION WITH PC BECAUSE OF ITS CONCERN FOR PROGRAMMING PROCEDURES, INITIATE DISCUSSIONS WITH APPROPRIATELY HIGH LEVELS IN USDA AND OTHER ISC AGENCIES TO URGE THEIR CONCURRENCE IN THE REVISION OF REVIEW AND APPROVAL PROCEDURES AS PROPOSED BY THE CHIEF, FOOD FOR DEVELOPMENT BRANCH, MR/FFP.

VII. REPORTING AND MONITORING, TITLES II AND III

A major inadequacy in the administration of the Food for Peace Program within AID is the absence of a comprehensive reporting system designed to provide Program personnel with the information they need to execute their respective responsibilities. All phases of Program administration require adequate, correct, and timely data on both commodity and project status. While there are information needs throughout AID and other agency components concerned with the Program, the focal point for information requirements rests in MR/FFP, particularly in order to assess program needs, identify potential claims actions against commodity losses, assure the proper scheduling of shipments, analyze and review continuing programs and projects for re-programming action, and to serve as a data base for inquiries and various reports such as the Annual Report on Food for Peace.

The absence of an adequate reporting system has been noted in different audit reports and has been the subject of concern to MR. In 1963, an AID/W Internal Audit report on Title II administration identified program reporting and monitoring as two of several urgent needs in the Food for Peace Program. This finding was strongly supported by a GAO Audit report issued in 1965. The report recommended, as a matter deserving top Agency management attention, the resumption of efforts to establish a Title II reporting system geared to the requirements of Program administration.

A proper restructuring of the Food for Peace reporting and monitoring system should start with the monitoring of program approval in MR/FFP and be extended to comprehensive commodity and project status reports for Titles II and III, beginning with those submitted by the voluntary agencies and cooperating sponsors. It should include mission evaluations of program management, development, deficiencies, and evaluations. There should also be provision for data on programs authorized, commodities shipped, and similar information required for program management and Food for Peace reporting.

Installation of a reporting system for Titles II and III donations programs should be done in coordination with the AID Information Systems Task Force to assure that the Food for Peace reports are fully correlated with broader Agency reporting systems.

A. Status of Program Proposals

The Food for Development Branch is responsible for reviewing, developing, and submitting to the ISC for approval all Title II and Title III programs. There are almost 400 Title II and Title III programs processed each year and, in addition, others are reviewed but not approved. The procedure of review, development, and approval involves many steps which include (with differences between the Title II and Title III programs): a preliminary statistical analysis; preparation of documentation; review of

proposals; State and AID clearances; reviews by the ISC Sub-committee and, subsequently, the ISC; preparation of notification of approval communications, Program Determinations, and Transfer Authorizations; and the issuance of commodity requests to USDA.

The number of programs processed and the variety of steps that each undergoes require that the Branch have adequate means to monitor the process of program development from receipt of the proposal until the final step for which the Branch is responsible, in terms of realistic time schedules for each step. Without a control mechanism, Branch management has no method of determining the general status of program processing or of identifying programs which are delayed and require attention. This need becomes particularly acute during the absence of the responsible program officer or when workload or priority considerations induce him to concentrate efforts on one portion of his program responsibilities to the detriment of others. While the primary value of a control mechanism would be to provide a quick reference on program status and highlight delays, it would also focus attention on consistent bottlenecks and indicate inequitable workload assignments or the need for closer supervision.

The mechanism selected to monitor program approval status should be designed to identify both the specific procedural step each program is in and the length of delay in days or weeks against a standard measure established by Branch management. After discussions of information requirements with the Branch Chief and reference to control mechanisms available through commercial suppliers, the survey team identified a control board suitable for the required purposes. Initial discussions have been held with the supplier and, as Branch management has approved the proposal, the control board will be installed during the implementation phase of this survey.

FINDING:

There is no satisfactory method to monitor program development status in the Food for Development Branch for the more than 400 program proposals each year.

RECOMMENDATION NO. 28:

THAT MR/FFP, WITH THE ASSISTANCE OF MP/MGT, INSTALL A CONTROL BOARD DESIGNED TO PROVIDE BRANCH MANAGEMENT WITH INFORMATION OF PROGRAM STATUS, LENGTH OF PROCESSING DELAYS, AND AREAS OF CONSISTENT PROCEDURAL INADEQUACY.

B. Title II and III Reporting to Improve Program Management

1. Present Report, Title II

a. The W-454 report, P.L. 480 Title II Program, Transfer Authorizations Issued.

The W-454 report provides statistics quarterly by country on the cumulative amount of each commodity authorized (both ATD bilateral and World Food Programs) for the fiscal year to date for emergency assistance, economic development, and child feeding. These data are broken down by Commodity Credit Corporation costs, estimated export market value, and volume in metric tons. In addition, the W-454 reports the total expenditures for Title III ocean transport which are charged to Title II funds. The report is prepared manually by the Program Support Staff, MR/FFP. Although it is authorized for monthly issuance, the W-454 is prepared quarterly, reportedly because of the increase in workload caused by the growth of the Title II program.

The data sources for this report are the commodity Transfer Authorizations prepared by MR/FFP and the ocean freight Transfer Authorizations for Title III shipment which are prepared by MR/RTD and MR/VFA. Approximately seventy copies of the report are distributed, mainly within MR and the regional bureaus, but also to State, USDA, and Commerce. It is not distributed to the field. The main use of the W-454 is to compile information regarding the precise amount of resources made available (but not shipped or distributed) during the fiscal year and to serve as an input into the Food for Peace Annual Report required by legislation.

b. The W-214 report, Notification Report of Procurement Authorization and Paid Shipments (Run 13)

The W-214 reports monthly by country the status of commodity and ocean freight Transfer Authorizations. Commodity TA data is given by Commodity Credit Corporation costs for both Section 201 and Section 202 program, including the value of the Transfer Authorization, the value of the commodities shipped to date under the TA, and the unexpended balance. Ocean freight data includes the value of the TA, the amount paid for shipments, and the unexpended balance. When shipment is reported by USDA, the name of the vessel, port of exit, and the date of the bill of lading is included.

The source of data for the Title II portion of the W-214 report is Form 11-9, Ocean Shipment or Release to Another Agency, which is prepared by USDA (one for the commodity and one for ocean freight data)

following action taken by that agency is response to a Commodity Request from MR/FFP. USDA transmits the 11-9 forms to C/ACC, which is responsible with MR/DSPO for preparation of the W-214 report.

The W-214 report is used in AID/W by MR/RTD and PC/SRD. For MR/RTD it serves as official notification that shipments have been made pursuant to ocean freight Transfer Authorizations and to assure that such shipments were made in compliance with the 50/50 shipping requirement. PC/SRD uses the report data as input into the quarterly Operation Report after making manual tabulations to obtain dollar totals by commodity. The Operations Report provides by country the cumulative amount (CCC Cost) of commodities authorized for the fiscal year to date for emergency assistance, economic development, and the World Food Program. Unlike the W-454 report, it does not provide data by export market value and metric tons, nor does it give a breakout of child feeding programs (included with economic development) or types of assistance under the World Food Program. MR/FFP does not use the W-214 report, but does use the Operation Report to verify its own data to the extent possible.

In the missions, the W-214 report provides data on Transfer Authorizations which have been approved (information they already have) and shipments paid. By using the shipments-paid data, which is usually available two to three months after the bill of lading data, the missions can verify their receipt of bills of lading from the shippers and that cooperating sponsors have submitted "outturn" reports. As a method of verifying shipments, the W-214 is tardy and, as limited evidence indicates, not used for its intended purposes.

c. The "Outturn" Report

Title II cooperating sponsors are required to submit to the missions an outturn report after receipt of a shipment of commodities. This report indicates either satisfactory delivery of the commodities in terms of quantity and condition or the amount of shortage or damage. The USAID must report adverse information to MR/RTD for transmission to USDA so that the latter may initiate action for a claim against the losses.

2. Present Reports, Title III

a. The W-456 Report, Title III - Status of P.L. 480 Title III Programs

The W-456 report, prepared quarterly by the Program Support Staff, MR/FFP, provides data on: (1) the amount of commodities approved for Title III programs for the year by pounds, Commodity Credit Cooperation value, and market value, broken down by country and distributing voluntary agency; and (2) the number of persons to whom the food is to be distributed

by categories of recipients. The source of the data in this report is the Annual Estimates of Requirements and its quarterly changes reflect revisions up or down in the AERs through the year. Three hundred and fifty copies of this report are distributed within AID and to USDA, Commerce, and the voluntary agencies.

b. Form 1550-5, the Receipt and Distribution Report

The Receipt and Distribution report is submitted annually by the voluntary agencies and provides a record of the actual use of foods as distinct from the AER estimate of intended use. It is prepared by the voluntary agency field representative and submitted to the mission and, through the New York voluntary agency headquarters, to MR/FFP for transmittal to USDA and the cognizant bureau. It includes data on the volume of commodities distributed by category of recipient and also the number of recipients in each category.

c. The Loss and Damage in Distribution Report

The USDA Title III regulations require voluntary agencies to inform the mission and USDA of circumstances leading to diversion, loss or damage to commodities within foreign countries. On receipt, the mission is required to notify MR/FFP of conditions leading to significant losses and of corrective action being taken by the voluntary agency.

3. A Comprehensive Title II and Title III Reporting System

As stated in the introduction of this section of the report, a major inadequacy of the Food for Peace donations program is the absence of a comprehensive reporting system to provide AID/W information on commodity and project status. This information is required for reviewing and monitoring existing programs, reprogramming continuing programs, evaluating commodity needs and shipping schedules, and identifying potential claims actions. Both GAO and AID/W Internal Audit reports have stated that an adequate reporting system is an urgent need.

Existing reports for Title II and Title III programs, described above, provide only a portion of the information required. For Title II, no information is available except program volumes approved and -- months after the fact -- shipments made, all of which data emanates within Washington. There are regularly no data available whatsoever on Title II program stocks in recipient countries, amounts distributed, balances on hand, losses in transit, or projections of estimated requirements. In the case of Title III, part of this information is available from the annual Receipt and Distribution report, but its infrequency greatly diminishes its value for programming and scheduling purposes.

In both titles, there is a complete absence of reporting on project status in terms of maintaining schedules, attaining project goals, and indication of USAID inspection of projects, food stocks, and commodity usage.

When such information is available, it is derived from individual communications with cooperating sponsors and Food for Peace Officers on an irregular and inconsistent basis. All too often the audit mechanism is relied upon and serves as the only monitoring mechanism. Audits cannot assist the field or AID/W with regard to taking advance action to improve shipment and distribution scheduling, eliminating excessive stockpiling and spoilage, evaluating project progress, relating project performance to goals, and providing early warning of difficulties and deficiencies.

Audits have revealed weaknesses in the maintenance of records by cooperating sponsors. The new Title II Regulation, presently in draft status, states that cooperating sponsors shall maintain records to show "...all transactions pertaining to the receipt, storage and distribution of commodities." As a result, a uniform reporting system is required in this area to provide a compatible agency-wide reporting system and discourage the cooperating sponsors from devising their own methods of keeping records.

The Office of Management Planning, in cooperation with MR/FFP personnel, has developed a comprehensive reporting system, a draft of which is included in this report as Appendix E. This draft report will provide all data necessary for Title II and Title III commodity and project control. The data reported, in addition to their primary value of program management as described above, will provide the data base necessary for the generation, manually or by automation, of all required reports with regard to:

- (1) the resources authorized by project and/or Transfer Authorization, their receipt within cooperating countries during the reporting period of cumulatively for a TA;
- (2) the commodity inventory by project, TA, country or world-wide, plus the planned inventory up to four months after the end of the reporting period;
- (3) commodity distribution by project, TA, country, or world-wide, plus planned distribution;
- (4) commodity losses occurring in ocean or inland transit;
- (5) the amount of commodities to be called forward by missions during the quarter following AID/W receipt of each report;
- (6) the volume of commodities borrowed from other sources during the reporting period, plus repayments scheduled to be made within four months after the end of the reporting period;
- (7) the desired level of commodity carry-over established by the cooperating sponsor and/or mission;

(8) close-outs of commodity Transfer Authorizations during the reporting period;

(9) the extent to which projects are ahead of schedule, on schedule, behind schedule, completed, and achieving their goals;

(10) the number of progress reports received by the missions from the cooperating sponsors during the reporting period; and

(11) the extent to which projects were inspected and food stocks and end-use checks made by the mission during the reporting period.

It may be noted that the proposed reporting system provides for commodity reporting on all Title II and Title III programs. In the case of project reporting, however, application is limited to Title II and two types of Title III programs, school lunch and maternal-child feeding projects. This limitation excludes several categories of Title III programs, notably family feeding, and therefore project status data on a large proportion of Title III self-help activities will not be reported. This exclusion is made because the self-help provision in Program authority was designed to encourage the development of small, experimental, and localized projects in order to put unemployed and underemployed individuals to profitable activity. It is presumed that, when individual Title III self-help projects demonstrate feasibility, expansion would be made under Title II authority. Nevertheless, if experience demonstrates that the size and duration of Title III self-help projects become such that project status information is required for program and commodity monitoring, the reporting provisions may be changed to cover such situations.

FINDING:

An urgent requirement for adequate management of the Title II and Title III donations program is a reporting system designed to provide AID/W with information on commodity and project status.

RECOMMENDATION NO. 29:

THAT MR/FFP, IN COOPERATION WITH MF/PDD AND IN COORDINATION WITH THE AID INFORMATION SYSTEMS TASK FORCE, IMPLEMENT A REPORTING SYSTEM SUCH AS PROPOSED IN APPENDIX E.

4. Elimination of Existing Reports

An examination of present Title II and Title III reports indicates that there is duplication, particularly between the W-214 report and the W-454 and W-456 reports. Furthermore, data provided by the proposed reporting system include certain items available through the existing reports. Of particular note are statistics on approved Transfer Authorizations.

Because the implementation of a new reporting system requires a period of several months for instructing the field, evaluating initial submissions, and making required alterations, it will be necessary to maintain the present and proposed systems in parallel for about six months. During this period it will be possible to observe the adequacy of the proposed system for meeting all information needs and, if inadequacies become evident, to incorporate alterations to meet such needs. Upon the termination of the parallel operation, it would be appropriate to review the present reports to determine whether there are continuing information needs which cannot be met by the proposed system.

FINDING:

There is duplication in the contents of present Title II and Title III reports, and between the present reports and the contents of the reporting system proposed above (Recommendation 29).

RECOMMENDATION NO. 30:

THAT MR/FFP AND MP/PDD EVALUATE CONTINUING INFORMATION NEEDS AFTER PARALLEL OPERATION OF THE PRESENT AND PROPOSED REPORTING SYSTEMS AND ELIMINATE OR MODIFY PRESENT REPORTS ACCORDINGLY.

C. Requesting Commodities for Approved Title III Programs

Implementation of the commodity status report proposed in Section VIII.B. of this survey report will permit a simplification of the process by which AID requests USDA to initiate commodity shipments. By this procedure, the missions would submit their commodity requests directly to USDA rather than to MR/FFP for transmission to USDA.

At present, the Transfer Authorization prepared by MR/FFP contains a schedule of commodity shipments designed to meet anticipated program or project requirements. As the scheduled shipping dates approach, MR/FFP prepares a one page commodity request (CR) and transmits it to USDA for implementation. USDA then provides commodity availability and/or vessel booking information to MR/FFP by completing the bottom portion of the CR and returning it. While the tentative shipping schedule is included in the Transfer Authorization, changing program circumstances or project status commonly requires the mission to cable requests for commodities to MR/FFP.

A simpler and more satisfactory procedure would be to require the missions to submit their calls forward directly to USDA when the Transfer Authorization schedule must be altered. USDA could then notify the missions by return cable of commodity availabilities and/or vessel bookings. By use of regular cable or airgram communications, MR/FFP could receive information copies of all commodity requests and responses in order to assure that the Division has current program information. In the event MR/FFP might have any reason why the call forward should be altered or delayed, it would have the information necessary to take action as required.

The proposed commodity status report requires that the missions indicate the volumes of commodities that they intend to call forward during the following quarter. On the basis of this information -- reviewed in the light of the overall commodity supply and distribution position in the field -- MR/FFP and USDA will be able to identify and resolve any likely difficulties with regard to commodity scheduling and distribution before or shortly after the mission call forward is made to USDA.

FINDING:

Submission of commodity requests by the missions directly to USDA, rather than through MR/FFP, would provide a simpler and more direct procedure.

RECOMMENDATION NO. 31:

THAT MR/FFP, WITH THE ASSISTANCE OF MP/PDD, ALTER MANUAL ORDER PROCEDURES TO PROVIDE THAT THE MISSIONS SUBMIT COMMODITY REQUESTS BY CABLE OR AIRGRAM AS APPROPRIATE DIRECTLY TO USDA WITH INFORMATION COPIES TO MR/FFP. USDA SHOULD THEN RESPOND SIMILARLY TO THE MISSIONS.

VIII. PROGRAM AUDIT REVIEW

A. The Review of Food for Peace Audits

During the past several years, many audit reports has been prepared which wholly or in part concerned the Food for Peace Program. It is estimated by MR/FFP that, in the past four years, over 1000 audits have been completed which required their attention. Of these, the vast majority -- over 800 -- are mission audits. About 120 Internal Audits have been prepared by the Office of the Controller, and a smaller group represents audits conducted by State/IG, USDA/IG, and MIS.

Perhaps most significant in terms of workload and need for timely and effective response are the audits conducted by the General Accounting Office. In the past four years there have been about thirty-five GAO audits on Food for Peace and recently portions or aspects of the Program have been subject to particularly intensive examination. Almost half of the thirty-five GAO audits of the last four years were submitted for comment in the past year or so, and another group of eight or ten is anticipated during the next few months. GAO emphasis on Food for Peace reportedly will taper off thereafter.

B. Responsibility for Audit Review

The pattern of assigning action responsibility for audit recommendations has been examined to determine if such assignments are in proper relation to Program responsibilities. For this purpose, a sample review of Internal, Mission, and GAO Audits has been made.

Thirty-three AID/W Internal Audit reports representing about 65% of the total number of Internal Audits prepared during an eighteen month period were examined by the survey team. Among the sample audits only eleven recommendations contained in seven of the thirty-three reports were assigned to MR for action. The vast majority of Food for Peace recommendations were assigned to the various missions; a few were assigned to the parent bureaus. Of the eleven MR action recommendations, most concerned labeling or packaging problems which, as primarily USDA responsibilities, were properly assigned to MR/FFP as liaison with that agency. Others involved broad procedural or policy questions transcending bureau responsibility. Two or three concerned specific programming difficulties and, in view of MR/FFP's responsibility for program development, were appropriately assigned.

An examination of a much smaller sample of Mission Audits revealed similar findings. The voluntary agencies received action on most recommendations; MR/FFP generally took action only on broad policy or procedural questions which often involved USDA participation or interest. In addition, MR/FFP served as liaison on recommendations concerning USDA action on claims against losses.

In the case of GAO audit, MR/FFP has served as the focal point for all response activity. These reports have an impact beyond their volume for three reasons. First, it is the policy of the Executive Branch to expeditiously and responsively process these audits emanating from an arm of the Legislative Branch. Second, the audit findings are frequently based on earlier AID/W Internal Audits or Mission Audits and therefore require considerable research to relate the GAO findings to the policies, regulations, procedures, and circumstances which governed during the period under review. Third, the findings and recommendations, while usually resulting from the examination of a single program, are generally extended to broad policy questions which require careful evaluation on both an intra- and inter-agency basis.

In practice, MR/FFP is heavily involved in all audit reports concerning the Food for Peace Program, even though action is not assigned there. The Division generally prepares comments on all draft AID/W Internal Audit reports, even though not assigned action, in order to correct errors of fact or conclusion. This activity is desirable since the missions do not have an opportunity to review the final draft of the report -- usually prepared after the audit team has returned to Washington -- and because these reports frequently serve as primary source material for GAO audits. In addition, MR FFP has an active liaison role in all cases of action assignments to the voluntary agencies and USDA.

The assignment of action responsibility is essentially correct at present. Particularly in the case of GAO audit reports, findings and recommendations have such broad policy and procedural implications that it is imperative to fix the responsibility for audit response in a central office so that there can be no danger of contradictions or inconsistencies as there might be were action assigned to the bureaus. Action assignment to the central staff office better assures that deficiencies will be translated into suitable policy or improved procedures affecting the entire Program worldwide. Furthermore, the bureaus do not have the capability of devoting the estimated man-month of review, research, and response for each GAO audit report on questions which affect broad agency policy and require close cooperation with other agencies. The few recommendations assigned to MR in AID/W Internal and Mission Audits usually relate to broad policy or procedural questions not within the competency of a single bureau or primarily require liaison with other agencies.

FINDING:

The assignment by A/CONT of action for implementing audit recommendations to regional bureaus and missions for all operational matters and to MR for recommendations relating to policy, procedures, programming, and other-agency functions -- as well as all GAO audit action -- is appropriate and should be continued.

C. Translation of Program Deficiencies into New Policy and Procedures

In view of the role that MR/FFP has for developing technical and administrative policy and procedures for the Food for Peace Program, the audit review function transcends simply responding to audit recommendations and resolving specific problems. There should be an effective effort to translate audit findings, particularly when the same or similar findings repeatedly appear in different country programs, into appropriate policies or procedures designed to prevent further incidence of the programming or operational deficiency revealed.

In a large sense, this responsibility is shared by all personnel of the Division, each individual contributing pertinent operational experience and program knowledge as appropriate. Nevertheless, there should be a clearly defined responsibility assigned to one portion of the Division where a continuous effort can be made to evaluate deficiencies and, in collaboration with other members of the Division staff and personnel of other interested organizations, formulate appropriate policy guidance and procedures.

The present Program Review Section, after modification by the organizational recommendations in Section X of this report, will be particularly well suited to identify areas requiring attention. This capability results from its close liaison role with USDA and the voluntary agencies on matters concerning operational deficiencies as well as its responsibility for processing audit reports on all country programs and the various program areas. Except on an occasional basis, however, the Section does not participate in developing the policies and procedures designed to rectify the deficiencies identified. To the extent that this work is carried out, it is performed by individuals throughout the Division who have other operating responsibilities.

At present, the Section does not have the capability of developing Food for Peace policies and procedures. Apart from workload considerations, the personnel of the Section have auditor backgrounds, a skill which is desirable for reviewing, researching, and processing the reports received. The survey team, however, doubts that this background is equally suitable for performing the complementary and essential task of developing the policies and procedures required. This function requires personnel with the ability to write clearly in a style acceptable for manual orders and similar issuances. Most important, however, a broad understanding of the Program and its operations is essential if adequate policies are to be formulated.

FINDING:

To make full use of audit findings, the Food for Peace Division requires the capability of translating Food for Peace programming and operational deficiencies revealed by audit reports into technical and administrative policies and procedures. (Specific recommendations concerning the staffing and organizational implications of this finding are contained in Section X of this report, MR Organization and Staffing.)

D. Monitoring Claims Against Title II Interior Losses

Under present inter-agency assignments of responsibility, the Department of Agriculture has the primary role for taking claim action against commodity losses in all portions of the Food for Peace Program except for Title II interior losses (i.e., commodity diversions and deteriorations after receipt by the cooperating sponsor in the host country). For these losses, AID retains full responsibility by the delegations of authority for the Title II program. As a result of an inter-agency agreement between the Agency and USDA, the latter agency accepted claim responsibility for losses during ocean transport.

The Agency has been criticized in the past, particularly by the General Accounting Office, as not having adequate procedures to assure that proper claim action is taken. While the survey team cannot estimate specific dollar amounts that might be received by a more effective claims procedure, it was told by several persons interviewed that there are possibly many potential claims actions which are not now being initiated or closed because of inadequate procedures. To meet this weakness, the proposed Title II regulations presently in draft status clearly place responsibility in the USAID or diplomatic mission to pursue claims action. The Office of the Controller is presently drafting a manual order which will further develop the mission responsibilities. One particular difficulty in the past reportedly has been that the missions or embassies are occasionally reluctant to press claims actions for various reasons and that, once initiated, the claims are not actively pursued. There is therefore a need to monitor mission activity in initiating claims actions and pursuing them until the account is closed.

Normally, a mission files a claim against the host government or other entity responsible and in doing so establishes an "account receivable". Once established, this account becomes in effect a debt owed to the United States Government and is reported to A/CONT which in turn reports it to BOB and the Treasury. Periodically, A/CONT prepares lists of accounts still open and transmits them to the missions and parent bureaus for action. A/CONT is usually not concerned with identifying possible claims, but when an audit uncovers a potential action or other information comes to their attention, they notify the bureau so that appropriate action may be taken. This procedure, however, does not apply to Food for Peace losses inasmuch as the food resources are not a part of the AID appropriation and, as such, are not reportable by AID to BOB and the Treasury. When a mission sets up an account receivable, it is identified as pertaining to the USDA appropriation. However, USDA receives no information when the account is established and is unaware of any action until money from a settled claim is credited to the USDA account by the disbursing office.

An analysis of this problem discloses two needs: (1) the identification of potential claims and assurance that "accounts receivable" are established, and (2) the transmission to USDA of information so that they may report the "accounts receivable" to Treasury and BOB.

The commodity status report designed for mission submission to AID/W proposed in Section VII of this report, includes a provision for indicating commodity losses. The data within this report are primarily for the use of MR/FFP program officers. During their evaluation of report data, the program officers should determine potential claims against the losses reported. In cases where circumstances are in doubt, they might communicate with the missions for clarification. When MR/FFP concludes that a claim action should be undertaken, the program officer should notify the bureau concerned for appropriate action. The proposed Food for Peace Coordinator would be the appropriate individual within the bureau to monitor mission activity in initiating claims action, establishing an account receivable, and pursuant the claim until it is paid.

When a mission establishes an account receivable, it should immediately notify USDA/ASCS/Fiscal Division so that the latter organization can take appropriate action, including the report to BOB and Treasury. Later, when the claim is met and the funds received, USDA can notify MR/FFP and, through them, the regional bureau that the account is closed. This procedure will meet the reporting requirements established by BOB and the Treasury, will provide a clear responsibility for identifying potential claims, and will not violate the proper relationship of bureau management responsibility over the missions.

FINDING:

The Agency does not have adequate procedures for initiating and monitoring claims against Title II "inland" losses to assure that all payments for recovery due USDA are made, or for reporting through USDA to BOB and Treasury information on accounts receivable.

RECOMMENDATION NO. 32

THAT A/CONT, WITH THE ASSISTANCE OF MR/FFP AND MP/PDD, PREPARE AND ISSUE A MANUAL ORDER PRESCRIBING A PROCEDURE AS DESCRIBED ABOVE FOR THE INITIATION AND MONITORING OF CLAIMS ACTIONS AGAINST TITLE II "INLAND" LOSSES.

IX. MISSION FOOD FOR PEACE OFFICERS

In recent years, the effectiveness of the Food for Peace Program has been greatly enhanced through the initiative taken by the Office of Material Resources to strengthen it and the regional bureaus' response by establishing more than forty full-time FFP Officer positions in overseas missions and by the designation of individuals as FFP Officers on a collateral duty basis in missions where Program volume has not warranted full-time officers.

The Food for Peace manual orders provide that the following functions be delegated to the mission Food for Peace Officer: the review of program proposals, a continuous review of field activities, reporting, and supply management. The actual duties performed are wide-ranging. They include maintaining working relationships with voluntary agency personnel, reviewing and assisting voluntary agency negotiations with cooperating governments as they relate to Food for Peace, advising the country team and cooperating country officials on procedural requirements, reviewing Program Plans and Annual Estimates of Requirements before submission to AID/W, and providing technical assistance in program implementation on transportation, warehousing, food preservation, inventory control, and record maintenance. In Food for Peace development programs such as Food for Work projects, the FFP Officer assists in developing specific projects such as land clearance, water impoundment, or the construction of schools and roads.

Because of the importance of these personnel in promoting sound program administration, the survey team has examined the Agency's policies and procedures for their selection, training, performance evaluation, and career development to assure that the potential of these positions to the Program is being fully achieved.

A. Selection of Food for Peace Officers

Although some Food for Peace Officers have been recruited from other federal agencies and non-government sources, the majority has been selected from AID personnel. There are no uniform criteria throughout the Agency for selecting FFP Officers and no consensus among personnel officers or MR/FFP personnel as to the best professional qualifications for such positions. Desirable backgrounds were described as including agricultural economics, programming, administration, food handling and distribution, and community development. Most individuals questioned do not consider the FFP Officer as a technical agricultural specialist, but rather as a program planner and implementer. One regional bureau representative stated that he looks for "...a man with an agricultural background who has a flair for program and administration". Others say that they seek program personnel, emphasizing that technical aspects can be learned readily through training.

Present FFP Officers represent such diverse professions as law, community development, farming, social work, county extension work, intelligence research, supply, education, and Christian evangelism. No one queried during this survey was prepared to suggest that there is any clear correlation between job competence and any of these or other backgrounds. Indeed, several persons states that background is less important than personal characteristics such as initiative, imagination, capacity to work with others, and general administrative ability. Nevertheless, many did point to specific professional fields which are of particular value to a FFP Officer. The wide range of activities of the Food for Peace Officer makes it difficult and perhaps undesirable to frame a single set of rigid professional qualifications for personnel selection; it is, however, possible to seek individuals who offer various combinations of professional skills, the most important of which would include program planning, agricultural economics, management, and community development.

To varying degrees, the regional bureaus consult with and rely on MR/FFP during the selection of FFP Officers. Because of their detailed understanding of the responsibilities of the mission FFP Officer as well as knowledge of the characteristics and circumstances of specific positions, MR/FFP can provide the bureaus with considerable assistance in making selection decisions. In addition, the Division -- through its relationships with the voluntary agencies and other organizations involved in similar or related activities -- is able to propose candidates to the bureaus from time to time. This consultation, therefore, should be encouraged in all cases of FFP Officer recruitment. Within the bureau, the FFP Coordinator, proposed in Section III.B. of this report, can also assist in the bureau selection process. In addition to providing his understanding of position requirements and evaluating candidate qualifications, he can serve as liaison between the bureau and MR/FFP in securing the assistance outlined above. In this process, the Coordinator can assume a role similar to that of the bureau backstop offices for the recruitment of technical specialists.

FINDING:

The activities of a Food for Peace Officer are diverse, and include such varied fields as program planning, agricultural economics, and community development. Because of the broad requirements of the position, a review of applicant qualifications by personnel with knowledge of Food for Peace functions and operations would greatly assist the bureaus in assessing candidates for selection.

RECOMMENDATION NO. 33:

THAT THE BUREAU FOOD FOR PEACE COORDINATOR ASSIST IN REVIEWING CANDIDATE QUALIFICATIONS AND SELECTING MISSION FFP OFFICERS, AND SERVE AS LIAISON WITH MR/FFP IN REGULARLY SECURING THEIR ASSISTANCE IN EVALUATING CANDIDATES AND RECOMMENDING POTENTIAL RECRUITS.

B. Training and Orientation of Mission Food for Peace Officers

There is at present no standard orientation or training program for mission Food for Peace Officers. On an ad hoc basis, the bureaus make informal arrangements with MR/FFP and recruits may spend varying lengths of time in the Division for briefing and, in some cases, on-the-job training. Only one of the bureau personnel office representatives interviewed found that present training given to FFP Officers before assignment to the field is adequate. All others -- as well as MR/FFP personnel -- believe that there is a need for a regular, extended training program (three or four months minimum) for all FFP Officers. The program should include an introductory orientation period followed by regular assignments in MR/FFP during which recruits would work with key staff officers, attend interagency meetings such as the ISC and ISC Sub-committee, and generally perform all tasks attendant to program development. A properly designed training program would provide the FFP Officers with a comprehensive understanding of Program characteristics, policies, procedures, and potentialities -- all of which are essential to the development of effective Food for Peace activities within a country program. This training opportunity in AID/W would also give to FFP Officers insights into Washington activities -- particularly interagency relationships -- and would serve to instruct them in the requirements of proper program documentation, thus increasing their capabilities once in the field. It is reported by MR/FFP personnel that poor program submissions with inadequate justifications and supporting data contribute significantly to unnecessary Division workload -- improved training would help solve this problem.

FINDING:

Present training for FFP Officers is irregular and inadequate, at times limited to a few hours of briefings.

RECOMMENDATION NO. 34:

THAT A/PA, IN COOPERATION WITH MR/FFP AND THE REGIONAL BUREAUS, DESIGN A FORMAL TRAINING PROGRAM FOR ALL MISSION FOOD FOR PEACE OFFICERS, INCLUDING: (1) AN INTRODUCTORY ORIENTATION COURSE TO ACQUAINT THEM WITH P.L. 480, AID FUNCTIONAL RESPONSIBILITY IN FFP PROGRAMS, AND INTER-AGENCY RELATIONSHIPS; AND (2) A WORK ASSIGNMENT WITH MR/FFP OF ADEQUATE DURATION (e.g., THREE TO FOUR MONTHS) DURING WHICH THEY WOULD PARTICIPATE IN ALL PHASES OF PROGRAM DEVELOPMENT.

C. Rotation of Food for Peace Officers

Among AID/W personnel presently assigned to Food for Peace in MR/FFP and the regional bureaus, few have had any field experience in the Program. As a result, there is limited first hand understanding of Program operations in the field and particularly the difficulties in planning, commodity distribution, relations with cooperating sponsors and voluntary agencies, and project implementation. This shortcoming is particularly acute in view of AID/W responsibilities for policy development, planning review, and program development -- especially as related to evaluations of technical and administrative criteria.

During recent years, more than forty personnel have been assigned to full-time Food for Peace Officer positions in the missions. These FFP personnel, some of whom are becoming eligible for rotational assignments to AID/W, could provide valuable contributions to Program operations in Washington if assigned to suitable positions such as bureau Food for Peace Coordinators and Program Officers in MR/FFP. The contribution of the position of Assistant Chief for Operations, MR/FFP, proposed in Section X of this report, would be greatly enhanced if the position were filled by a capable rotatee with extensive Food for Peace experience overseas.

In addition to its value for AID/W operations, the assignment of rotatees to Food for Peace positions in Washington would also serve to increase the effectiveness of the rotatees when reassigned to field Food for Peace work. After a tour of duty as bureau Coordinator or in MR/FFP, the mission FFP Officer would have a much clearer understanding of Program operations in Washington, interagency responsibilities and procedures, and the needs of the bureaus and MR/FFP for effective planning, program justifications, and commodity and project status information. Furthermore, the establishment of a policy of regularly assigning field personnel to AID/W Food for Peace positions would contribute to the development of a career path for Program personnel.

FINDING:

Because few AID/W Food for Peace personnel have had field experience in this Program, rotational assignments of mission FFP officers to Washington would contribute to Program effectiveness by bringing mission experience to AID/W activities and by educating rotatees in Washington procedures and requirements for subsequent field assignments.

RECOMMENDATION NO. 35:

THAT THE REGIONAL BUREAUS, IN COOPERATION WITH MR/FFP, REGULARLY ASSIGN QUALIFIED MISSION FOOD FOR PEACE PERSONNEL TO AID/W FOOD FOR PEACE POSITIONS ON ROTATIONAL TOURS OF DUTY IN CONFORMITY WITH AGENCY POLICY AS SET FORTH IN MANUAL ORDER 418.2, ASSIGNMENTS, TOURS OF DUTY, AND RELATED ACTIONS - FOREIGN SERVICE.

D. The Food for Peace Career Pattern

The Agency has not devised any career pattern for Food for Peace Officers. This deficiency results in part from the relatively short time that there have been many FFP Officers in the field. It also, however, reflects uncertainty as to the relationship between FFP positions and other career categories in the Agency's personnel system.

The majority of personnel assigned to the Program at present have backgrounds in agriculture, and about ninety percent of the mission FFP Officers carry the agriculture backstop code -- a reflection of the origin of this function within the Agency. Furthermore, the Agency's performance evaluation panel which reviews the efficiency reports of FFP Officers is an adjunct of the agriculture panel, with representatives of MR/FFP added.

The association of Food for Peace with agriculture for career development and performance evaluation purposes is unfortunate. The work of the FFP Officer has little in common with that of the agricultural specialist. He is only occasionally concerned with the growing of food -- generally his only connection is with agricultural economics and commodity handling. The primary tasks of the FFP Officer relate to program planning, project management or surveillance, and various administrative activities.

There is some support within the Agency for establishing a separate career pattern for Food for Peace Officers. Their relatively small number, however, does not appear to justify a separate performance panel. More important, it is doubtful that there would be adequate opportunity for career development in so narrow a field and it would perhaps be difficult to recruit able personnel with this limitation.

Most Agency personnel interviewed on this question stated that Food for Peace Officers should be included in either the programming or management career fields, with the majority supporting the former path. Several regional bureau representatives said that they would select program officers as FFP Officers if there were a closer association between the two fields. Under such an arrangement, rotation of program officers into Food for Peace positions would be a normal step and these positions would become more attractive, draw highly qualified personnel, and emphasize food aid planning in the total context of U.S. development assistance. Program Officers are utilized from time to time under present arrangements, but they often regard Food for Peace as outside their professional area and enter into such an assignment with reservations as to its value for their careers. Inclusion of Food for Peace Officers into the program officer category would also serve to provide them with much broader experience during the years of service before attaining the FSR-3 level. When they reach this grade, FFP Officers are evaluated as generalists by the performance evaluation panels in competition with all other FSR-3s. As a separate group with narrow Food for Peace experience, many individuals would be at a distinct disadvantage at that point in their careers.

The survey team agrees that FFP Officers should be included in the program officer category and be evaluated by a program officer panel expanded by the inclusion of Food for Peace and supply management personnel. A panel so broadened would represent most of the varied activities performed by a Food for Peace Officer and would encourage FFP Officers to place balanced emphasis on the various aspects of their work. The regional bureaus and MR/FFP should exercise care by selecting mission Food for Peace personnel from among program officers with experience in project management and administration or who have indicated potential ability in these fields.

FINDING:

Food for Peace Officers are generally considered as agriculturists for performance evaluation purposes -- a field little related to the duties of FFP Officers -- and no career development pattern has been formulated for them.

RECOMMENDATION NO. 36:

THAT A/PA, IN COOPERATION WITH THE REGIONAL BUREAUS AND MR/FFP, ASSOCIATE FOOD FOR PEACE OFFICERS WITH THE PROGRAM OFFICER CATEGORY, DEVELOP SUITABLE CAREER PATTERNS FOR SUCH PERSONNEL, AND TRANSFER FFP OFFICER PERFORMANCE EVALUATION RESPONSIBILITY FROM THE AGRICULTURE PANEL TO THE PROGRAM OFFICER PANEL, WITH PROVISION FOR PARTICIPATION OF REPRESENTATIVES FROM FOOD FOR PEACE ACTIVITIES AND SUPPLY MANAGEMENT PERSONNEL.

X. MR ORGANIZATION AND STAFFING FOR FOOD FOR PEACE

A. The Development of the Food for Peace Division, MR

The genesis of the Food for Peace Division lies within the Office of Food and Agriculture, ICA, which existed until 1962. This Office, staffed with approximately sixty-five persons in three divisions, had a variety of responsibilities in the fields of agriculture, forestry, fisheries, and agricultural commodity disposal programs. In broad terms, the Office formulated technical policies, objectives, and guidance for the development of agriculture programs; performed a technical review and approved all agriculture programs and projects; performed Washington actions to implement approved projects; and evaluated progress in project implementation.

When AID was established, the staff and functions of the Agriculture Training Division of the Office of Food and Agriculture were transferred to A/IT, those of the Agricultural Programs Division to the regional bureaus, and those of one branch of the Agricultural Specialists Division to TCR. The rest of the Office, with few exceptions, was placed in the Office for Material Resources and named the Agricultural Resources Division (MR/ARD). Half of those persons transferred to the new MR/ARD had been assigned to the commodity specialist branches (e.g., Fibers Branch, Cereals Branch) in the predecessor Office.

MR/ARD was staffed with thirty-one persons including three who were transferred from the Department of State to perform the responsibilities relating to Titles I and IV that were assigned to AID under Delegation 23. The former Office of Food and Agriculture organization structure was continued to the extent that there were an Agricultural Commodities Services Branch -- containing the commodity specialists -- and a Food for Peace Branch with three sections assigned to Titles I & IV, II, and III respectively. Superimposed over the branches were four groups: the Program Review Staff for audit review, a White House detail of two persons in support of the Director of Food for Peace, a Program Control and Research Staff of three persons, and a special group assembled to develop the Operation Niños program.

On April 1, 1964, the Division was reorganized and renamed the Food for Peace Division. The purposes of this change were described as: 1) to consolidate in one branch all functions relating to donated food programming (Titles II and III) in order to provide better emphasis and focus; and 2) to assign functional responsibilities within the Food for Peace Program to the commodity specialists. Since April, 1964, the organization and staffing of the Division has remained essentially constant, except that the special unit established to develop Operation Niños has since been dissolved.

B. Present Organization and Staffing of the Food for Peace Division

The Food for Peace Division, headed by a Chief and Assistant Chief, is organized into three branches and two supporting staffs as shown on the next page. In addition, a detailed organization chart with staffing is included as Appendix F. A brief outline of the functions and staffing of the Division components follows below. Detailed descriptions are included in Part C of this Section which proposes staffing and organizational changes. Because elimination of the Operations Branch would result from the recommendations made, no detailed description of this branch will appear in Part C. Therefore, it has been included in the following paragraphs.

1. The Food Resources Branch

Staffed by four professional and two clerical personnel, this branch is responsible for all Title I and Title IV sales program activities in MR.

2. The Food for Development Branch

This branch, staffed by seven professional and four clerical personnel, performs all MR activities under Titles II and III -- except a portion of those relating to World Food Programs -- and from time to time has been assigned responsibility for the initiation of new Food for Peace efforts such as Operation Niños (until 1964) and malnutrition.

3. The Program Support Staff

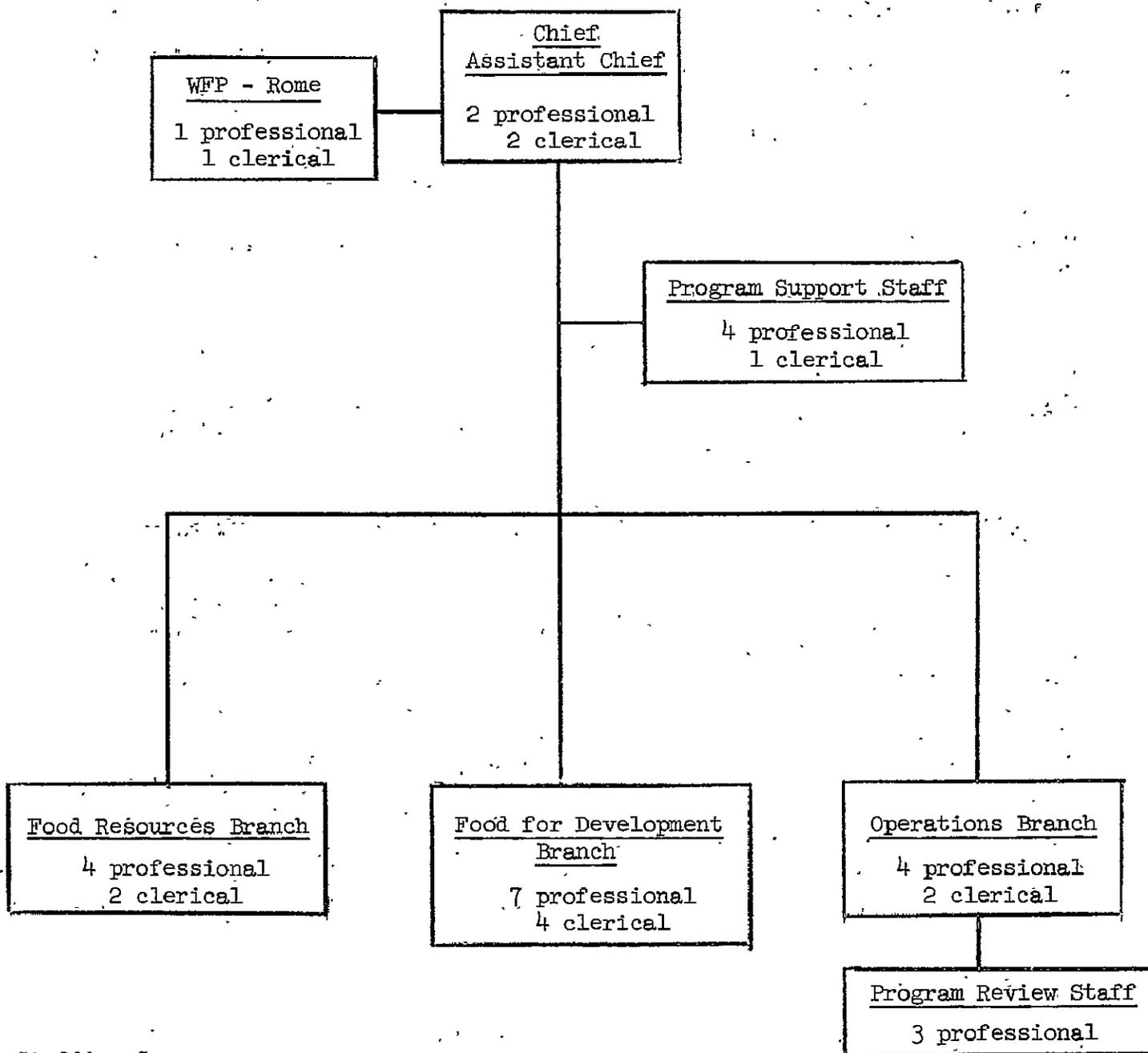
Staffed by five persons including one clerk-typist, the Staff is responsible for Program statistics and reports and the preparation of various documents in support of the programming process.

4. The Operations Branch

The Operations Branch, which is primarily a grouping of agricultural commodity specialists some of whom also have Food for Peace responsibilities, is headed by a GS-15 Chief and GS-15 Assistant Chief, both of whom are Industrial Specialists (Agriculture). The Chief is commodity specialist for grains, coffee, tea, cocoa, and vegetables; the Assistant Chief for fats and oils, tobacco, fibers, fish, and feed products. A third commodity specialist, GS-15, is responsible for seeds, fertilizers, and pesticides. A GS-12 Surplus Commodity Specialist Foods Officer is primarily responsible for scheduling all Title II shipments with USDA by converting Transfer Authorizations into specific Commodity Requests and generally handling any problems that arise in connection with the shipment of commodities. There are also two GS-6 Procurement Clerks (Steno).

The Branch processes PIO/Cs for agricultural commodities, including the preparation of Procurement Authorizations. The Assistant

PRESENT ORGANIZATION; FOOD FOR PEACE DIVISION



Staffing Summary

Professional: 25
Clerical : 12

(Does not include detail to FE/VN)

(See Appendix F for detailed chart on organization & staffing)

Chief also has a responsibility unassociated with Food for Peace, namely, reviewing all AID loan requests for assistance in the fields of agriculture and textiles and then clearing such loans with other agencies before AID's intensive review and submission of the loan proposal to the National Advisory Committee. The Branch Chief also performs a variety of special assignments including the preparation of Food for Peace regulations, the review and analysis of GAO audit reports, evaluations of new agricultural products, and research into such questions as enrichment of flour and milling extraction rates.

5. The Program Review Staff

Within the Division structure, the Program Review Staff of three persons is subordinate to the Operations Branch but, to a great extent, operates independently. The Staff receives, researches, and coordinates MR response to audit reports on Food for Peace. It is staffed by three persons.*

In addition to these five branches and staffs, the Division is authorized two ceilings for an FSR-2 Food Program Officer and FSS-7 Secretary to serve as liaison to the World Food Program in Rome, and one ceiling encumbered by an AD-15 Food for Peace Officer detailed to the Bureau for Far East to work on the Viet Nam refugee problem.

C. Proposed Organization and Staffing for the Food for Peace Division

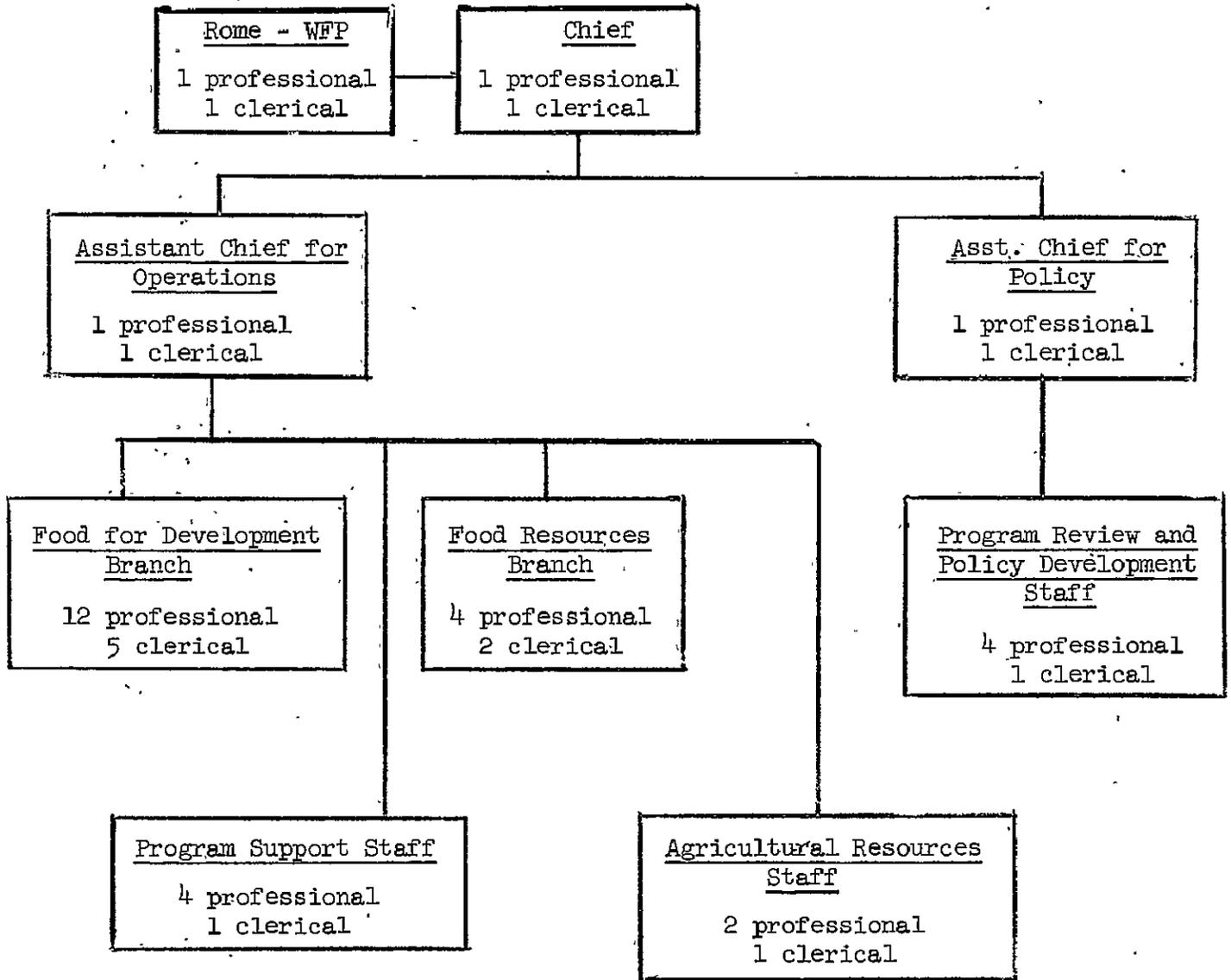
As indicated above, the Agricultural Resources Division was reorganized in 1964 and renamed the Food for Peace Division. The principal result of this change was to consolidate in one branch all programming responsibilities for food donation programs under Titles II and III. The survey team believes that the distinctions in programming and implementation activities between the Titles I and IV sales programs and the Titles II and III donations programs provide a sound basis for Division organization. There are, nevertheless, several weaknesses in Division operations which can be improved by changes in staffing and the reassignment of certain functional responsibilities. These changes are discussed below. A chart of the proposed Division organization reflecting the changes recommended is shown on the next page. A detailed chart of recommended organization and staffing is included in this report as Appendix G.

1. Assistant Chief for Operations

One of the most urgent needs of the Food for Peace Division is to provide day-to-day supervision to the component branches and staffs

*One staff member will retire by June 1966, at which time his position ceiling will be used for MR Vietnam recruitment.

PROPOSED ORGANIZATION, FOOD FOR PEACE DIVISION



Staffing Summary

Professional: 30
Clerical : 14

(Does not include detail to FE/VN)

(See Appendix G for detailed chart on organization and staffing)

of the Division. Although the traditional pattern of Division Chief and Assistant Chief has been followed, the characteristics of the Program and the special duties of the incumbents have deprived the Division of adequate management supervision.

Because major operational responsibility and most expertise relating to the Food for Peace Program within AID/W reside in MR/FFP, the Division Chief has become to a significant degree a focal point for all activities concerning Program operations in the Agency and a principal participant in policy matters. As a result, his work is largely directed up and outwards from the Division. This includes frequent meetings with other-agency personnel, liaison with task force groups, briefings of senior Agency and State Department personnel, trips overseas, and activities involving the Congress and private groups. An examination of his calendar indicates that between two-thirds and three-quarters of the Chief's day is spent in meetings and conferences with various groups and individuals such as voluntary agency representatives, personnel from private industry like Quaker Oats and General Mills, members of the Congress, personnel from UNICEF, UNRRA, HEW, and the National Academy of Sciences, the Brookings Institute, and senior AID and State Department personnel. As a result, much of his workday is spent away from his office or is occupied with questions other than day-to-day Division operations.

The Assistant Chief was intended to provide the supervision over Division components that the Division Chief is unable to give. Since joining the Division, however, the incumbent has found his time increasingly occupied with World Food Program matters. The Assistant Chief estimates that as much as sixty percent of his time during routine periods is devoted to WFP, this estimate based on a two-week analysis of his activities. At times during the year, and particularly before international WFP meetings, this workload increases sharply to virtually full-time. The specific tasks performed range from participating in the review of controversial or complex WFP proposals to developing United States policy on continued participation in the program. He recently spent three months in Rome on WFP matters. There is no indication that this workload will diminish appreciably in the future. As a result of the decision to continue United States participation in the World Food Program after the three year trial period -- at a much higher program volume level -- it is likely that the Assistant Chief's workload generated by this program will remain high or perhaps increase. In addition, it is reported that MR may have yet undefined responsibilities for increased participation by the Agency in FAO activities. In this event, the Assistant Chief may have responsibilities in this related area as well. As a result, the presently inadequate supervision over Division activities may decline further.

The need for strong management supervision is evident. With the complexity of the Food for Peace Program and the extensive activities of the Division personnel in programming, policy development, audit review, program monitoring, and liaison with numerous outside organizations on a continuing basis, it is essential to provide the means of

bringing together the separate activities of the Division components. The different branches and staffs all perform diverse activities relating to a single country program, are confronted with similar difficulties in their work, and must continually work in association to develop policy and eliminate operational deficiencies. Division personnel, in discussions with the survey team, indicated that their work is adversely affected by the absence of adequate Division management because there is insufficient coordination and direction.

The best solution to this deficiency is the establishment of a second Assistant Chief position to be responsible for operations. The incumbent of this position should be assigned supervision over the two principal branches -- the Food Resources Branch and Food for Development Branch -- as well as the Program Support Staff and the residual commodity specialists who have little or no direct role in Food for Peace. The present Assistant Chief position should retain existing responsibilities for the World Food Program and, in addition, should be assigned supervision over the new Program Review and Policy Development Staff, recommended below. In the event the present Assistant Division Chief should retire or transfer, his position should be eliminated and replaced with a position of Branch Chief in charge of the proposed Program Review and Policy Development Staff (which would then become a branch) and World Food Program matters. At that time, the proposed Assistant Chief for Operations would assume responsibilities as Assistant Chief for all components of the Division including the Program Review and Policy Development Branch. This arrangement would provide the preferred organization pattern of Division Chief and one Assistant Chief.

FINDING:

Because the Division Chief's work is focused largely on external liaison and activities, and because the Assistant Chief is assigned major responsibilities concerning the World Food Program, the Division lacks effective management supervision.

RECOMMENDATION NO. 37:

THAT A/MP RECOMMEND TO AA/A THAT ONE POSITION CEILING BE ALLOCATED TO AA/MR TO ESTABLISH A POSITION FOR ASSISTANT CHIEF FOR OPERATIONS IN THE FOOD FOR PEACE DIVISION.

Establishment of the Assistant Chief position will create a need for additional clerical capacity in the Office of the Chief. There are at present two stenographic administrative assistants serving the Chief and Assistant Chief.

The two secretaries perform the usual duties of clerical personnel serving officers of similar grade. Because of the Chief's frequent activities with personnel of other agencies, the Congress, and

private groups, his secretary spends a large portion of her time scheduling meetings, arranging conferences, and communicating on various matters. She also assigns responsibility for answering congressional inquiries and has performed special tasks when necessary. Both secretaries draft correspondence for which they have only minimal guidelines and which sometimes requires a response of a professional nature. The Assistant's secretary also types most of the World Food Program documentation drafted by the Food for Development Branch program officer responsible for WFP.

Both secretaries work overtime. The Chief's secretary averages about five hours per week on tasks for the Chief; the Assistant's secretary averages about ten hours per week partly on Division functions and partly for other MR components. These averages should diminish when the Program Support Staff recruits a clerk against a vacant position and is better able to do its own typing. There is, nevertheless, no indication that these two personnel could absorb the additional work which would be generated by the proposed Assistant Chief for Operations. An additional clerical position for the Assistant Chief for Operations could, in addition to meeting his clerical requirements, assist other Division components from time to time and thereby reduce present overtime levels. This assistance would be particularly useful in the Office of the Chief and, to a lesser extent, the Food Resources Branch.

FINDING:

The clerical personnel in the Office of the Chief, MR/FFP, are fully employed and could not provide secretarial services to the proposed Assistant Chief for Operations.

RECOMMENDATION NO. 38:

THAT A/MP RECOMMEND TO AA/A THAT A POSITION CEILING BE ALLOCATED TO AA/MR FOR THE ESTABLISHMENT OF A SECRETARIAL POSITION TO SERVE THE ASSISTANT CHIEF FOR OPERATIONS.

2. The Food Resources Branch

The Food Resources Branch is responsible for exercising a major role within AID in the development of Title I and Title IV programs from the time of the Embassy/USAID evaluation of a host country program request until a sales agreement is signed between the United States and that country. (See Appendix A for a chart of Title I and Title IV programming procedures.) The Branch consists of six persons: the Branch Chief, three program officers, and two clerical personnel. Each program officer is assigned responsibility for all programs within a geographical grouping of countries.

The program officer reviews and analyzes a Title I or Title IV program proposal and, in close cooperation with the State and AID desks and other components of the two agencies, develops a position on the proposal and presents it to the Interagency Staff Committee when USDA submits the proposal for approval. After approval by the ISC, the program officer reviews -- and usually revises -- the USDA draft instruction to the field authorizing the start of negotiations and setting forth the proposed conditions of sale. During the negotiations, he supports the country team in exchanges of communications by providing information, evaluations of counter-proposals, and revised State/AID/USDA positions. Subsequently, he drafts an instruction for the signature of the Assistant Administrator, MR, which authorizes the signing of an agreement.

In addition to these tasks directly relating to the development and conclusion of a program agreement, the duties of the program officer include: (1) answering Congressional inquiries; (2) preparing briefing papers; (3) responding to questions raised in audit reports; (4) submitting legislative presentation and OYB planning figures to PC; (5) briefing and debriefing mission personnel; and (6) working on AID positions for policy questions such as "offsets".

The total number of Title I and Title IV programs reached a high in 1962 with seventy-six and since that time has declined to fifty in 1965. Title I programs -- sales for foreign currencies -- declined from sixty-four to twenty-six during this period, while there was an increase in Title IV programs -- sales for dollars -- from twelve to twenty-four. It is anticipated that this sharp shift from Title I to Title IV will continue under the United States policy of reducing and eventually eliminating commodity sales for foreign currencies.*

Workload for individual Title I or Title IV programs varies greatly. While this variation depends to some extent on the amounts and types of commodities involved in the sale, other factors are of much greater influence, such as cooperating country political and economic circumstances, relations between the United States and the cooperating country, and relations with third countries exporting the same or similar commodities. Therefore, unlike Title II and Title III programs, political and economic considerations are usually of much greater importance than technical factors in determining the length of the programming process and workload of Title I and Title IV programs.

Analyses of program files reveal that, in cases of complex political situations, as many as fifty to one hundred cables and airgrams may be exchanged between AID/W and the mission. The program officers are deeply involved in this often lengthy and detailed exchange, draft most of the outgoing communications (and review those which they do not draft), prepare position papers and memoranda, and attend frequent intra- and inter-agency meetings before a program is submitted to the ISC for approval.

*Passage of the Food for Freedom legislation would virtually eliminate sales for foreign currencies within five years.

Although Title I and Title IV programs require approximately equal amounts of work for the Branch, the process of converting from Title I to Title IV programs has generated considerable additional work in the form of increased cable and airgram traffic with the field and the need for more frequent consultations with bureau, State, and USDA personnel. The added work arises for a number of reasons. First, host countries often resist changing from Title I to Title IV. While initial terms of the Title IV agreements are favorable to the recipient countries because of the two-year grace period on payments, the long term drain on their dollar reserves is greater and they are reluctant to undertake dollar obligations if there is an alternative of local currency payment. Second, devaluation risks are greater for the United States under Title I local currency agreements but greater for recipient countries under Title IV dollar payment terms. For these reasons, the continuing shift to Title IV during the next five years will generate increasing workload for the program officers in terms of individual programs. Nevertheless, the overall workload, considering the decline in the total number of programs, should remain fairly stable. It is, therefore, the survey team's conclusion that the present complement of three program officers will provide adequate staffing for the Branch.*

To determine appropriate clerical staffing, the survey team utilized questionnaires, file analyses, and interviews. The questionnaires, completed daily by each secretary for two weeks, included such items as the number and duration of telephone calls, the number of pages typed, and similar work categories. Files were studied to determine the number, type, and length of documents prepared during a three month period. Data compiled follow:

<u>Function</u>	<u>Amount/Day</u>	<u>Average Time/Day</u>
Duplicating	17 pages	20 minutes
Mail processing	66 pieces	30 "
Filing	-	30 "
Transcribing Dictation (mostly from phone calls)	-	87 "
Typing	6 $\frac{1}{2}$ pages	150 "
Phone calls (not incl'g answer- ing the telephone)	44	154 "
Miscellaneous	-	30 "
		<hr/>
		8 hours; 21 mins.

*While examining Branch workload, the survey team noted that the present workload of two of the three program officers is comparatively heavy. This is largely due to a disproportionate allocation of program responsibilities and also, in part, because the third program officer is being utilized from time to time as a commodity specialist because of his specialized knowledge.

While these data are not considered precise measurements, they do correlate with observation and provide sufficient indication of workload to evaluate staffing needs. In a recent three month period, the two secretaries used a total of fifteen hours of overtime for typing and filing. This is a significant reduction from earlier overtime usage rates and is due to a stricter policy of approving overtime work in the Branch. Filing is usually delayed during periods of heavy workload and backlogs may build up.

On occasion when work backlogs occur, overtime should be judiciously used or the work assigned elsewhere within the Division. Increased clerical staffing recommended for other Division components (see pp.113 and 128) will provide flexibility for shifting work during periods of heavy workload in one unit. The survey team therefore concludes that clerical staffing is adequate at present.

FINDING:

The professional and clerical staffing of the Food Resources Branch is appropriate in relation to Branch workload.

3. The Food for Development Branch

The Food for Development Branch, staffed by seven professional and four clerical personnel, is responsible for policy formulation and program development of all Title II and Title III programs, both AID bilateral and World Food Programs, which total about 400. In addition to the basic responsibilities of framing administrative and technical policy and of reviewing, developing, and submitting proposed programs to the ISC and its Subcommittee, Branch personnel are involved in a wide variety of related duties including the review of Food for Peace audits and various program planning and evaluation reports. In addition, one member of the professional staff is an agricultural commodity specialist and performs various duties not related to Food for Peace, such as reviewing and writing specifications for PIO/Cs for livestock.

a. The Assistant and Associate Branch Chief Positions

The Food for Development Branch is unusual in that there are two deputy positions, both of which have the same grade as the Branch Chief, GS-15. The Associate Chief and Assistant Chief are considered as functional equals in that each is assigned one of two major program areas (Title III and Title II respectively) and, in his program area, each supervises the same four program officers who handle both titles for a group of countries. The Associate Chief is designated as the second-in-charge and acts as Branch Chief in the principal's absence. The flow of work, however, goes from the program officer to the Branch Chief through either the Associate Chief or Assistant Chief, depending on whether the matter under question relates to Title III or Title II.

This arrangement has been justified as a means of providing focus on the unique aspects of the two program titles, II and III. It appears, however, to have resulted from the need to accommodate existing personnel grades and experience during the last Division reorganization in 1964. While there have been differences in the administration of Title II and Title III programs, these differences are diminishing in importance because of the self-help provisions for Title III and the participation of voluntary agencies in the Title II programs. Institution of the reporting system proposed in Section VII will help bring the two titles into more parallel administration. Moreover, the new Food for Freedom legislation proposed by the administration to the Congress combines these two titles into a new Title II. The need, therefore, to provide a separate focus for the two titles within the Branch is exceeded by the need for a single strong deputy position in place of the fragmented dual supervision.

The Branch Chief is deeply involved on a continuing basis in activities which make it difficult for him to focus on the regular program development work of his subordinates. He spends considerable time dealing with policy questions, implementing new program areas like malnutrition, and coordinating with the voluntary agencies and other groups. The result of the Branch Chief's varied activities is that he is often unable to provide the day-to-day Branch supervision necessary for effective operation. A single deputy would serve to give better continuity during the Chief's absence and would be able to approve the work of the program officers and generally supervise them at all times. Under the present arrangement, the supervisory function below the Branch Chief is divided and tends to be weak in the Chief's absence. With a single deputy, Branch management at that level would be improved and the Chief could devote his attention to broader responsibilities without interruption.

Conversion from the present double deputy arrangement to a single Assistant Branch Chief would not appreciably reduce the total workload now assigned to the two present deputies and thereby permit a staffing reduction. The supervisory duties now assigned to the two deputies (e.g., providing technical direction and supervising program officers, monitoring program development, dealing with voluntary and federal agencies and AID personnel on day to day matters, and resolving programming difficulties when they arise) would constitute a full workload if assigned to a single Assistant Chief. Other functions of a non-supervisory nature now performed by the two deputies would remain, however. Pre-eminent among these functions is the present Assistant Chief's agricultural commodity activity which is estimated to require about forty percent of one man-year. In addition, he acts as a program officer for all feed grain programs under Title II with approximately twenty-five active programs at present. There are also numerous special assignments now executed by both deputies which would remain, including such tasks as developing program guidance for missions to implement new policy, answering congressional inquiries, preparing briefing papers, and handling programming problems with worldwide

application not appropriate for a single program officer. It is evident, therefore, that the present commodity specialist Assistant Chief would continue to have a full workload and significant role in Branch operations if his supervisory responsibilities for Title II programs were shifted to a single deputy position.

FINDING:

The Food for Development Branch requires a single Assistant Chief with primary responsibility for day-to-day Branch management and supervision over program officers in both Title II and Title III program areas.

RECOMMENDATION NO. 39:

THAT MR/FFP REORGANIZE THE RESPONSIBILITIES OF THE ASSISTANT AND ASSOCIATE CHIEFS OF THE FOOD FOR DEVELOPMENT BRANCH AS STAFFING CHANGES PERMIT SO THAT ALL RESPONSIBILITIES RELATING TO DAY-TO-DAY BRANCH MANAGEMENT OF TITLE II AND TITLE III PROGRAMS, AS WELL AS SUPERVISION OF PROGRAM OFFICERS, BE ASSIGNED TO ONE ASSISTANT CHIEF POSITION AND THE RESIDUAL DUTIES SUCH AS COMMODITY SPECIALIST FUNCTIONS, SPECIAL ASSIGNMENTS, AND GENERAL STAFF SUPPORT BE ASSIGNED TO A SPECIAL ASSISTANT POSITION.

b. Food for Development Branch Program Officers

The fundamental work in reviewing, developing, and submitting programs to the ISC for approval is performed by the four Food for Peace program officers. Each program officer is assigned a group of countries and has responsibility for all Title II and Title III programs for these countries. One of the four officers with minor bilateral program responsibilities is also assigned responsibility for all World Food Program proposals worldwide.

With some variations according to whether he is concerned with a Title II or Title III program, the work of the program officer in processing and implementing a program proposal includes:

- (1) receiving program proposals and accumulating supporting documentation;
- (2) analyzing the proposals to determine conformity to technical criteria, policy, and legislative provisions, e.g.,
 - (a) rates of distribution - rations per person,
 - (b) objectives of the proposed program,

- (c) port unloading and warehousing facilities,
 - (d) administrative facilities and program supervision,
 - (e) adequacy of provision for record maintenance,
 - (f) absence of duplication between programs within country,
 - (g) eligibility of recipients,
 - (h) legal arrangements with host government (e.g., duty free entry of commodities),
 - (i) labeling and packaging of commodities,
 - (j) suitability of commodities for country, and
 - (k) displacement of comparable host country effort;
- (3) communicating with missions for clarification and elaboration;
 - (4) consulting with country desks;
 - (5) consulting with commodity specialists on commodity specifications;
 - (6) reviewing audit findings applicable to the program;
 - (7) preparing documentation for submission of the program proposal to other agencies prior to ISC Subcommittee meeting;
 - (8) presenting the proposal to the ISC Subcommittee;
 - (9) drafting Program Determinations or, in some cases, redrafting those originally prepared by the desks;
 - (10) drafting Transfer Authorizations;
 - (11) monitoring communications regarding shipment schedules; and
 - (12) responding to and solving problems which arise concerning commodities, amendments to programs, rescheduling of shipments, emergency diversions of commodities, and host country political problems which have impact on program operations.

In addition to these activities associated with program development and implementation, the program officers perform other tasks related to their responsibilities. They all report receiving one or two congressional

inquiries a month which must be researched and answered. Each prepares one or two briefing papers a month and frequently gives oral briefings to individuals such as mission personnel. All report that they spend about an hour every other day on an average in formal meetings -- especially the ISC Subcommittee -- and one or two hours each day in informal meetings or conferences. The four program officers indicated that they perform varying amounts of overtime work, in two cases an average of about one hour a day.

In recent months, the Branch has processed the first programs under Section 203 authority which permits Title I local currencies in excess currency countries to be used for the improvement of Title II and Title III programs. The procedures for reviewing and approving Section 203 program proposals are similar to those for regular bilateral Title II programs and require similar staff work.

In 1965, the Branch processed about 225 Title III programs and developed about 110 Title II programs as well as several under Section 203. These programs are apportioned among the four program officers as follows:

	<u>Title II</u>	<u>Title III</u>	<u>WFP</u>	<u>Sec.203</u>	<u>Total</u>
Program Officer A	22	100	0	0	122
Program Officer B	7	23	75	0	105
Program Officer C	67	20	0	1	88
Program Officer D	20	53	0	10	83

These statistics are approximations because there are no up-to-date figures available of program assignments by officer. Because many Title II and WFP programs have a duration beyond one year, the number of active programs exceeds the 110 approved in 1965. Conclusions as to comparative workload among program officers cannot be drawn from these data because the size, nature, and political or administrative circumstances of programs vary greatly.

In order to develop an understanding of program development workload, a sample of fifteen Title II and Title III program files was examined in detail and document profiles made. While these profiles do not reveal the entire work input for program development (e.g., the application of technical and administrative criteria, the review of previous operational experience, and the extensive discussions with voluntary agencies, USDA, and bureau personnel), they do indicate program complexity as reflected by the preparation of documents and the exchange of communications. The volume of communications contained in several of these sample program files follows:

<u>Program</u>	<u>Incoming Communications</u>	<u>Outgoing Communications</u>
Bolivia II, School Feeding	3	7
Brazil II, School Feeding		
a. 5/63 - 10/63	15	6
b. 3/64 - present	0	6
WFP, Mekong Project		
a. 6/64 - 11/64	26	13
b. 1/65 - 10/65	15	12
WFP, Ghana, Volta Project		
8/63 - 12/65	22	18
Brazil II, Urban Development		
8/64 - 10/65	16	11
Paraguay III	3/64 - 8/65	12
Israel III	5/64 - 6/65	18
Bolivia II, Literacy Program		
a. 5/64 - 8/65	7	9
b. 8/64 - 8/65	12	15
Brazil II, Colonization		
5/64 - 6/64	2	2
Peru II, Child Feeding		
a. (1964 prog.) 3/64 - 6/65	19	25
b. (1965 prog.) 2/65 - 4/65	5	7

These statistics do not show total workload for each program. Textual references and the sequence of file contents suggests that there are missing documents. Furthermore, and significantly, these figures do not include basic program documentation prepared by the program officer such as the Program Determination, Transfer Authorization, and program summary submitted to other agencies for their review. Some of these documents are quite long. Program Determinations range in length from two or three pages to as many as six or seven of non-standardized text. While most outgoing cables and airgrams reviewed were one or two pages -- and many only a few lines in length -- there were some of six and eight pages. In addition, one program may have multiple Program Determinations and Transfer Authorizations. In one file, seven were found.

The individual program officers are each responsible for a total of eighty-three to 122 programs of all kinds. If averaged against their available time, these assignments allow about two or two and a half workdays per program for performing all necessary tasks. Included in this average time also are the various miscellaneous tasks such as responding to congressional inquiries and briefing mission personnel. Furthermore, the number of programs assigned does not fully reflect the total workload because of numerous amendments to previously approved programs, each of which must be reviewed and approved in the same manner as the original proposal. The survey team was told that there is an average of two amendments for every Title III program approved. As an extreme example, the India Title III program averages about one amendment every two weeks. Additional workload is caused by audit findings or other reports of deficiency which require evaluation and comment. One example is a recent GAO audit on Title III programs in Chile. This report has generated evaluation activities over many months, delayed program approval, and required communications to the mission and analyses of mission responses including a thirty page airgram on the GAO report.

The burden of this workload on the four program officers impairs the effective execution of their responsibilities. With the use of some overtime work -- particularly in the summer when the bulk of Title III programs are submitted for review and approval -- and at the cost of backlogs and delays, the "barebone" requirements of program development are met in that necessary documentation is prepared and the programs are ultimately submitted to the ISC for approval. In the judgment of the survey team, however, this workload has caused a qualitative loss in the work performed. The review of a program suffers when, on an average, fewer than sixteen to twenty hours are available for a complete review and analysis, discussions with AID and other agency personnel, attendance at meetings, studying and taking action on five to thirty incoming communications, and drafting, clearing, and transmitting a similar number of outgoing communications plus Program Determinations, Transfer Authorizations, and project summaries. The immediate pressure of working on program proposals causes the program officers to neglect equally essential tasks relating to ongoing programs, such as reviewing operational deficiencies, monitoring commodity and project status, resolving operational problems, or simply taking the time to evaluate an entire program. The program officers are keenly aware of these deficiencies -- they complain of their inability to perform more than a superficial review or to follow up on operational deficiencies and assure their correction.

The changes of emphasis in the foreign aid program in general and the Food for Peace Program specifically have major implications for Branch workload. While the number of Title III programs will probably remain constant, the self-help provisions and strong Agency emphasis on nutrition and agricultural development should impose a significantly larger burden on the program officers. Program volume may rise and,

in any case, greater attention will have to be paid to program objectives and accomplishments. In the case of Title II Section 202 programs -- such as Food for Work and child feeding -- there has been an imposing increase in program volume in the past years, from a low of five in 1960 to nearly 100 in 1965. United States initiatives in food, education, and health will likely generate further growth. Also, the United States commitment to the World Food Program for the next three years implies a large increase in work for that program.

In view of the present workload, the anticipated growth in the number and volume of Food for Peace grant programs, and the increasing Agency emphasis on food and nutrition in less developed countries, increased staffing in Branch program officers is urgent. To meet immediate needs and provide MR/FFP the capability of meeting the challenge presented by the new stress on food aid, two additional officers are required, a fifty percent increase in program officer staffing. The trebled increase in our commitment to the World Food Program will require a large portion of one additional man-year. The application of somewhat more than one additional man-year to the bilateral Title II and Title III programs will be adequate for more effective program development and will permit the program officers to assume a more active role in resolving operational deficiencies or avoiding them initially by more comprehensive reviews of program proposals and continuous monitoring of program and commodity status during the implementation stage.

FINDING:

The present staffing of program officers in the Food for Development Branch is inadequate for proper review of program proposals and does not permit monitoring of program implementation to assure effective operations.

RECOMMENDATION NO. 40:

THAT A/MP RECOMMEND TO AA/A THAT TWO POSITION
CELLINGS BE ALLOCATED TO AA/MR FOR INCREASED
PROGRAM OFFICER STAFFING.

c. Branch Focus on the Nutrition Program

The Agency has recently placed increasing emphasis on the importance of improving nutritional levels in the less developed countries. Experience revealed that food provided under Title II and Title III programs did not provide all necessary nutrition to recipients and, in December 1964, it was decided to enrich and fortify food commodities. At that time, \$1.5 million were committed for the last half of FY 1965 for this purpose. It is anticipated that all appropriate Title II and Title III commodities will receive such additives. In addition, efforts are being made to develop formulated foods, particularly

high-protein foodstuffs. MR/FFP participated in a joint USDA/AID project to develop, introduce, and evaluate a recently formulated high protein soy beverage product and studies have been made of new high-nutrition foods such as the "Eubra" product from Brazil and high-protein crackers from Hong Kong.

Within AID, the primary leadership in the Agency's nutrition program rests in TCR. At the same time, however, MR/FFP has a major role in converting research findings into specific Food for Peace programs. To do this, the Division must cooperate closely with TCR, USDA, and private industry in setting specifications, utilizing formulated foods, and generally spurring the implementation and monitoring the progress of the Food for Peace aspects of the nutrition program.

The workload associated with these activities is estimated to require one full time position. While the incumbent will work with the Branch program officers as specific programs are developed and submitted to the ISC for approval, the primary duties of the position and the organizations with which relations must be maintained do not parallel the work of the program officers. Furthermore, Agency emphasis on this program requires that adequate focus be provided in the Branch to assure that MR can properly meet its responsibilities. A position is required, therefore, within the Food for Development Branch to work on the nutrition program.

FINDING:

Agency emphasis on malnutrition requires that the Food for Development Branch establish a focal point to work in association with TCR, USDA, and other federal and private organizations for the conversion of nutrition research findings into specific Food for Peace programs.

RECOMMENDATION NO. 41:

THAT A/MP RECOMMEND TO AA/A THAT A POSITION CEILING BE ALLOCATED TO AA/MR FOR THE ESTABLISHMENT OF A POSITION IN THE FOOD FOR DEVELOPMENT BRANCH TO EXECUTE MR RESPONSIBILITIES IN THE AGENCY'S PROGRAM TO RAISE NUTRITIONAL LEVELS THROUGH FOOD FOR PEACE.

d. Branch Administrative Support

The survey team found that there are several functions relating to Title II and Title III programs which are not now being performed or could be best executed by assignment to one person rather than among the program officers or to other Division components. These duties include: (1) serving as executive secretary for the ISC Subcommittee; (2) performing preliminary reviews of Title III program

proposal statistics and preparing letters of notification of program approval; and (3) serving as the central monitoring point in the Branch for program development. These are discussed in turn.

(1) Executive Secretary for the ISC Subcommittee

All Title II and Title III programs are submitted to the ISC Subcommittee for approval. In addition to Branch personnel, representatives from BOB, USDA, and, on occasion, the State and AID desks participate. The Subcommittee is chaired by the Chief, Food for Development Branch. During the meeting, the participants express the views of their agency on the proposed program and, when consensus is achieved, express their approval after which the program is presented to the parent ISC for approval. In the Subcommittee meetings, there is no executive secretary or other person to make a record of the proceedings -- discussion or decision -- which would serve as the official record of the Subcommittee determinations. At present, there are occasionally subsequent differences of opinion among the agencies on what specific decision was made. An executive secretary is required to avoid the loss of time caused by such misunderstandings and assure the maintenance of an official record of Subcommittee proceedings. In addition, the position would be assigned responsibility for performing other related duties such as scheduling the meetings when necessary and making arrangements as appropriate. Implementation of Recommendation 25, which calls for a revision in Subcommittee procedures to permit paper clearance of non-controversial programs, will require a focal point within the Branch to assemble documentation for transmission to other agencies, receipt and recording of their responses, follow-up when necessary to obtain response, and scheduling of those programs for which unanimous agreement could not be obtained on the Subcommittee agenda.

(2) Preliminary Review of Title III Proposals

The Annual Estimates of Requirements submitted each year in company with other documents by the voluntary agencies are statistical in nature. Experience has shown that most submissions require careful analysis to assure accuracy before the program review by the program officer. Errors in calculation are common. In the past, a member of the Program Support Staff performed this review; her retirement and the utilization of this position for new duties (notably as editor of the Food for Peace Newsletter) require that the Food for Development Branch assume this task. In addition, it is appropriate that this task be performed in the Branch as it is a part of the program review. While this statistical analysis workload occurs heavily in the summer when the voluntary agencies submit their programs, a related task continues through much of the year, namely, notifying the voluntary agencies of the approval of their proposed programs. This activity involves preparing and sending more than two hundred letters.

(3) Monitoring Program Development

Recommendation 26 of this report recommends the installation of a control board mechanism to provide Branch management the means of monitoring program development and approval status. Maintenance of this board would involve identifying several key points in program development and approval and reporting progress against a standard time frame. While, for the most part, the program officers will have to provide status information by means of a simple check-list reporting device, a member of the Branch will have to maintain control board currency. A related duty which should be performed is the receipt and distribution to program officers of the commodity and project status reports recommended in Section VII of this report (see Recommendation 27). If required by Branch management, information on project status could be extracted and recorded on the control boards.

The duties outlined above require execution within the Food for Development Branch. Because these are sub-professional level responsibilities, there is currently no suitable person for assignment. Furthermore, the workloads of present personnel do not permit assumption of these new functions. To meet these requirements, a Staff Assistant position at the GS-7 or GS-9 level should be established to perform the functions described above and any other appropriate activities assigned by the Branch Chief.

FINDING:

The Food for Development Branch requires a Staff Assistant position to monitor program development and approval, perform preliminary analyses of Title III program proposals, and serve as executive secretary of the ISC Subcommittee.

RECOMMENDATION NO. 42:

THAT A/MP RECOMMEND TO AA/A THAT A POSITION CEILING BE ALLOCATED TO AA/MR FOR THE ESTABLISHMENT OF A STAFF ASSISTANT POSITION IN THE FOOD FOR DEVELOPMENT BRANCH.

e. Shipment of Title II Commodities

Responsibilities relating to the shipment of Title II commodities are assigned to the GS-12 Surplus Commodity Specialist Foods Officer who is presently assigned to the Operations Branch under the general direction of the Assistant Chief. The Assistant Chief formerly performed some of the tasks now executed by the incumbent and, as the incumbent has developed experience in his work, has become less involved in this work.

The focus of the work is on Title II, including World Food Program activities. The incumbent serves as the technical advisor on packaging and labelling, deciding in cooperation with USDA on the nature and source of commodity containers. He translates Transfer Authorizations into Commodity Requests according to a pre-determined schedule or upon a mission "call-forward" by preparing and transmitting to USDA a commodity request form. In FY 1965 he sent more than 300. He also maintains files on the amounts of commodities received by each mission and project and of the mission requests. To assure that action is taken by USDA, he follows-up when necessary. He is responsible for assuring the commodity deliveries for about 150 Title II projects.

In performing his work, the incumbent is in close association with the program officers. His responsibilities, however, in no way coincide with the duties of the other members of the Operation Branch staff. His working relationships there are few, limited to the general supervision received from the Assistant Branch Chief and occasional work with the Chief and Assistant Chief because of their commodity specialization responsibilities. It would be desirable, therefore, to transfer this position and incumbent to the Food for Development Branch in order to bring together all Title II responsibilities, to facilitate management over all MR aspects of Title II program development and implementation, and to provide a closer working association between this function and the program officers.

FINDING:

The work of the Surplus Commodity Specialist Foods Officer now in the Operations Branch is closely associated with the work of program officers on Title II activities and largely unrelated to the duties of the Operations Branch staff.

RECOMMENDATION NO. 43:

THAT AA/MR TRANSFER THE SURPLUS COMMODITY SPECIALIST FOODS OFFICER FROM THE OPERATIONS BRANCH TO THE FOOD FOR DEVELOPMENT BRANCH.

f. Clerical Support, Food for Development Branch

The seven professional personnel of the Branch are served by four secretaries. Generally, one secretary serves two professionals except for one who works almost entirely for the Branch Chief. In addition, they type and perform other clerical work for mission personnel on temporary assignment or consultation. A large portion of the typing and filing generated by the program officer for World Food Program activities is performed by the Assistant Division Chief's secretary. The full range of typical clerical tasks is done by the Branch clerical personnel, including typing, filing, duplicating, taking dictation, processing mail, and various miscellaneous activities.

Two of the Branch secretaries rarely work overtime. A third stated that she has reduced overtime work sharply since December. The Branch Chief's secretary said that she works until about 6:00 most evenings and occasionally on weekends.

For a two week period during this survey, the four secretaries maintained daily workload estimates on which they indicated the time spent on certain types of work or the number of units performed. When averaged, the data suggest that they spend about an hour per day on filing, an hour on mail, and a quarter hour each on duplicating and duplication. Most of the remaining time was devoted to typing. Individual estimates range from five to ten pages per day average. An analysis of chronological files reveals that, in November and December, 1965, an average of more than six pages and three pages respectively were typed per day by each secretary. These chron files do not include most preliminary drafts and miscellaneous items which account for a large proportion of their typing workload. The rest of the work-day is used for a variety of tasks including: (1) an average of about twenty-five telephone calls apiece; (2) errands to other buildings; (3) following up action documents or securing clearances from other offices on MR/FFP documents; (4) transmitting materials to field FFP Officers for information; (5) file research for meeting or drafting purposes; and (6) routine administrative duties.

While the workload is heavy, the survey team finds that additional clerical assistance is not required for present staffing. Greater attention is required for filing so that program officers do not have to do their own filing. However, there is no evidence that backlogs in filing grow out of control, or that other work is not promptly performed. Overtime work might be used for a systematic effort to bring all files up to date and into an orderly condition.

In view of the increased professional staffing recommended by this report, however, it will be necessary to augment the clerical staff to provide required support. All three proposed professional positions (two program officers and a nutrition program specialist) will require additional clerical work, particularly the nutrition specialist who will be working in a new area of activity. In the case of the two program officers, however, a portion of the secretarial work they will generate is being done at present since they will relieve current workload. Therefore, an increase in clerical staff directly proportionate to the increase in professional staff is not necessary. It is anticipated that one additional clerical position will provide the Branch with adequate secretarial capacity.

FINDING:

Clerical staffing in the Food for Development Branch is adequate to serve present professional staffing, but the three professional positions proposed by this report for the Branch will require one additional secretary for clerical support.

RECOMMENDATION NO. 44:

THAT A/MP RECOMMEND TO AA/A THAT ONE
ADDITIONAL POSITION CEILING BE ALLOCATED FOR
A CLERICAL POSITION IN THE FOOD FOR DEVELOPMENT
BRANCH.

4. The Program Review and Policy Development Staff

a. The Program Review Function

The responsibility within MR/FFP for processing audit reports concerning the Food for Peace Program is assigned to the Program Review Section of the Operations Branch. The Section is staffed by a Program Review Officer, GS-14, and a Program Review Assistant, GS-9. Since April, 1965, a GS-13 auditor has been assigned to the Section to assist in the processing of GAO audit reports. Originally he was on detail from A/CONT, but more recently was placed against an MR ceiling allocated for Viet Nam programs. The survey team was informed that he will leave by June, 1966, by which time the GAO audit emphasis on Food for Peace is expected to be completed. Staffing recommendations made in this portion of the survey report for the Program Review and Policy Development Staff assume the loss of this employee. In addition to this auditor, a second person was detailed for several months from A/CONT until his retirement in December, 1965. A GS-15 Food for Peace Officer who is formally assigned to this unit is on detail to the Bureau for Far East to work on the Viet Nam refugee problem.

The Program Review Section receives, researches, and coordinates comments in response to audit report findings and recommendations. In reviewing the activities of the Section, it was apparent that their work is somewhat more complex than that which is performed by the usual audit response coordinator in a bureau or office. Typically, the latter's role is largely confined to receiving audit reports, assigning internal action to the appropriate component or individual, assuring that responses are promptly and properly prepared, and perhaps developing a single response for the organization when several individuals have contributed comments. Because of the inter-agency responsibilities within the Food for Peace Program, however, and because of the role of the voluntary agencies in Title II and Title III programs, the MR/FFP Program Review Section's task is considerably complicated.

In every case of an audit finding which concerns a Title III program or a Title II program involving a voluntary agency, the Section corresponds with the appropriate voluntary agency headquarters in New York City, provides them with copies of the report, and requests comments. In some cases there may be several exchanges before an audit finding may be closed. Such comments must be provided to the Department of Agriculture to evaluate a basis of claim action against the voluntary agencies, common carriers which transported the commodities, or perhaps the host country. In some cases USDA requires further information for which requests are

made through the Section. With respect to GAO audits, the separate Agriculture and AID responses are closely coordinated to develop a common position, an effort which requires meetings and memoranda.

The procedures employed by the Program Review Section are simple and informal. Buckslips and transmittal memoranda are utilized heavily, even for transmitting documents and brief comments to the voluntary agency headquarters in New York City and other federal agencies. While this informality might be criticized in some cases, it is a means of avoiding a large typing workload where there is inadequate clerical capability, as well as professional workload in drafting formal communications. Audit reports are logged in and subsequent entries across the ledger line indicate the current status of each audit response. This log serves effectively as a "tickler" file to assure follow-up action when necessary. Files are organized by country so that in a particular group all AID/W Internal and Mission Audit reports over the years may be found, thereby expediting research. Because of their size, GAO audit files are maintained separately. While, on brief examination, the files appear to be in generally good condition, papers in individual files were occasionally out of order.

b. Policy Development

As outlined in Section III of this report, a primary and essential responsibility of MR/FFP is the formulation of technical and administrative policy guidance for Food for Peace personnel in AID/W and the field. This guidance derives from legislation, broad Agency policy, and operating experience. At present, there are several areas of policy which have not been formulated and issued, as pointed out in Section IV of this report. These omissions have resulted because of an absence in MR/FFP of any organizational focus on this function and because personnel responsible for this work are too often diverted by operational activities and special projects.

In Section IV, the survey team recommended that a task force be organized under the direction of the AA/A to develop and issue basic Food for Peace policy including that which arises from new legislation in 1966. In addition, the task force would assist MR/FFP prepare various portions of administrative and technical guidance. While preparation of these policies is normally an MR responsibility, the amount of work to be done is not within the Division's capability. A sustained effort by the task force for several months should assist Program personnel greatly by bringing the development of policy guidance to a current status.

In spite of this special effort, there will remain a continual need for MR/FFP attention on policy guidance. Operational experience and changing circumstances will always require Division reevaluation of existing guidance and the preparation and issuance of revisions. Without providing organizational focus and staffing for this function, the status of manual orders and similar issuances will again fall behind. To prevent such backlog, the Division requires a staff with suitable leadership and clarity of purpose.

As stated above, much of the need for policy guidance arises from evaluations of program operations -- particularly as identified by audit reports. Division personnel have indicated that the Division should have the capability of following up audit findings and translating them into guidance designed to prevent reoccurrences of the deficiencies. This relationship between audit evaluation and policy development strongly suggests using the Program Review Staff as a nucleus for an organization with policy development responsibilities as well as audit review functions. Placement of this staff within the Division under the Assistant Chief will provide the strong leadership required and place the staff apart from the operating branches.

In addition to the personnel of the Program Review Staff, the proposed staff should be augmented by additional personnel. Because the present Chief of the Operations Branch, in addition to his commodity specialist duties, participates in the formulation of policy issuances and works on various special projects, his experience would be suitable for serving as senior officer on the staff under the Assistant Division Chief. His long association with Food for Peace would provide useful Program continuity for policy questions. He would also continue his present commodity specialization responsibilities. To provide clerical assistance, one of the two Procurement Clerks (Steno) of the Operations Branch should also be transferred to the proposed staff.

Staffing the proposed Program Review and Policy Development Staff with the personnel of the present Program Review Staff plus the Chief of the Operations Branch would provide three professional-level individuals (not including the GS-9 Program Review Assistant). One of the three -- the GS-13 auditor -- is expected to leave at the end of FY 1966, as stated above. Of the two permanent employees, one -- the Program Review Officer -- will be largely involved in processing, reviewing, and coordinating responses to audit reports. While these responsibilities, coupled with a close association with the policy issuance functions, will contribute greatly to the activities of the proposed staff, it is not likely that his workload will permit him to participate significantly in preparing guidance issuances. The second professional -- the Operations Branch Chief -- will continue to be actively concerned part of his time with the commodity specialist responsibilities and would, therefore, contribute less than one man-year to the policy function.

To provide the proposed staff with a continuing capability for developing new policy issuances, a new position is required to furnish the primary effort. One able individual, closely associated with and supplemented by the two professionals described above, would be adequate under normal circumstances to take the lead within the Division for developing and issuing technical and administrative guidance in the form of manual orders, regulations, and airgrams.

FINDING:

The Food for Peace Division requires a staff with responsibility for reviewing, evaluating, and coordinating response to audit reports and for the formulation and issuance of technical and administrative policy guidance. The staff should be adequately provided with personnel and organizationally separated from the operating branches and staffs of the Division.

RECOMMENDATION NO. 45:

THAT AA/MR ESTABLISH A PROGRAM REVIEW AND POLICY DEVELOPMENT STAFF UNDER THE ASSISTANT DIVISION CHIEF AND STAFFED BY THE PERSONNEL OF THE PRESENT PROGRAM REVIEW SECTION AND BY THE CHIEF AND ONE PROCUREMENT CLERK (STENO) OF THE PRESENT OPERATIONS BRANCH.

RECOMMENDATION NO. 46:

THAT A/MP RECOMMEND TO AA/A THAT ONE POSITION CEILING BE ALLOCATED TO AA/MR FOR THE ESTABLISHMENT OF A POSITION WITHIN THE PROPOSED PROGRAM REVIEW AND POLICY DEVELOPMENT STAFF. THE INCUMBENT OF THIS POSITION WOULD BE RESPONSIBLE FOR THE FORMULATION OF ADMINISTRATIVE AND TECHNICAL POLICY GUIDANCE.

5. The Program Support Staff

The Program Support Staff is the focal point in MR/FFP for document control, statistical analysis, and reporting. Primary duties of the staff include: (1) preparing P.L. 480 data for OYB hearings; (2) maintaining files of program documents; (3) preparing briefing papers; (4) performing document control of Program Determinations and Transfer Authorizations; (5) maintaining statistical data for compilation of regularly scheduled and special reports for all titles; (6) providing management focus for the Division with respect to manpower and budgetary justifications; and (7) editing the Food for Peace Newsletter, responsibility for which was transferred to MR/FFP when the Office of the Director of Food for Peace was recently transferred from the White House to the Department of State.

The Staff's personnel complement is five, the GS-14 Chief, a GS-13 Program Reports Officer (now vacant), a GS-11 Program Statistician, a GS-9 Statistical Assistant, and a clerk-typist. The ceiling for the clerk-typist was recently returned to the Division from the Office of the Director of Food for Peace. The specific duties of each position are discussed in turn.

a. The Staff Chief

The Chief is responsible for:

(1) analyzing and reviewing Title I and Title IV data for OYB hearings. If a new program has been approved since the previous month, data is compiled to show the amounts and types of commodities provided. If it is a continuing program for which original data have been published in the previous OYB report, these data are updated monthly. The Chief estimates that this activity requires one-fourth man-year;

(2) compiling data for the budget and manpower review, including a breakdown on personnel utilization for the Division and travel expenses incurred by Division personnel;

(3) editing all regular reports and papers compiled as a result of information requirements which cut across more than one title of P.L. 480. This task requires from ten to fifteen percent of a man-year;

(4) preparing information in response to requests for data on Titles I and IV. The nature of the questions posed often requires much file research for statistics from previous years. The Chief estimates that the research and preparation of replies requires about one-half of a man-year.

b. The Program Statistician

The Program Statistician maintains data on Title II programs. Specific tasks include:

(1) recording in a log data from each Program Determination along with a summary narrative of the program;

(2) maintaining document control on all reports emanating from the Division and periodically checking the progress of documents being cleared. Locating overdue documents and resolving difficulties in clearance may require several hours;

(3) reviewing Transfer Authorizations for statistical accuracy;

(4) reviewing "close-out" documents from USDA which indicate that all commodities have been shipped against a Transfer Authorization, and then updating the original Transfer Authorization on the basis of this information;

(5) reviewing "out-turn" reports which are issued by cooperating sponsors to report on the receipt of shipments and the condition of the cargo; and

(6) compiling information on Title II in response to special requests, some of which may require several days. As the Program Support Staff files are the only repository of historical information on Food for Peace in the Agency and, for many items, in the government, many requests for information are received. The incumbent estimates that forty percent of her time is spent on this function.

c. The Statistical Assistant

The Statistical Assistant maintains data on all Title III programs. Specific duties include:

(1) preparing reports on Title III, particularly the W-456 report which requires about fifteen percent of the incumbent's time.

(2) reviewing the Receipt and Distribution Report, prepared by the voluntary agencies annually, which indicate commodity status;

(3) preparing special reports on the allocation of scarce commodities or on program volumes by commodity, including the rationale for the allocation;

(4) answering requests for information and briefing materials; and

(5) compiling packets of all necessary documents for distribution to agencies involved in the ISC sub-committee review prior to the meeting.

d. The Program Reports Officer

This position, formerly designated as Food for Peace Officer, is presently vacant. The recent incumbent worked across organizational lines into the Food for Development Branch on program officer duties as well as Title III statistics. This dual role resulted from her personal qualifications. The statistical duties have been assumed by the Statistical Assistant position discussed above. The other duties, including the analysis of Title III program proposals, will be done by the Food for Development Branch.

The principal task of the new Program Reports Officer will be editing the Food for Peace Newsletter, a task recently transferred from the Office of the Director of Food for Peace. The Newsletter is a unique document with a circulation of 5500 at present. Recipients include congressmen, editors of agricultural journals, officials of food processing industries, and mission FFP Officers. It is the only source of information on the Program and items included are usually

obtained directly from individuals rather than abstracted from other publications. As a result, many contacts must be maintained in the Congress and throughout the farm and food processing community. It is anticipated that this function will require one-fourth to one-third man-year.

With the implementation of the reporting and monitoring system discussed in Section VII and the consequent collection of information on project and commodity status, much Program data will be available for utilization by personnel associated with Food for Peace. While dissemination of such information will be of great value, analysis and preparation of the data for issuance will increase Staff workload.

As suggested in Section VII, there will be a duplication between existing and proposed reports. After the proposed reporting system for Titles II and III has been operating for a satisfactory period, an evaluation should be made of all reporting requirements, internal to the Division and external, to determine whether any reports presently prepared can be eliminated. This evaluation should include an appraisal of staffing requirements for reports preparation.

e. The Clerk-typist

At present, typing for the Staff is done by the Statistical Assistant or by personnel from another office on overtime. Both of these arrangements are unsatisfactory, particularly in view of the increased workload of the Statistical Assistant since the retirement of the Food for Peace Officer who was doing much of this work. Because of both the regular reporting requirements and the many special requests for Program information, the clerical workload is substantial. This position was recently returned to MR/FFP from the Office of the Director of Food for Peace and is vacant. A precise measurement of workload is not possible because performance of the work has been so scattered. Work performed on overtime alone has amounted to about 140 hours per quarter. The survey team believes that this clerical position is fully justified.

FINDING:

When the two existing vacancies are filled, the Program Support Staff will have adequate personnel to perform the duties presently assigned and the new workload which will result from implementation of the recommendations of this report.

6. The Agricultural Resources Staff

The present Operations Branch consists of three commodity specialists, the Program Review Staff, and two clerical employees. Recommendation 43 of this report provides for the establishment of a Program Review and Policy Development Staff under the Assistant Division

Chief, staffed in part by the Operations Branch Chief as senior member, one of the Branch's two clerical personnel, and the personnel of the Program Review Staff. In addition, Recommendation 41 calls for the transfer of the GS-12 Surplus Commodity Specialist Foods Officer to the Food for Development Branch in order to bring Title II responsibilities together and to place him in closer association with the program officers with whom he works. After implementation of these recommendations, a residual staff of two commodity specialists and one procurement clerk would remain.

The work of these remaining commodity specialists is little related to Food for Peace. One of the two is a specialist on fertilizers, seeds, and pesticides. His activities consist of processing PIO/Cs and generally providing information on these commodities to Agency personnel as required -- work which is completely unassociated with Food for Peace. The second individual is a commodity specialist for fats and oils, tobacco, fiber, and fish. In addition to the commodity specialist duties which parallel those of the fertilizer specialist discussed above, this officer is responsible for reviewing all AID loans dealing with agriculture and textiles and obtaining advance clearance from other agencies -- notably USDA and Commerce -- before the intensive review of the loan application. In these responsibilities, the second officer is associated with Food for Peace only by reviewing commodity specifications in program proposals. In the past, he also supervised the Surplus Commodity Specialist Foods Officer who is responsible for Title II shipments, but this supervision has diminished as the incumbent has become experienced in the work.

Suggestions have been made in the past -- by the Booz, Allen, and Hamilton report, for example -- that the agricultural commodity specialists be transferred from the Food for Peace Division to the Industrial Resources Division where the parallel responsibilities for non-agricultural commodities reside. The survey team believes, however, that the additional Food for Peace duties which most agricultural commodity specialists within the Division have make such transfer inadvisable at this time. Furthermore, as commodity specialists, all except the fertilizer specialist serve as technical resources to the Food for Peace function and their transfer to another organization would make the working relationship more difficult. Unless there should be a transfer of all commodity specialists from the Division, it would not be desirable to transfer one or two. However, this problem will be examined in greater depth during the survey of the Industrial Resources Division by A/MP.

Under the Division organization proposed by this report, there is no branch or staff to which the work of the two commodity specialists and the supporting procurement clerk would organizationally relate. The survey team, therefore, believes an Agricultural Resources Staff should be established to consist of these three positions. The proposed Staff should be placed under the supervision of the Assistant Chief for Operations, recommended by this report.

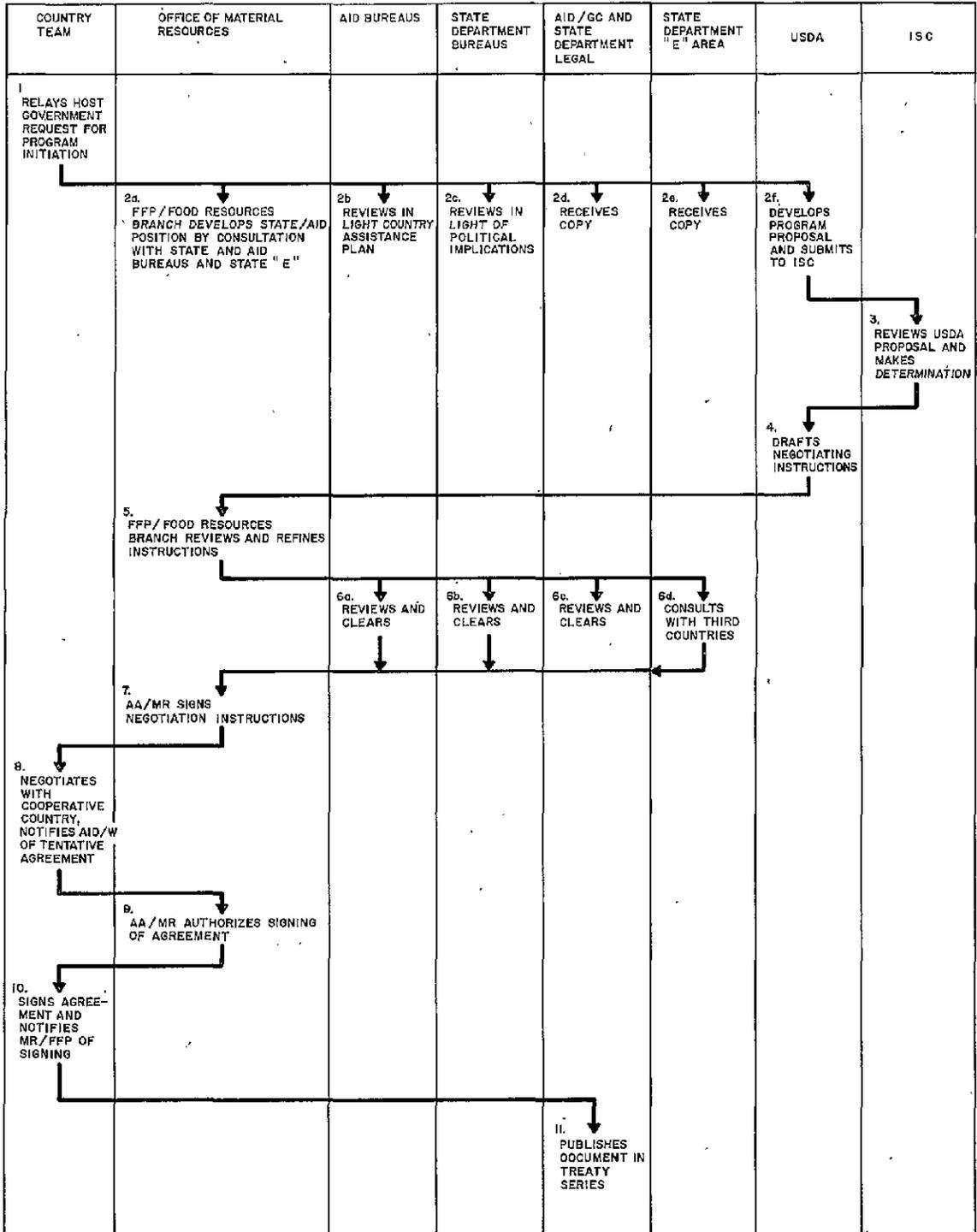
FINDING:

The residual personnel of the present Operations Branch do not relate in function to any branch or staff of the Division organization as proposed.

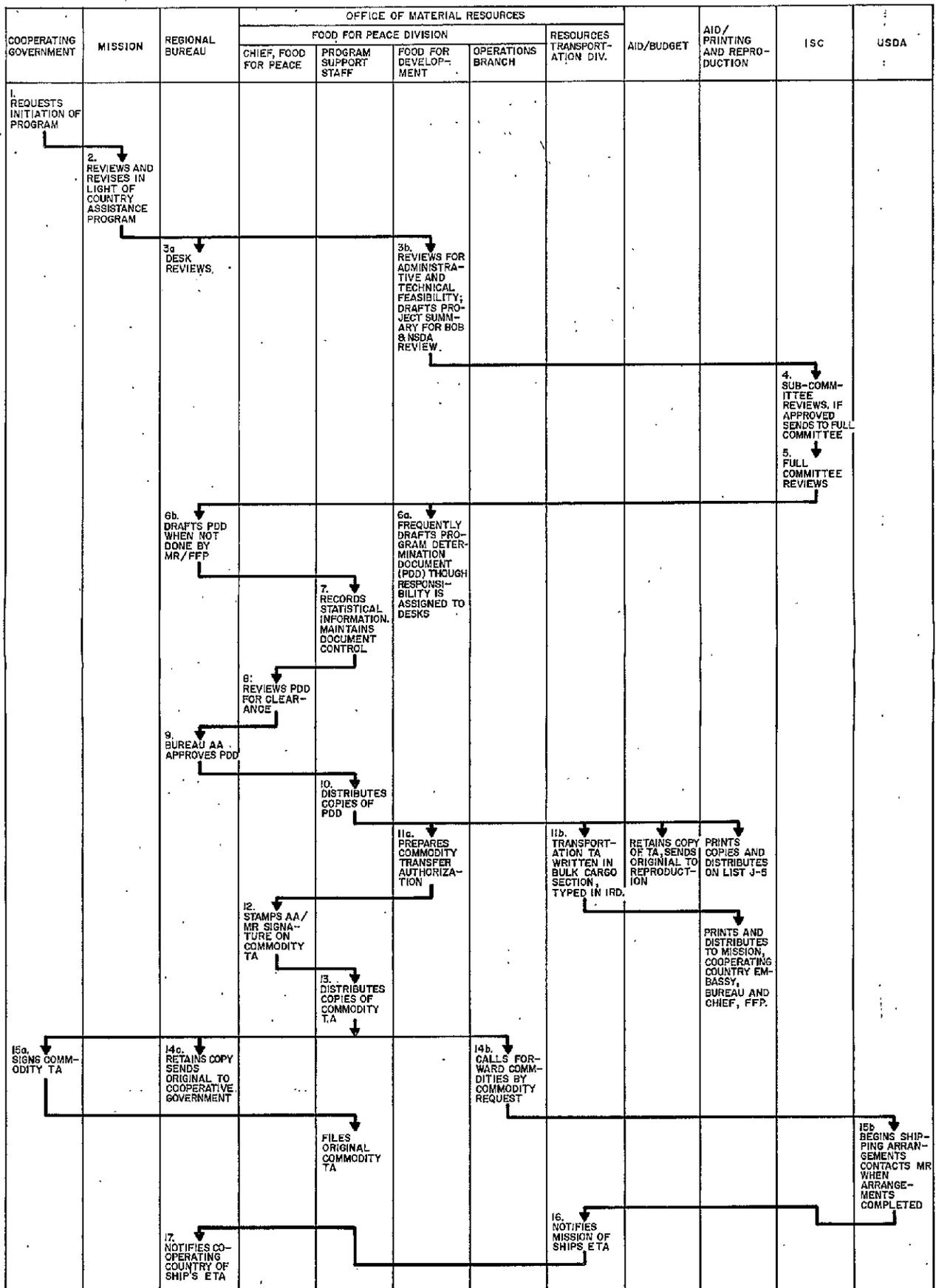
RECOMMENDATION NO. 47:

THAT MR/FFP ESTABLISH THE AGRICULTURAL RESOURCES STAFF UNDER THE ASSISTANT CHIEF FOR OPERATIONS AND STAFF IT WITH THE RESIDUAL PERSONNEL OF THE OPERATIONS BRANCH. THE ORGANIZATION PLACEMENT OF THESE PERSONNEL SHOULD BE REEXAMINED DURING THE A/MP SURVEY OF MR/IRD.

TITLES I AND IV PROGRAM APPROVAL PROCESS



TITLE II PROGRAM APPROVAL PROCESS*

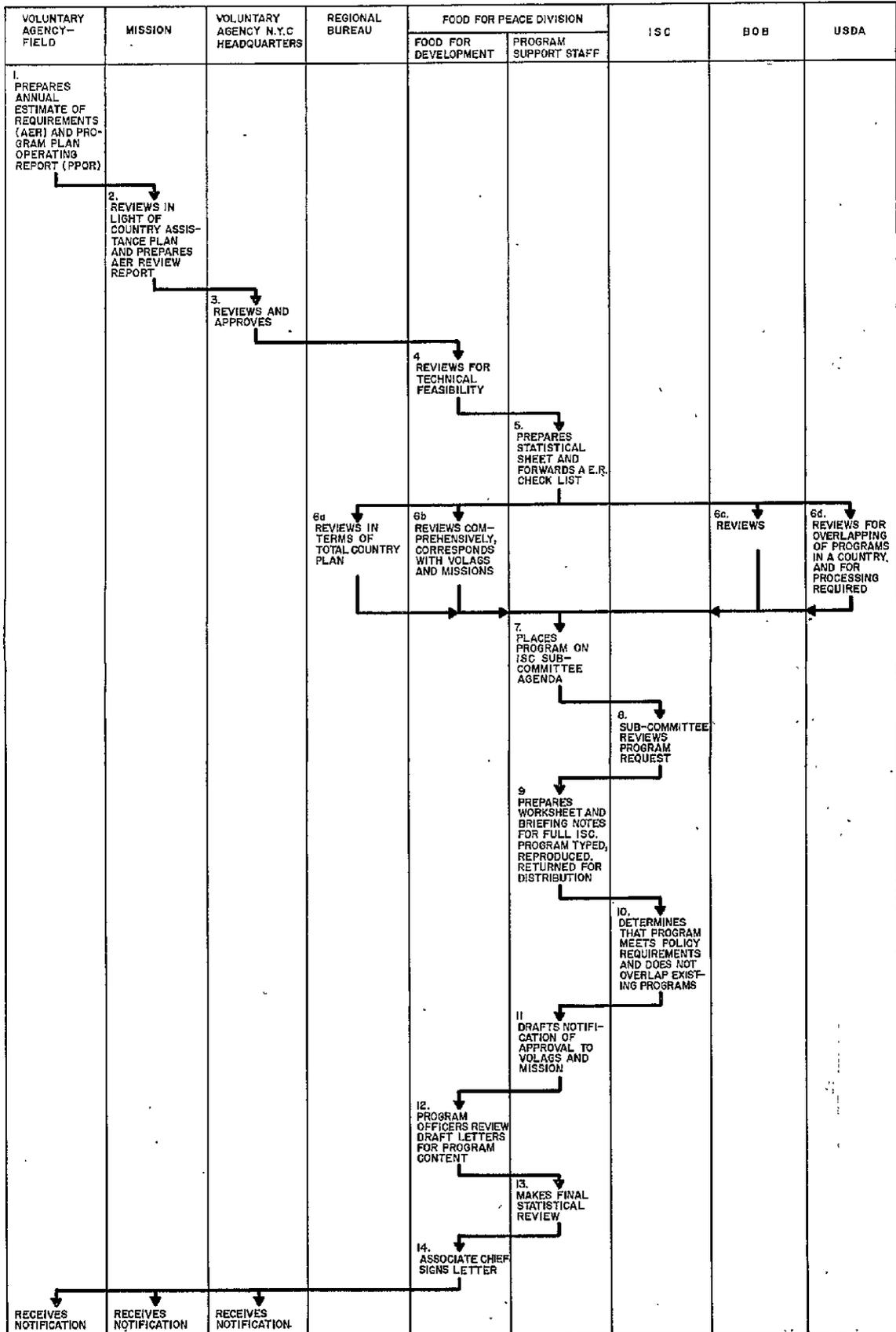


APPENDIX B

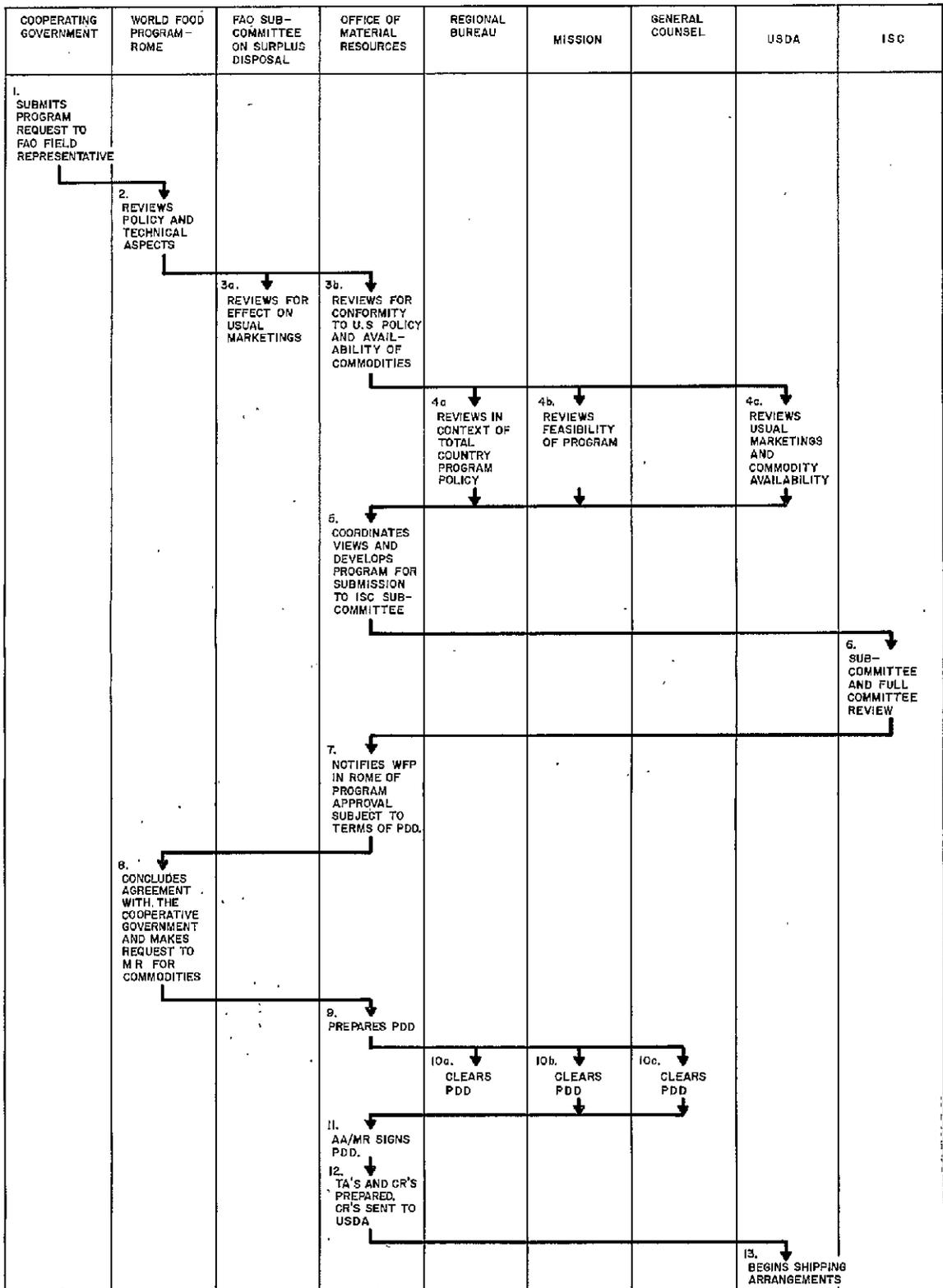
* DOES NOT INCLUDE WORLD FOOD PROGRAM PROPOSALS

From MR/EO DRAFT

TITLE III PROGRAM APPROVAL PROCESS



PROGRAM APPROVAL PROCESS - WORLD FOOD PROGRAM



MANUAL CIRCULAR

AGENCY FOR INTERNATIONAL DEVELOPMENT

SUBJECT P.L. 480 Title II and III - Quarterly Report on Food for Peace Grant Programs (U-)	Page 1 of _____	Circular TL
	FILING INSTRUCTIONS	
	EFFECTIVE DATE April 1, 1966	TERMINATION DATE October 31, 1966

I. Purpose

This manual circular establishes a quarterly report designed to assist cooperating sponsors, U.S. Voluntary Agencies, AID Missions and AID/Washington in the administration and providing of administrative support for P.L. 480 Title II and III programs.

The report requires the compilation of data on the receipt, storage, distribution and planned distribution of commodities by cooperating sponsors and voluntary agencies. This information will help the field and Washington to improve shipment and distribution scheduling and eliminate excessive stockpiling and spoilage.

The report also requires an evaluation by the Mission of the progress of food for work, land resettlement, livestock and poultry feeding, school feeding, and maternal-child feeding projects conducted under P.L. 480 Title II (Section 202), school lunch and maternal-child feeding projects conducted under Title III, and Title II (Section 201) activities. This information will be useful to the field and Washington for relating project performance to goals and objectives and for providing early warning of difficulties and deficiencies.

II. Format of the Report

A. Attachment A outlines the narrative portion of the U- report. The Missions are responsible for this part of the report.

B. Annex I, Status of P.L. 480 Title II and III Projects, provides a concise checksheet for the Missions to report to AID/W on the progress and quality of performance of Food for Peace grant projects. Instructions for filling out the checksheet are on the reverse side of Annex I.

C. Annex II, P.L. 480 Title II Commodity Status, provides data on the status of Transfer Authorizations and the receipt, storage, distribution and planned distribution of commodities by project. This part of the U-report is the responsibility of the cooperating sponsors or voluntary agencies administering each project. Instructions are on the reverse side of Annex II. This report should be submitted quarterly by cooperating sponsors or voluntary agencies to the Missions and made part of the Mission's U- report.

Note this Manual Circular on the Chapter Checklist and TL Checksheet for AID Manual Chapter _____

D. Annex III, Receipt and Distribution of P.L. 480 Title III Commodities in Foreign Countries (form AID 1440-4) is required yearly by M.O. 1558.4 - P.L. 480 Title III: Audits and Reports. This report should now be submitted quarterly by voluntary agencies and made part of the Mission's U- report.

Note that the form of 1550-3 is unchanged. However, school lunch and maternal-child feeding projects conducted under Title III are to be assigned project numbers. See Section III below.

III. Procedures

A. Missions are to assign a 11 digit project number in accordance with the following instructions to (1) all on-going food for work, land resettlement, livestock and poultry feeding, school lunch, and maternal-child feeding projects conducted under Title II (Section 202), (2) school lunch and maternal-child feeding projects conducted under Title III, and (3) Title II (Section 201) activities.

1. Regional and Country Geographic Code - 3 digits

Per M.O. 1095.2

2. Category Code - 2 digits

51	Food for Work
52	Land Resettlement
53	Livestock and Poultry Feeding
54	School Lunch
55	Maternal-Child Feeding
56	Emergency Assistance (Section 201)
57	Emergency Assistance - Refugees (Section 201)
58	P.L. 480 Section 203 - Project Support

M.O. 1095.2 will be amended to include these codes

3. Technical Code - 3 digits

Per M.O. 1095.2

4. Project Serial Number - 3 digits

The chronological sequence number of those projects which are exclusively Food for Peace projects. When a Food for Peace project is part of an AID-financed capital or technical assistance project its project serial number should be identical with the project serial number assigned to the capital or technical assistance project per M.O. 1095.2. Activities which are being supported under Section 203, category code 58, should have the same project serial number as the project being supported.

B. The report is due in Washington on or before the 15th day of the month following the end of the reporting quarter. The first report is due not later than July 15, 1966, for the last quarter of FY 66, except for form AID 1550-4 which will cover the whole of FY 66 and become a quarterly report beginning July 1, 1966.

C. The narrative part of the report is prepared on Airgram Form 5-39 and bears the designation "Report Control No. U- ."

D. Reports containing sensitive information should be appropriately classified.

IV. Field Comments

Suggestions for improving this report system will be welcomed. They should be sent to the Office of Material Resources/Food for Peace Division before July 1, 1966.

AIRGRAM

DEPARTMENT OF STATE

Attachment A.

CLASSIFICATION
CLASSIFICATION

For each address check one ACTION INFO

TO - AID/W

DATE REC'D.
DATE SENT

DISTRIBUTION
ACTION
INFO.

FROM - US AID/

SUBJECT - Quarterly Report on Food for Peace (Grant)

REFERENCE - Report Control Number U-

I. Situation

- A. Discuss political, economic and cultural developments which most seriously affect Food for Peace activities.
- B. Give the particulars of deficiencies noted in Annex I.
- C. Discuss your responses to the items in Annex I as necessary, e.g., the findings of project and end-use inspection made during the quarter, a summary of cooperating sponsor or voluntary agency project progress reports (not commodity status reports which are to be attached).
- D. Other significant events since the last report.

II. Operations.

- A. Administrative support furnished by the Mission to the cooperating sponsors and voluntary agencies.
- B. Action taken (or requested) with respect to loss or damage of commodities other than in ocean transportation.
- C. Outturn reports forwarded to MR/RTD re claims against ocean carriers.
- D. Project proposals being developed.

OTHER AGENCY

PAGE	PAGES
OF	

DICTIONARY BY	OFFICE	PHONE NO.	DATE	APPROVED BY:

AID AND OTHER CLEARANCES

CLASSIFICATION
CLASSIFICATION

(Do not type below this line)

POST	NO.	CLASSIFICATION	PAGE	PAGES
				OF

III. Evaluation

A. Discuss the factors, as necessary, on which you base your response to items 8 and 9 of Annex I.

B. Give project evaluation resulting from any post-project completion assessment.

C. The effect of P.L. 480 grant programs during the quarter on:

1. Nutritional deficiencies
2. Agricultural development efforts
3. Community development efforts
4. The local economy -- inflationary or deflationary impact.

D. The attitude of the recipient government and people toward the various kinds of P.L. 480 grant projects and programs (press clipping, etc. may be attached).

IV. Recommendations

Recommend measures, if any, to improve P.L. grant programs and relations with cooperating country, sponsors or voluntary agencies.

CLASSIFICATION

CLASSIFICATION

QUARTERLY REPORT ON THE STATUS OF P.L. 480 TITLE II AND III PROJECTS

INSTRUCTIONS FOR FILLING IN THE ITEMS ON THE REVERSE SIDE

PROJECT NUMBER

IN THE SPACE BELOW THE HEADING PROJECT NUMBER AND ABOVE THE SPACE ALLOTTED FOR RESPONSE TO ITEM 1, INSERT THE PROJECT NUMBER.

1. GIVE THE DATE ON WHICH THE PROJECT WAS TO START AS AGREED IN THE TRANSFER AUTHORIZATION OR PROGRAM PLAN.
 2. STATE THE NUMBER OF WEEKS INITIATION OF THE PROJECT IS BEHIND SCHEDULE. GIVE THE REASONS FOR DELAY IN THE NARRATIVE PORTION OF THE REPORT AND ANSWER THE FOLLOWING QUESTIONS. WHAT IS BEING DONE TO OVERCOME THE DELAY? DOES THE DELAY AFFECT OTHER ACTIVITIES? CAN WASHINGTON DO ANYTHING TO ASSIST?
 3. STATE THE NUMBER OF WEEKS EXECUTION OF THE PROJECT IS AHEAD OF SCHEDULE.
 4. MAKE A CHECK MARK IF EXECUTION IS ON SCHEDULE.
 5. MAKE A CHECK MARK IF THE PROJECT IS ON SCHEDULE BUT IS POORLY MANAGED OR TYPIFIED BY POOR WORKMANSHIP. EXPLAIN IN THE NARRATIVE PORTION OF THE REPORT AND TELL WHAT IS BEING DONE TO REMEDY THE SITUATION.
 6. STATE THE NUMBER OF WEEKS PROJECT EXECUTION IS BEHIND SCHEDULE. IN THE NARRATIVE SECTION GIVE DETAILS AND TELL WHAT IS BEING DONE TO IMPROVE THE SITUATION.
 7. RECORD THE PERCENTAGE OF PROJECT COMPLETION. WITH RESPECT TO SCHOOL, MATERNAL-CHILD AND TITLE II 201 FEEDING, PERCENTAGE OF COMPLETION REFERS TO THE EXTENT TO WHICH DISTRIBUTION IS BEING MADE AS AGREED TO IN THE TRANSFER AUTHORIZATION OR PROGRAM PLAN.
 - 8 AND 9. THESE ITEMS REFLECT THOSE ASPECTS OF A PROJECT OTHER THAN A PHYSICAL ACCOMPLISHMENT AND THE FEEDING OF RECIPIENTS, SUCH AS, THE DEGREE OF INVOLVEMENT BY THE LOCAL POPULATION AND GOVERNMENT, THE AFFECT OF THE PROJECT ON THE LOCAL ECONOMY, IMPROVEMENT IN THE HEALTH OF CHILDREN, AN INCREASE IN THE MARKET PLACE OF LOCALLY PRODUCED PROTEIN FOOD, ETC. IN THE 1ST QUARTERLY REPORT, AND IN SUCCESSIVE REPORTS WHEN A PROJECT IS ADDED, STATE IN THE NARRATIVE PORTION OF THE REPORT THE PRIMARY AND SECONDARY GOAL BEING USED FOR ITEMS 8 AND 9.
- BEGINNING, E.G., IF THE PRIMARY GOAL IS TO INVOLVE THE COOPERATING COUNTRY GOVERNMENT IN A SCHOOL LUNCH PROGRAM AND HAVE IT INCREASINGLY TAKE ON THE BURDEN OF THE PROJECT AND THIS IS BEING DONE TO THE EXTENT AND IN THE MANNER AGREED THE PERCENTAGE OF GOAL WOULD BE 100.
10. INSERT THE DATE DURING THE QUARTER ON WHICH THE PROJECT WAS COMPLETED.
 11. DATE OF POST COMPLETION EVALUATION OF THE PROJECT. THE EVALUATION SHOULD BE MADE A PART OF THE NARRATIVE PORTION OF THE REPORT.
 12. INSERT THE NUMBER OF PROGRESS REPORTS RECEIVED FROM THE COOPERATING SPONSOR OR VOLUNTARY AGENCY.
 13. MAKE A CHECK MARK IF THE PROJECT WAS INSPECTED BY THE US AID.
 14. MAKE A CHECK MARK IF THE FOOD STOCK AND ITS END-USE WERE INSPECTED BY THE US AID. NOTE ANY DEFICIENCIES AND CORRECTIVE ACTION TAKEN IN THE NARRATIVE PART OF THE REPORT.

TYPICALLY, PERCENTAGE OF GOAL ACHIEVED WILL INCREASE AS THE PROJECT MATURES. HOWEVER, THE PERCENTAGE COULD BE HIGH FROM THE

P.L. 480 TITLE II COMMODITY STATUS

1. COUNTRY _____ SPONSOR _____ 2. DATE _____
 3. PROJECT TITLE & No. _____ AMOUNT PROGRAMMED _____

	A	B	C	D	E	F	G
4. TA NUMBER							
5. COMMODITY CODE							

TA STATUS

6. TA TOTAL	M/T						
	VALUE						
7. TOTAL CALLED FORWARD	M/T						
	VALUE						
8. TOTAL RECEIVED	M/T						
	VALUE						
9. C/F BUT NOT RECEIVED	M/T						
	VALUE						
10. UNORDERED BALANCE	M/T						
	VALUE						

SUPPLY POSITION

11. BEGINNING INVENTORY	M/T						
12. BORROWER	M/T						
13. RECEIVED	M/T						
14. LOSS IN OCEAN TRANSIT	M/T						
15. LOSS IN INLAND TRANSIT	M/T						
16. DISTRIBUTED OR SOLD	M/T						
17. BALANCE ON HAND	M/T						
18. C/F DELIVERY NEXT 4 MONTHS	M/T						
19. ANTICIPATED SUPPLY	M/T						

ESTIMATED DEMAND

PLANNED DISTRIBUTION M/T (20 - 23)

20. A. 1ST MONTH FOLLOWING QTR.	M/T						
21. B. 2ND	M/T						
22. C. 3RD	M/T						
23. D. 4TH	M/T						
24. REPAYMENT BORROWED STOCK	M/T						
25. DESIRED CARRY-OVER	M/T						
26. TOTAL DEMAND	M/T						

CALL FORWARD REQUEST

27. CALL FORWARD NEXT QTR.	M/T						
28. REQUESTED TIME OF ARRIVAL	M/T						

QUARTERLY REPORT ON P.L. 480 TITLE II COMMODITY STATUS

INSTRUCTIONS FOR FILLING THE ITEMS ON THE REVERSE SIDE

1. GIVE THE NAME OF THE COUNTRY AND THE NAME OF THE COOPERATING SPONSOR (OR U.S. VOLUNTARY AGENCY) ADMINISTERING THE PROJECT IN ITEM 3.
2. THE DATE SHOULD BE THE 1ST OF THE MONTH FOLLOWING THE QUARTER BEING COVERED BY THIS REPORT.
3. NAME OF THE PROJECT, NUMBER ASSIGNED, AND AMOUNT PROGRAMMED.
4. THE FIRST ENTRY IN EACH COLUMN, A THROUGH G, IS THE TRANSFER AUTHORIZATION NUMBER UNDER WHICH EACH COMMODITY IN ITEM 5 IS PROVIDED. IF FINAL DELIVERY OF COMMODITIES IN ITEM 5 WAS MADE UNDER THIS TA DURING THE LAST QUARTER WRITE F IN THE SMALL SPACE PROVIDED AFTER THE TA NUMBER.
5. GIVE THE COMMODITY CODE OF THE COMMODITY BEING SUPPLIED FOR THE PROJECT IN ACCORDANCE WITH THE TRANSFER AUTHORIZATION IN ITEM 4.

TA STATUS

6. THE TOTAL NUMBER OF METRIC TONS AND CCC VALUE OF THE COMMODITY AUTHORIZED FOR SHIPMENT FROM THE U.S. IN ACCORDANCE WITH THE TRANSFER AUTHORIZATION FOR ACCOMPLISHING THE PROJECT IN ITEM 3.
7. THE TOTAL NUMBER OF METRIC TONS AND CCC VALUE CALLED FORWARD FROM THE U.S. SINCE PROJECT INCEPTION. Do NOT INCLUDE QUANTITIES CALLED FORWARD FOR ARRIVAL OVER FOUR MONTHS AFTER THE END OF THIS QUARTER BUT DO INCLUDE THOSE SCHEDULED TO ARRIVE WITHIN 4 MONTHS FROM THE END OF THIS QUARTER.
8. THE TOTAL NUMBER OF METRIC TONS AND CCC VALUE DELIVERED AT THE PORT OF DISCHARGE FROM PROJECT INCEPTION TO THE END OF THIS QUARTER. INCLUDE LOSSES AND SHORTAGES IN OCEAN TRANSIT.
9. THE TOTAL NUMBER OF METRIC TONS AND CCC VALUE CALLED FORWARD FOR DELIVERY TO THE PORT OF DISCHARGE DURING THE NEXT FOUR MONTHS FROM THE END OF THIS QUARTER. Do NOT INCLUDE COMMODITIES WHICH MAY HAVE ARRIVED BEFORE THE END OF THIS QUARTER. (ITEMS 8 PLUS 9 SHOULD EQUAL ITEM 7)
10. THE TOTAL NUMBER OF METRIC TONS AND CCC VALUE REMAINING IN THE TRANSFER AUTHORIZATION TO BE DELIVERED FROM THE U.S. INCLUDE THE TOTAL NUMBER OF METRIC TONS TO BE DELIVERED AFTER FOUR MONTHS FROM THE END OF THIS QUARTER BUT NOT THE NUMBER OF METRIC TONS TO BE DELIVERED WITHIN THE FOUR MONTH PERIOD FROM THE END OF THIS QUARTER. (ITEMS 7 PLUS 10 SHOULD EQUAL ITEM 6)

SUPPLY POSITION

1. THE TOTAL NUMBER OF METRIC TONS IN INVENTORY AT THE BEGINNING OF THE QUARTER COVERED BY THIS REPORT.

12. THE TOTAL NUMBER OF METRIC TONS BORROWED FROM OTHER SOURCES DURING THIS REPORTING QUARTER.
13. THE TOTAL NUMBER OF METRIC TONS RECEIVED DURING THIS REPORTING QUARTER, INCLUDE THOSE LOST OR DAMAGED IN OCEAN TRANSIT.
14. THE TOTAL NUMBER OF METRIC TONS LOST OR DAMAGED IN OCEAN TRANSIT DURING THIS REPORTING QUARTER.
15. THE TOTAL NUMBER OF METRIC TONS LOST OR DAMAGED (I.E. UNSUITABLE FOR DISTRIBUTION) IN INLAND TRANSPORTATION DURING THE REPORTING QUARTER.
16. THE TOTAL NUMBER OF METRIC TONS DISTRIBUTED DURING THE QUARTER TO ELIGIBLE RECIPIENTS OR SOLD FOR LOCAL CURRENCY AS AGREED IN THE TRANSFER AUTHORIZATION.
17. THE TOTAL NUMBER OF METRIC TONS ON HAND AT THE END OF THIS QUARTER. (THIS ITEM SHOULD EQUAL ITEMS 11 PLUS 13 MINUS ITEMS 14 PLUS 15 AND 16)
18. THE TOTAL NUMBER OF METRIC TONS THE MISSION HAS CALLED FORWARD FOR DELIVERY AT THE PORT OF DISCHARGE DURING THE NEXT FOUR MONTHS FROM THE END OF THIS QUARTER. (SAME AS ITEM 9)
19. ANTICIPATED SUPPLY IN TOTAL NUMBER OF METRIC TONS FOR THE NEXT FOUR MONTHS FROM THE END OF THIS QUARTER. (ITEMS 17 PLUS 18 EQUALS ITEM 19)

ESTIMATED DEMAND

- 20-23 PLANNED DISTRIBUTION (OR SALE) IN TOTAL NUMBER OF METRIC TONS FOR EACH OF THE FOUR MONTHS FOLLOWING THE END OF THIS QUARTER.
24. THE TOTAL NUMBER OF METRIC TONS NEEDED TO REPAY STOCK BORROWED DURING THE QUARTER.
25. THE TOTAL NUMBER OF METRIC TONS OF STOCKPILE RESERVE DESIRED TO CUSHION AGAINST DELAYS IN DELIVERY.
26. THE TOTAL NUMBER OF METRIC TONS REQUIRED DURING THE FOUR MONTHS FOLLOWING THE END OF THIS QUARTER TO CARRY ON THE PROJECT IN ITEM 3. (THIS ITEM SHOULD EQUAL THE SUM OF ITEMS 20 THROUGH 25)

CALL FORWARD

27. THE TOTAL NUMBER OF METRIC TONS OF THE COMMODITY IN ITEM 5 TO BE CALLED FORWARD FROM USDA BY A COMMODITY REQUEST IN THE NEXT QUARTER. THE "NEXT QUARTER," FOR THIS ITEM ONLY, IS THE THREE MONTH PERIOD FOLLOWING ONE MONTH AFTER THE END OF THIS REPORTING QUARTER.
28. THE TIME(S) OF ARRIVAL AT PORT OF DISCHARGE TO BE REQUESTED FOR THE COMMODITIES IN ITEM 27.

RECEIPT AND DISTRIBUTION OF SECTION 416 (Title III, P. L. 480)
COMMODITIES IN FOREIGN COUNTRIES

Name of Recipient Country
Period Covered by this Report

Note: See Instructions on Reverse Side

1. Name of Commodity							
2. Available during period	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
(a) Beginning inventory							
(b) Received during period							
(c) Total available (a) + (b)							
3. Distribution during period							
(a) Schools							
(b) Institutions							
(c) Family Individuals							
(d) Family workers							
(e) Refugees							
(f) Summer Camps							
(g) Maternal-child welfare							
(h) Health cases							
(i) Feeding Centers							
(j) Total Distribution							
4. Balance on hand (2c - 3j)							
5. Physical Inventory							
6. (a) Programmed but not rec'd							
(b) Received but not programmed							
7. Category of Recipients	Total Number	Number	Number	Number	Number	Number	Number
(a) Schools							
(b) Institutions							
(c) Family Individuals							
(d) Family Workers							
(e) Refugees							
(f) Summer Camps							
(g) Maternal-child wel.							
(h) Health cases							
(i) Feeding Centers							
(j) Total No. of Recipients (7a through 7i)							

Three Additional Columns on Fold-out, not included here.

Countersigned:

I hereby certify that this report is true and correct:

U.S. Headquarters of Agency

Date

Signature of Agency Representative

Date

ITEM 1 - Fill in each type of commodity.

NOTE: All entries for Items 2 through 5 are to be shown in actual pounds.

ITEM 2 - (a) Enter the total quantity of each commodity in inventory at the beginning of the period covered by this report. The figures will be the same as those shown in Item 5 of the report for the preceding period.

(b) Enter the total quantity of each commodity received during the period covered by this report.

(c) Total of Items (a) and (b).

ITEM 3 - (a) through (i). Enter the total quantity of each commodity distributed to each of the listed categories of recipients during the period covered by this report.

(j) Enter the sum of Items 3 (a) through (i) for each commodity.

ITEM 4 - Enter the figures obtained by subtracting Item 3(j) from 2(c).

ITEM 5 - All entries in this item must represent the quantity of donated commodities actually on hand within the country as of the ending date of this report which have not been delivered to recipient agencies or individuals for their own utilization. For example, commodities on hand in institutions and schools which are being held for their own use need not be reported, but commodities being held for redistribution to other recipient agencies or individuals must be reported. The figures shown must be the total of all physical inventories obtained from all redistribution points, and in ports of destination, plus any quantity in transit within the country to central distribution points.

Any differences between the figures shown in Items 4 and 5 must be explained. All such explanations must be attached and submitted with this report.

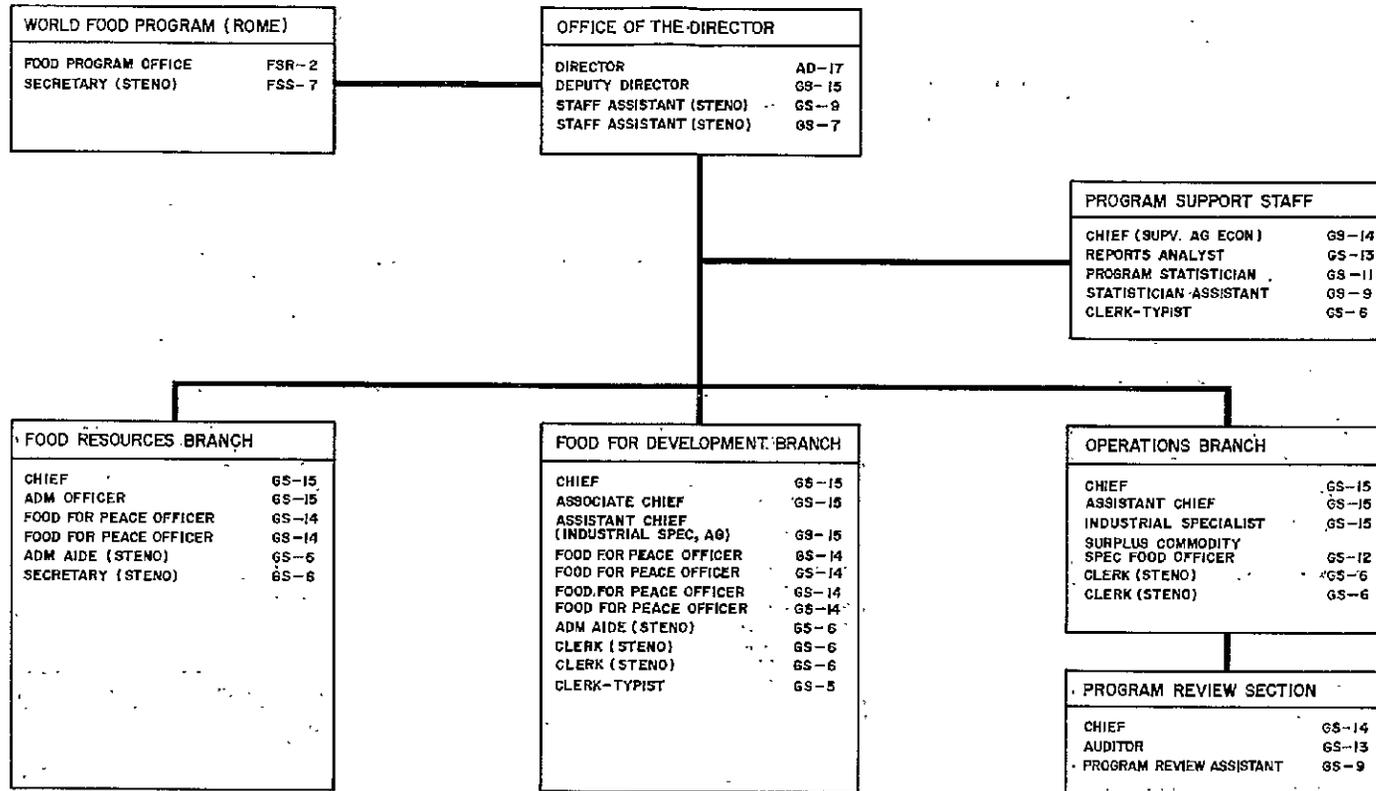
ITEM 6 - List on Line 6(a) the quantity of any commodity programmed for the reporting period but which did not reach the port of destination by the end of the reporting period. The programmed quantities are those indicated on line 15 of the approved AER, including supplements and/or amendments.

List on Line 6 (b) the quantity of any commodity received over and above the quantity programmed for the period.

ITEM 7 - (a) through (i). Enter in the first column the total number of individual recipients in each category participating in the food donation program, whether or not they receive one or more commodities. Following for each commodity, list the number of the recipients who received that commodity.

(j) Enter the sum of Items (a) through (i) for each commodity.

PRESENT ORGANIZATION, FOOD FOR PEACE DIVISION

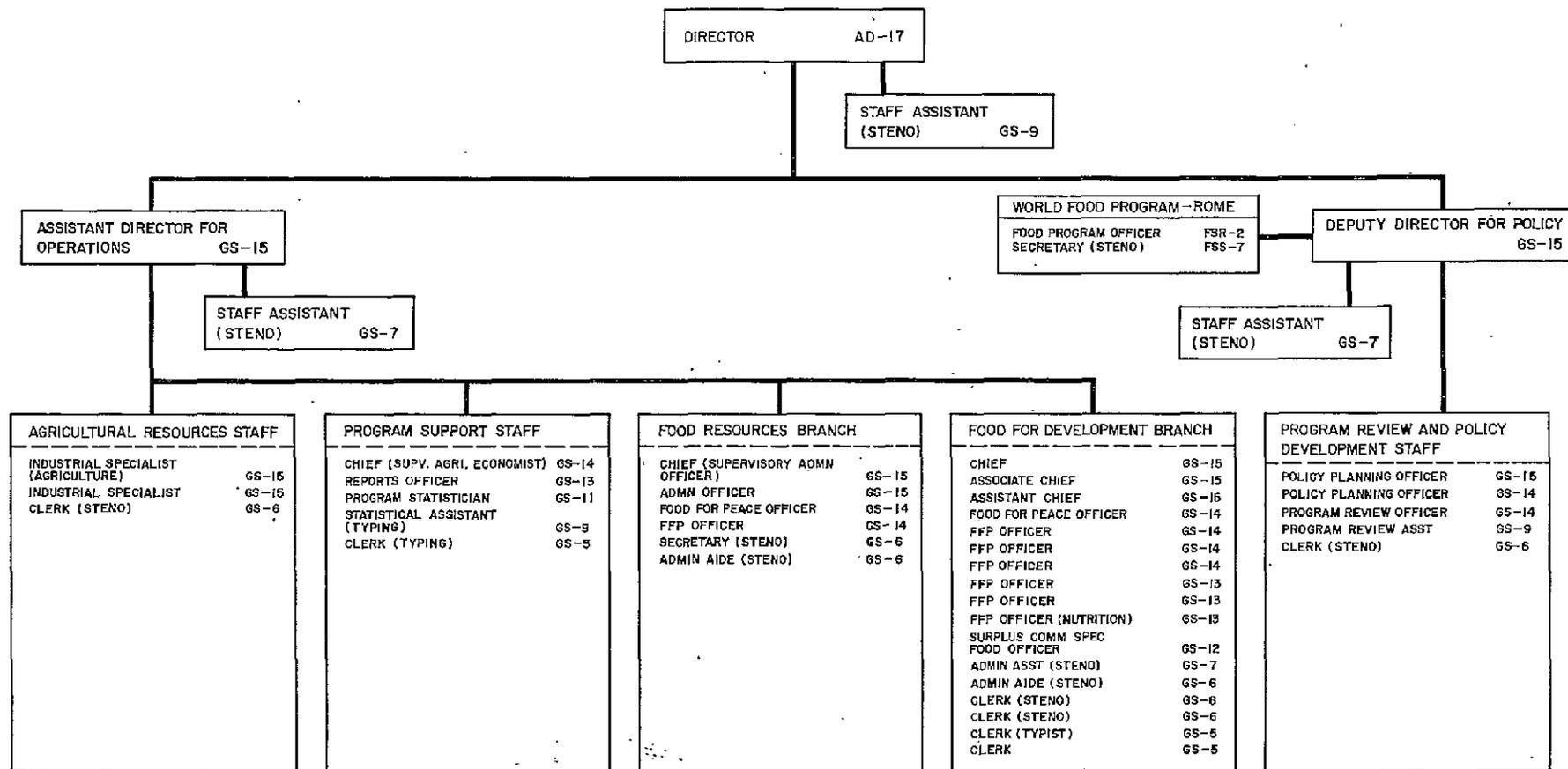


APPENDIX F

	PRESENT CEILING		
	PROF	CLERICAL	TOTAL
DIRECTOR'S OFFICE	3	3	6
PROGRAM SUPPORT STAFF	4	1	5
FOOD RESOURCES BRANCH	4	2	6
FOOD FOR DEVELOPMENT BRANCH	7	4	11
OPERATIONS BRANCH	4	2	6
PROGRAM REVIEW SECTION	3	0	3
	<u>25</u>	<u>12</u>	<u>37</u>

NOTE:
AD-301-15 POSITION DETAILED TO
FE/VN FOR REFUGEE PROGRAM
NOT INCLUDED ON THIS CHART

PROPOSED ORGANIZATION, FOOD FOR PEACE DIVISION



APPENDIX G

	PROPOSED CEILING		TOTAL
	PROF	CLERICAL	
DIRECTOR'S OFFICE	4	4	8
POLICY PLANNING	4	1	5
FOOD FOR DEVELOPMENT	11	6	17
FOOD RESOURCES	4	2	6
PROGRAM SUPPORT	4	1	5
AGRICULTURAL RESOURCES	2	1	3
	29	15	44

NOTE 1:
POSITION AD-301-15, DETAILED TO FE/VN,
NOT INCLUDED ON THIS CHART.

NOTE 2:
DOES NOT INCLUDE GS-13 AUDITOR
EXPECTED TO DEPART END FY 66