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OPPORTUNITIES INDUSTRIALIZATION CENTERS INTERNATIONAL (OICI)

Background

Opportunities Industrialization Centers (OIC) began in 1964 as a self-help community action movement in Philadelphia promoted by Reverend Leon H. Sullivan and designed initially to elicit greater employment opportunities for blacks. This led to the formation of vocational training programs in Philadelphia for underskilled blacks and successively, to blue collar positions identified prior to schooling, for the trainee. The magnetism of leadership and the success of the initial program succeeded in attracting federal and corporate support for OIC, permitting the organization to expand into approximately 100 cities in the United States.

As a sequel to the training programs, in 1966, Reverend Sullivan devised a grassroots investment scheme, euphemistically called the "10-36 Plan" (\$10 per month for 36 months), but registered as the Zion Investment Associates, in honor of his church, the Zion Baptist Church of Philadelphia, through which limited capital share holders could undertake commercial ventures in real estate, retail sales, manufacturing and construction enterprises. The company's raison d'etre is more that of maximizing social returns than profit to the investor. The company is still in existence and has reportedly succeeded where other social purpose investment companies have failed completely. Unfortunately, however, the company is reported to have had some financial problems.

A Readers Digest Publication, featuring the works of Dr. Sullivan in the U.S., reached both the African and Latin American continents. As a result, several Heads of States wrote directly to Sullivan, asking that he assist their countries train the educable but functionally uneducated. His international programs, in response to these requests, were launched in early 1971, with financial assistance from A.I.D.

Current

OICI is a community action oriented organization involved in labor market skills training projects. Through non-formal education, an OICI trainee is taught a marketable industrial skill such as carpentry, brick laying, clerical work, etc., and provided with a job located by OICI. The average time span from start of pre-skill education to job placement is 18 months.

OICI, using A.I.D.'s funds, has programs in the following countries:

Ghana	Nigeria
Zambia	(now locally funded)
Togo	Ethiopia
Sierra Leone	

Proposals are being considered for the following:

Liberia  
Lesotho  
The Gambia

Prefeasibility studies are soon to be underway in:

British Honduras  
Dominican Republic

Specifics on each of the above is available upon request.

Vivian L. C. Anderson  
PHA/PVC/OPNS

Scope of Work  
Evaluation of OIC Activities

I. General Statement

This is the first of a series of evaluations which will be conducted at periodic intervals during the life of the OIC project operations overseas. As first in the series, this evaluation is considered as being two-fold in nature. First, a means of assessing the extent the operations are progressing toward achievement of project objectives and second, a means for determining future program needs and modification in direction, concepts, organizational structure and strategy as may be indicated. Within this context, it is important that the contractor undertaking the evaluation is cognizant of the fact that OIC activities in Ghana and Nigeria are new undertakings with less than six months of effective operation in foreign countries; and the important determination is whether the program concepts and structure are valid and how they are functioning in the new social and economic environment. Thus one outcome of the evaluation study would be an examination of the objectives of the project with a view to refining them and sharpening their focus. The on-site operations in Ghana and Nigeria are to be assessed as well as the Home office operations in Philadelphia.

II. Objectives

- A. The primary objective of this project is to help alleviate urban unemployment and underemployment in Nigeria and Ghana by establishing an institution capable of training unemployed and underemployed school age dropouts in vocational skills for which there is a demand in the labor market and placing them in positions on completion of their training. At a later date, managerial training may be added in order to provide skills leading toward the development of small businesses.
- B. A second objective, seen as a by product of the project, is to establish and strengthen forms of voluntary and non-governmental organizations and cooperation.

III. Nature and Scope of the Evaluation

On site operations in Accra, Ghana and Lagos, Nigeria:

- A. The contractor shall determine the extent to which the above objectives are being addressed, including such factors as:

- The extent to which community participation and involvement in the activities are evolving, including the organizational structure and effectiveness of the local Advisory Councils and Boards of Directors and local financial support to the program.
- Relationship between the local OIC and private industry and management and the effect this relationship has on (1) the kind of skills being taught and (2) the opportunities for employment of students after they complete their training.
- The recognition given to the program by the national governments, the relationship between the OIC and the national governments and the role of the governments in the program and the attendant effect.
- The extent to which the training programs prepare trainees with the skills specifically needed by prospective employers; the attitudes and expectations of trainees; percent remaining in training; follow-up on success of post-training employments.
- The role of the African counterpart. The extent to which they are being prepared to eventually assume full responsibility for the total institutional program.
- In addition to industry and government, the relationship between the OIC to other social and vocational oriented organizations and institutions within the community; to the community at large.
- Effectiveness of American OIC field staff: planning/guidance capacity; training skills; relationships with host country OIC staff and students, business, government and USAID.

B. Home Office Operations in Philadelphia

The home office operation will be evaluated to determine the effectiveness of the administrative and management capability to adequately provide the leadership, training and professional backstopping required for the overseas operation. This includes:

- Organizational structure and communications within OIC/ International, and the association it has with the parent OIC organization and the local OIC operations overseas.
- Finance management and controls.
- Staff qualifications and appropriateness of A.I.D. financed staff size and competencies.
- Reporting and planning requirements.
- Assessment of instructional programs and staff for training African personnel including staff, facilities, instructional materials and methodology.

C. Conclusions and Recommendations

This section of the evaluation report should provide:

- Base-line data which would be useful points of departure for future evaluations against which progress could be measured, qualitatively and quantitatively.
- Recommendations regarding any program revision or changes in direction which will enhance achievement of project objectives, including refinement of objectives and such program documents as the PROP and the contractors plan of work and time schedules.

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April 25, 1969

Dr. Robert Gardiner, ECA  
c/o Miss Lorraine Pinkett  
USAID/Ethiopia  
c/o American Embassy  
APO New York 09319

Dear Dr. Gardiner:

I have set in motion the structuring of a year's program for Dr. Kidane M. Zerezghi's stay with us here in Philadelphia. Dr. L. D. Reddick will be working very close with me on this project.

The proposed program being designed for this OIC/ECA endeavor is as follows:

- I. Phase One - Introduction to OIC 3 months  
This will be handled jointly by Dr. Reddick, who is head of the OIC Managerial Training Program in the National Institute and Rev. Thomas J. Ritter, Executive Director of the OIC program in Philadelphia. He will not only get the philosophy, concepts and managerial approach from Dr. Reddick's class, but would also get practical involvement by working in all the phases of the Philadelphia OIC program.
- II. Phase Two - Initiating and Developing OICs 3 months  
During this phase of the training, Dr. Kidane will be working with Mr. Elton Jolly, who is the Executive Director of the OIC National Extension Services. This phase of the training will expose Dr. Kidane to the overall range of problems in initiating and launching OIC programs from the very beginning. During this phase of training, he will have the opportunity to travel to OIC programs throughout the country.
- III. Phase Three - Providing Technical Assistance to Develop OIC Programs 3 months  
During this phase of the training, Dr. Kidane will be working with the OIC National Institute which is under the leadership of Mr. Frederick E. Miller. The primary function of the

Dr. Robert Gardiner

Institute is to provide technical assistance of OIC program involvement, refinement and up-grading. Dr. Kidane will be evaluating a whole host of problems that are encountered in maintaining and improving the viability of OIC programs.

- IV. Phase Four - The final phase of Dr. Kidane's training will be to study, observe and evaluate the small scale industries initiated by the economic wing of Dr. Sullivan's endeavors. This phase of the program is carried out by the Progress Management and Economic Development (PMED) program under the leadership of Rev. Gus Roman. Also during this period, Dr. Kidane's exposure will be linked with the Progress Plaza Training Center under the leadership of Mr. Elmer Young, which is designed to provide managerial and business ownership skills to local entrepreneurs.

Of course, prior to going into these various phases, the ECA man will receive a general overall orientation to all phases of this program.

As soon as you and Dr. Kidane have decided on his travel plans, we would like to know.

## OIC NATIONAL & INTERNATIONAL TRAINING PROGRAM

### A Year's Study Program

This OIC Year's Study Program is designed to provide its participants with an in-depth knowledge of the history, function and organizational structure of the Opportunities Industrialization Centers national program as well as its social and economic spin-offs.

This year's program will be divided into four 3 month phases exposing the participants to the major areas of Dr. Sullivan's technical, social and economic movement.

### Phase I - 3 months Introduction to OIC

The first phase of the Program will be conducted by OIC Managerial Training Program, which is headed by Dr. L. D. Reddick. During this training phase, the participants will receive instruction in the following areas:

1. OIC - Philosophy and History
2. General Management
3. Fiscal Management
4. Manpower - History and Current Practices
5. Urban Sociology - Problems of the Concentrated Community
6. Minority History
7. Practicum - Supervised Field Work in all Phases of the OIC Operations

The first phase will be coordinated with the Philadelphia OIC under the directorship of Rev. Thomas J. Ritter, Executive Director. The seventh step of phase I of the program - the Practicum - will take place in the Philadelphia OIC program involving the participants in the following major areas of an OIC operation:

1. Management/Fiscal Control
2. Community Organization
3. Community Relations - Fund Raising Techniques
4. Recruitment
5. Counseling--Intake - On-going - Follow-up
6. Instruction - Pre-vocation and Skilled
7. Job Development
8. Job Placement
9. Program Proposal Writing

### Staff

#### The Instructors:

Reverend Leon H. Sullivan, founder & chairman of the board of OIC;  
Prof. David Conrath, liaison, Wharton School of Finance;  
Prof. J. Hart Walters, liaison, Temple University  
Joseph Piccoli, General Electric Co.;  
Robert Norwood, General Electric Co.;  
Alan Zuckerman, formerly director, Internship Program,  
OIC Institute, now Temple University;  
St. Clair Drake, author, Roosevelt University;  
Prof. Lewis Wade Jones, research director, Tuskegee Institute;  
Prof. Leon D. Holsey, research associate, MTS.

Phase II - 3 months Initiating and Developing OICs

The second phase of the Program will be conducted by the OIC National Extension Services directed by Mr. Elton Jolly. During this phase, the participants will receive training in the following major areas essential for initiating an OIC program:

1. Working with and developing local community interest groups.
2. Developing local Board of Directors and satisfying all legal requirements of incorporating a local OIC program.
3. Assist in developing techniques for community mobilization (Fund Raising).
4. Assist local communities in writing program proposals and begin structuring the program training design.
5. Assist local communities in locating and identifying facilities adequate for pre-vocational skilled training.
6. Assist local communities in developing major program components for an OIC operation - Feeder (Pre-Vocational) and Skilled.
7. Assist local program in identifying and selecting equipment relevant to the program training design.
8. Assist in the proper establishment of an efficient Administrative and Fiscal component.
9. Assist in providing program and staff evaluations for continued program improvement whenever requested or necessary.

The uniqueness of this phase will be emphasizing the development and sustaining of OIC manpower training programs without government or large national support--how a program can be developed and supported on local resources.

Also, this phase of the program will be coordinated with the various developing OICs across the country in which the participants will visit and involve themselves.

Staff

Mr. Elton Jolly, Executive Director  
Mr. Oliver Childs, Assistant Director  
Ethel Elsberry, Training Officer  
Ajilo Ibeh, Fiscal Officer  
Arletta Cooley, Secretary  
Lorise Willis, Secretary

Phase III - 3 months Providing Technical Assistance to Developed OIC Programs

The third phase of the Program will be conducted by the OIC National Institute, Mr. Frederick E. Miller, Executive Director. During this program phase, the participants will receive exposure to the following

1. Introduction and Operational Format of the National Institute.
2. Contractual arrangements with Federal Government.
3. Political problems of a non-political organization.

4. Finance and Personnel limitation of a national program.
5. Developing an effective national training design flexible enough to have relevancy to individual local communities.
6. Developing an "uniform" evaluation (reporting) procedures that incorporate the necessary information pertinent to government and local community needs.
7. Review operational procedure of the regional division of the National Institute: Region I Northeastern U.S.; Region II Southern U.S.; Region II Midwestern U.S.; Region IV Farwestern U.S.

- A. Regional responsibility  
B. Regional Offices and Federal Government relationship  
C. Regional Offices and State/local Government relationship  
D. Regional Offices Program responsibilities

1. Working with and developing local community interest groups.
2. Developing local Board of Directors and satisfying all legal requirements of incorporating a local OIC program.
3. Assist in developing techniques for community mobilization (Fund Raising).
4. Assist local communities in writing program proposals and begin structuring the program training design.
5. Assist local communities in locating and identifying facilities adequate for pre-vocational skilled training.
6. Assist local communities in developing major program components for an OIC operation - Feeder (Pro-Vocational) and Skilled.
7. Assist local program in identifying and selecting equipment relevant to the program training design.
8. Assist in the proper establishment of an efficient Administrative and Fiscal component.
9. Assist in providing program and staff evaluations for continued program improvement whenever requested or necessary.

The Regional Offices are headed up by regional directors who are assisted by field representatives with expertise in the following areas:

1. Administration and Finance.
2. Pre-Vocational Education.
3. Vocational Education.
4. Counseling.
5. Recruiting and Job Development.

During this phase, special emphasis will be placed on the perplexities of developing a national institute and local manpower training program in conjunction with the bureaucracy of national, state and local government.

Also this phase of the Program will be coordinated with the various developed federally funded OICs across the country in which the participants will visit and involve themselves.

Staff

Mr. Frederick E. Miller, Executive Director  
Mr. James Brewer, Director, Region I  
Mr. Milton Oates, Director, Region II  
Mr. Robert Byrd, Director, Region III  
Mr. Albert Jacobs, Director, Region IV  
Mr. Jack Maddox, Training Officer  
Mr. Thomas Ellis, Fiscal Officer  
Mrs. Emily Ridley, Executive Secretary

Phase IV - 3 months      Creation and Development of Small Scale Industries

The fourth phase of the Program will be conducted by the economic component of Dr. Sullivan's endeavors, Progress Management and Economic Development (PMED) Program under the leadership of Rev. Gus Roman. During this training phase, the participants will study the following:

1. Orientation to Economic Programs
  - A. Principle of Management
  - B. Principle of Marketing
  - C. Principle of Accounting
  - D. Economics and Finance
  - E. Management Case Studies
  - F. Land Development (Real Estate)
2. Shopping Centers Development
  - A. Construction of location
  - B. Promotion
  - C. Management - Shopping Centers
  - D. Business Contractual arrangement
  - E. Retail merchandising
  - F. Leasing of property
  - G. Establishing a Merchant Association
3. Participants assigned to various Shopping Centers for on-job-training. Final report of activities required.
4. Participants assigned to various government agencies which are connected with businesses and lands development projects. Final report of activities required.

The fourth training phase will be coordinated with Dr. Sullivan's Progress Plaza Shopping Center, which has an Entrepreneur Development Training Center, headed by Mr. Elmer Young. The participants will be exposed to this program which is designed to train local people in the management and ownership of business.

**Staff**

Rev. Gus Roman, Executive Director  
Mr. Al Jackson, Associate Director  
Mr. John Stith, Fiscal Officer  
Mr. Aaron Spaulding, Training Officer  
Mr. Clarence Boxdale, Minority Contract Specialist  
Dr. David Conrath, Wharton School Business, University of Pennsylvania  
Mr. Allen Harberg, Commercial Developer  
Mr. Walter Womack, Program Specialist  
Mr. Charles Taylor, Marketing Specialist  
Mr. James Grier, Architect  
Dr. Richard Kline, Finance Consultant, Temple University  
Miss Janet Rogers, Secretary

This project, which is to involve international interns in the study of the OIC movement and its economic and social spin-offs, will be coordinated by Valo Jordan, Program Director, and staff.

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~~SECURITY CLASSIFICATION~~

PRM-7-5  
(OIC)

**AGENCY FOR INTERNATIONAL DEVELOPMENT**

Washington, D. C. 20523

**MEMORANDUM OF CONVERSATION**

DATE OF MEETING: May 15, 1969

SUBJECT: Opportunities Industrialization Centers

**PARTICIPANTS:**

AA/AFR	Mr. Robert Smith	OIC/Phila	Rev. Leon H. Sullivan
AFR/ID	Mr. Arthur L. Howard	OIC/Phila	Mr. Valo Jordan
AFR/ID/ED	Mr. Sheldon Cole		

**COPIES TO:**

AFR/CWA, Mr. North	All members OIC Committee
AFR/ESA, Mr. Knoll	All participants
USAID Directors	

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Mr. Smith opened the discussion by explaining that the need to first obtain information and evaluations from the USAIDs, relative to the OIC program, had been the reason for the postponement of the meeting with Rev. Sullivan. Sullivan indicated that he appreciated that time was required for this. Mr. Smith asked whether the OIC Advance Team was ready to go to Africa. Rev. Sullivan responded that the men were available to go at once and asked when they might leave. The reply was that assuming full agreement concerning their trip, that they could depart as soon as travel arrangements could be completed and the necessary visas obtained. Possibly the latter part of next week, May 24 - 25. Rev. Sullivan was told that a meeting had been scheduled with the Contracts Office, after lunch that day at which time he might sign the contract amendment providing for the Advance Team.

Rev. Sullivan was appreciative of the progress made to get the team in the field. He said that he had send a report to the President on the program planning to date and on the successful visit of Dr. Hannah and Mr. Smith to the Philadelphia OIC programs. Mr. Smith told Rev. Sullivan that Dr. Hannah had also advised the President. Rev. Sullivan's interest in talking with Congressman Diggs about presenting Sullivan's views to the House Sub-Committee on Foreign Affairs was discussed. It was agreed that Rev. Sullivan would make the contact with Congressman Diggs directly, that Mr. Smith would be available to participate, and that he would like to do so.

Arthur L. Howard

DRAFTING OFFICER: Sheldon Cole

DATE OF PREPARATION: May 20, 1969

~~UNCLASSIFIED~~  
~~SECURITY CLASSIFICATION~~

Mr. Smith in reviewing the messages from the field pointed out that all of the USAIDs were agreeable to the Advance Team visiting the respective countries. However, it seemed that things had gone less smoothly in Kenya than in the other three countries. It was pointed out that the probable reason for this was that the understanding of USAID/Nairobi was that they were to refrain from participating in the initial team's visit; it had, therefore, been difficult for them to undertake evaluation and follow-up activities.

Mr. Smith asked Rev. Sullivan whether he had received any playback from Kenya. Sullivan replied that Tom Mboya, during his U.S. visit a month ago, had called and said that the GOK was quite interested in the OIC program, particularly the entrepreneurship training aspect and urged that a program be developed in that direction. Correspondence had also been received from interested citizens groups as a result of the initial visit.

Mr. Smith suggested that it might be best for the team to omit Nairobi from its itinerary in order to concentrate its time on Accra and Lagos. Rev. Sullivan expressed a strong desire to include Kenya so as to assess the situation there. He expressed the view that Kenya is critical to the development of programs in East Africa. He considers it relatively easy to develop OIC programs in West Africa - much more so than in East, and feels such a visit is essential to future planning. Mr. Smith agreed to including all four countries (Kenya, Ethiopia, Ghana, and Nigeria) in the Team's itinerary.

In agreeing to the four country itinerary, Mr. Smith sought and obtained agreement from Rev. Sullivan that the Advance Team concentrate on reading project proposals for consideration by the host countries and the USAIDs and made it clear that AID assistance had yet to be assured. Mr. Smith pointed out that the visit of the Advance team is merely a follow-up to determine the readiness of the local groups to support an OIC program, that no decision would be made until the team's return and that such decisions then would reflect the capabilities of the OIC Committees to support such a program. The team should not, Mr. Smith stated, raise the hopes of the local committees unduly in assuming that they will receive support for initiating an OIC program. It should be pointed out, however, that the potentials for implementing such a program depends upon local initiative and support. Mr. Smith suggested that the travel schedule might begin in West Africa, Ghana, and Nigeria, where the bulk of immediate activity is most likely to proceed to Kenya and Ethiopia, spending a brief period in each and return to West Africa to complete whatever remains to be done.

Rev. Sullivan agreed this would be a good arrangement and pointed out that the USAID staff in Ethiopia was an excellent one and stated that they were well informed on the local situation. He said he hoped to continue to keep in touch with the Ethiopian Operation as this was the most difficult one to develop and it is just possible that a planning officer will be necessary to follow through on future developments. Sullivan said that he expected Nigeria to be the easiest of the four to establish an OIC program in. Ghana would be more difficult, but not too much so, while Kenya would not be as difficult as Ethiopia.

Mr. Smith suggested that Sullivan/Jordan review incoming messages to get a feel of the feelings of the USAIDs. He expressed the view that Administrative logistical support and staff would be a major problem. Sullivan replied that staff should not be difficult to recruit since OIC has an array of staff scattered throughout the 70 - 80 OICs in other cities.

Mr. Jordan pointed out the need for some form of arrangements to allow for administrative follow-up after the team's return. In reply to Mr. Smith's question on contractual arrangements, Mr. Howard pointed out that it might be possible to proceed with an umbrella type contract before complete agreement on project activities with provisions for task orders for each program phase. An OIC letter was presented outlining the request for the administrative budget with the required personnel.

Mr. Smith raised the question as to the type of OIC staff orientation envisioned and whether or not it could possibly include an orientation of the African scene. Rev. Sullivan emphasized that such an African orientation would not only be included, but was definitely necessary prior to placement in their assignments. Hopefully, the OIC technicians could be phased out in a very short period of time and replaced by the African staff. A period of program development should not be rushed in terms of phase out, but should take place only after it has been proven when a phase out is practical. Mr. Smith re-emphasized what Dr. Hannah had stated to Rev. Sullivan that whatever you undertake to do in Africa, whether in one or two countries, it should be a good program and not a large number of ventures scattered in a few countries with high risk of failure.

In concluding, Mr. Smith emphasized that in planning project specifics in each locality, it will be particularly important to assure (a) effective OIC local committee, (b) substantial local material contributions as well as endorsement, and (c) advance assurance of

employment for those completing training. It was pointed out that in visiting these countries, conversation is necessary with the USAIDs to determine the types of information they require for program development and documentation as well as the need to establish a working relationship between the USAIDs so that they can follow through effectively after the team's departure.

Mr. Smith pointed out that Sheldon Cole was the focal point of AID contact and Mr. Howard, the officer responsible for project committee activities, and that these officers were prepared to address questions or problems which might arise.

Mr. Howard suggested that arrangements be made early next week for the team's orientation and pointed out that the details of the work plan for the team needed to be agreed on and the USAIDs advised before the team's departure.

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

~~#~~ Cole  
OIC File  
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21 OCT 1969

MEMORANDUM

TO: OIT Senior Staff  
FROM: OIT Director, Robert E. Matteson <sup>M</sup>  
SUBJECT: Trip Report -- Philadelphia October 17, 1969

I. Places Visited

1. Opportunities Industrialization Center
2. CIV Benefit

II. Purpose of Visit

1. OIC -- To see at first hand the OIC training set-up and talk with its head Leon Sullivan and the OIT participant Dr. Kidane from Ethiopia. To see what OIC possibilities were in Africa and see whether OIC might be used for African and other participants of OIT as a training facility.

2. CIV -- To attend the benefit dance of the Council of International Visitors.

III. Facts

1. OIC -- I visited the Feeder School, two of the four Skill Centers, Progress Plaza, Progress Management Economic Development, and the OIC Institute.

2. I talked at some length with Reverend Dr. Leon Sullivan the founder and head of OIC, a number of his key people including my host Valo Jordan who will head up the new African program; and with Dr. Kidane--the OIT Ethiopian participant. I also talked with Dr. Howard Mitchell (Human Resource Development Professor at Penn University), Mr. Edward Dwyer (head of the Philadelphia Advisory Council to OIC),

and Mr. Bowditch (Vice President of First Pennsylvania Banking and Trust Company which handles much of OIC's loan financing).

3. The general concept of OIC and its various programs is to motivate, train, and place the unemployables from the hard core jobless living in the inner city. It requires no fee, no entrance test, and concentrates on all minorities with the major emphasis being on Afro-Americans.

4. OIC was established in 1964 in an abandoned jail house in North Philadelphia by Leon Sullivan a 44 year old black, pastor of the Zion Baptist Church. Its Executive Director is Reverend Thomas Ritter, Pastor of the Second Macedonia Baptist Church.

5. The center of the initial operation is the Feeder Program. Here pre-vocational training is given in English as a foreign language, Afro-American history, remedial reading, civil service exam preparation, clerk typing, basic adult education. The central purpose of the Feeder Program is attitudinal and motivational--"to turn the individual around", to give him a sense of purpose. Central to this is counselling--a program to find out the participants interests and abilities and to prepare him for getting started in one of the four skill centers.

The Feeder Program is considered to be the principal program distinguishing it from other manpower training programs. Each person is assigned a counsellor and he may stay two weeks to several months until he is deemed ready by his counsellor to enter a Vocational Skills Center. The Skill Centers can handle 200 trainees each at one time.

In some cases, however, he may go directly from the Feeder Program to OJT with industry. Through the Philadelphia OIC Advisory Council and the National OIC Advisory Council (chaired by George Champion, Chairman of the Board of Chase-Manhattan) there is active liaison with industry in placing people on OJT.

6. The general process followed by OIC is: Outreach (active recruitment in bars, on the streets, etc.), Intake (registration at OIC), Orientation, Feeder Program, Referral to a job or Skill Center, Skill Training, Job Development, Placement, Follow-up. Dr. Sullivan says the average grade attainment of the trainee (they call them "interns") is

8th grade; median age is 27; and that 80% (over 2,000 in Philadelphia) of the interns have been placed on jobs with industry after their training. Over one-third come from relief rolls. At present 1,800 are in training. There is a 25% drop-out rate.

7. The various Skill Centers (North, South, West Philadelphia and Germantown) each give different kinds of training although there is some duplication: restaurant, sheet metal, power sewing, drafting, welding, chemistry lab, IBM key punch, clerk typing, laundry and dry cleaning, plumbing, machine tool. Private companies like GE, IBM, etc. donate used machinery; the Federal Government provides excess property.

The seven story West Branch building was donated for ten years by an interested citizen for "a cup of black coffee and a piece of black bread". The South Branch is in a renovated YWCA building in the heart of the ghetto area. The North Branch is in the old jail in the heart of a ghetto area. The Germantown Branch is a three story building previously used by the Association for the Blind.

8. In addition to the above central operations, there is the OIC Institute which is headed by Dr. Reddick. This is the national clearing house for all inquiries about OIC--and acts as the arm which extends the program to some sixty other cities in the U.S. It is supported by grants from OEO, Department of Labor, HEW, and private donations.

9. Another spin-off program is "Adult Armchair Education" carried on in a friend's or neighbor's living room. Classes operate in ten week periods--2-1/2 hours a week, ten in each class. It focuses on literacy, minority history, consumer education, and community problems. Its purpose again is primarily attitude change. It has been funded by industry and HEW and over 3,000 unemployed or under-employed have attended.

10. Part of the philosophy is to start new business ventures in black areas. One such venture is Progress Aerospace Enterprises backed by General Electric. It is owned and managed by blacks but aided by GE professionals. It has a \$2.5 million subcontract from GE's Missile and Space Division for production of electro-mechanical components of meteorological satellites and the Mark VII missile and a \$225,000 Labor

Department Contract to train 100 unemployed in aerospace skills. Another private venture is Progress Plaza. In 1962 200 of Sullivan's parishioners invested \$10 for thirty-six months (the 10-36 plan) to finance new black apartments, shopping centers, industry. Investors in Zion Investment Associates now totals 4,000. The \$1.7 million shopping center which opened November 1968 was started with six national and local chains signing leases for space in the center and agreeing to employ a black manager. Local banks agreed to support eleven completely black-owned stores: Other business and the Council of Shopping Centers helped. Two hundred new jobs have been created. The Council has helped develop a six month training program in an Economic Development Training School financed by a Ford grant. The Small Business Administration guarantees the loans. There is a \$1.3 million mortgage from the First Pennsylvania Bank and Trust.

Sullivan's motto is "build brother build" rather than "burn brother burn". All told for all of his programs, Sullivan says he has raised \$5 million from the private sector and \$18 million from the Federal Government--mostly OEO. In San Jose, California, the OIC program is 80% Mexican American; in Roanoke 50% are Appalachian whites; and in Oklahoma City, many are American Indians.

Another spin-off in the private business field is Progress Garment Manufacturing Company. Another important training effort is Progress Management and Economic Development (PMED) funded by the Ford Foundation to train in management and economic development skills. Its program is six months and in addition to its own regular staff has professors and consultants from the Wharton School, Temple, the Urban Land Institute and Council of Shopping Centers. It gives courses in Accounting, Land Development, Administration, Finance, Labor, Marketing.

Finally, there is the Entrepreneurial Development Training Center (EDTC) funded by the Departments of Commerce and Labor which opened in January 1969. It concentrates on small business ownership and on management. It is a 300 hour course and has fifty-five in training now.

11. OIC's operating budget is \$2.2 million. It has 450 staff members in ten buildings. It has a fund drive from the private

sector for \$850,000 to supplement the funds from OEO, HEW, Department of Labor and State of Pennsylvania.

12. I talked at some length with Dr. Marion Kidane from Ethiopia where he is employed under Robert Gardner of the U.N. ECA. Kidane is enthusiastic about his OIC training and believes other Africans should have the same experience. It is a year course in four phases--Managerial Training, Extension Services, National Institute, Progress Management and Economic Development. Kidane says the OIC program he is on is tailor-made and its purpose is to give him an overview of the entire complex as a means to instituting similar programs in Africa--but focussing on the rural economy.

13. From my talks with Howard Mitchell (a black professor at Penn) Bowditch, Vice President of First Penn Bank, Ed Dwyer, Chairman of the OIC Advisory Council, and two lawyers, Trescher and Sayre, I received the impression that OIC in totality is a very useful and successful program. Mitchell criticizes it for being over-extended, not placing as many as it claims, not having as many OIC affiliates in the U.S. as it claims, and not being as well-grounded from a sound economic standpoint as it should be. The others are not critical. Bowditch and Dwyer are not worried about its economic soundness given all of the factors.

14. In my talks with Valo Jordan--the head of the new African program--I learned that to begin with the emphasis is on Nigeria (Dr. Salawa) and Ghana and less so on Ethiopia and Kenya. The A.I.D. Africa Bureau is contemplating (about to sign) with OIC a basic agreement giving them funds for six months to set up an OIC program in these countries. There is a participant element in the contract but no funds for it. Valo asked that I contact their people in Africa on my November trip. He will send me a letter. Sullivan had made a trip in May.

15. The Philadelphia CIV benefit was attended by 300 people. It was held at Wanamakers. It gave me an opportunity to speak to a number of local leaders active in the international visitor field. Reichard indicated CIV wanted to resume the Xmas programs in 1970. He also gave me a 1967 model plan for a COSERV type organization.

IV. Conclusions:

1. OIC is a fascinating collection of programs with considerable public and private support whose principal contribution is "turning around", in terms of attitude and motivation, the hard core unemployed and under-employed.

2. Reverend Sullivan is a dedicated, community conscious man with significant public relations capabilities who has made a significant impact in Philadelphia and outside of Philadelphia.

3. The caliber of people associated with Reverend Sullivan seems high. The ones I talked with seemed highly motivated, intelligent, and broad-minded.

4. The criticisms of OIC I heard are: it is over-extended, too much emphasis on public relations, training is not of high enough quality, its statistical reporting is not always accurate.

5. The Philadelphia CIV benefit was a financial success and being the guest of the Chairwoman, helped our PR profile in Philadelphia.

V. Recommendations

1. The Africa Bureau proceed with its contract with OIC for Africa.

2. Dr. Kidane be asked for (a) an "OIT eyes only" evaluation of his training program and his recommendations for the further use by OIT of OIC, (b) an oral interview in OIT based on his report.

3. OIT consider the use of OIC for (a) supplementing for one month or so programs for participants on other programs; (b) six months programs of the Kidane type for people interested in applying the OIC concept in Africa.

4. OIT, through the training officers, support the OIC efforts in Nigeria, Ghana, Ethiopia, Kenya.

5. OIT should look at Reichard's 1967 model plan for COSERV and see whether it is a candidate for promotion in other cities.

Distribution: Director's Staff  
All Branch Chiefs  
PPES Officers

UNITED STATES GOVERNMENT

# Memorandum

*File OIC  
Evaluations  
610-153  
FY 71  
Reports*

TO : See Distribution

DATE: June 18, 1971

FROM : AFR/TAC, Arthur H. Howard

SUBJECT: Evaluation Report on Opportunities Industrialization Centers  
International Operations with AID

Arrangements have been made for an oral report by the evaluation contractor on OIC/International activities supported by AFR. The report has been scheduled for June 23, 1971 at 10 AM in Rm 6944 NS.

The evaluation report will cover OIC pilot operations in Nigeria and Ghana as well as the Philadelphia office operation. The contract team has just returned from Accra and Lagos.

The evaluation contractor, Community Sciences, Inc. was selected and the scope of work for the evaluation prepared through joint agreement between AID and OIC. Both organizations felt that an independent evaluation would provide the kinds of data upon which sound recommendations can be made to strengthen the African programs and the Central Office operations and provide baseline data for future reviews and evaluations.

The head of the evaluation team, Wilbur E. Hobbs, was previously Senior Associate for Greenleigh Associates, Inc. in which position he had responsibility for the development and administration of large-scale diagnostic, evaluative and management studies as well as providing technical assistance to clients during implementation of corrective recommendations. Since founding CSI he has been Project Director for or has carried a major role in a number of studies over the U.S. among which were: a study to reduce prejudice and discrimination in the greater Milwaukee Area; a pilot study of the administration and programs of the Philadelphia Opportunities Industrialization Centers; a study for the Department of Labor of the role of the OIC Institute and its relation to local OIC programs; an evaluation of the administration and program effectiveness of the Philadelphia Tutorial Project for the Office of Economic Opportunity; and, most recently, a study of the Impact of the Job Opportunity in the Business Sector (JOBS) Program for the U.S. Department of Labor.

Robert O. Washington, Senior Associate, was also a member of the Greenleigh Associates, Inc. staff from 1966-1970 and has also had experience in a number of significant studies over the U.S.; some of which he had full responsibility for administration and direction.



DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D. C. 20523

MEMORANDUM OF CONVERSATION

DATE OF MEETING: July 9, 1971

SUBJECT: Meeting between the Assistant Administrator and the Chairman of the Board of the Opportunities Industrialization Center, International (OICI)

PARTICIPANTS: OICI - Reverend Leon Sullivan, Chairman of the Board of Directors; Mr. Valfoulaye Diallo, Director; and Mr. Irby Johnson, Finance/Personnel;  
AID - Dr. Samuel C. Adams, Jr., Asst. Administrator for Africa; Mr. Jerry Knoll, AFR/EAF; Mr. Arthur Howard, AFR/TAC, Dr. John Dietrich, AFR/TAC, Mr. Jack Wilson, AFR/CWA; Miss Hariadene Johnson, AFR/CWA; and Miss Louanne Douris, AFR/CWA

COPIES TO: AID Participants

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Purpose: To define the scope of A.I.D. support to OICI and its operations in Africa.

Dr. Adams opened the meeting by explaining that A.I.D. would not argue the merits of any of the elements of the OICI contribution to OIC organizations in Africa; that A.I.D.'s concern was budgetary in regard to its overall effort in Africa. He pointed out that currently projected OICI programs consisting of a Central Office in Philadelphia, on-going projects in Nigeria and Ghana and projected projects in Kenya and Ethiopia, would require A.I.D. funds in the neighborhood of \$10 million and that this amount is great in the area of what there is to work with. He said that under the circumstances, the meeting was for the purpose of permitting A.I.D. to present a picture of what support it felt it could provide at this time and to determine if OICI could accept those levels without serious effect on its programs.

Dr. Adams submitted four factors to be resolved by the meeting:

1. The extent of expansion in the Nigeria and Ghana programs.
2. The determination of a flow chart for the life of the Nigeria and Ghana programs.

DRAFTING OFFICER: John F. Dietrich

DATE OF PREPARATION: July 21, 1971

3. The level of the planning teams to go into Ethiopia and Kenya to assist the local OIC's in those countries to establish operating programs.
4. The levels and types of programs to be implemented in Kenya and Ethiopia following the planning team operations.

Reverend Sullivan made it clear that he looked forward to the later expansion of OIC's throughout Africa and to other countries as well. However, he expressed his understanding of the current circumstances and pointed out that he was asking for support for operations in four countries only at this time and that he is convinced that complete programs will need to be set up and in operation before it can be known if the Africans will accept the OIC concept of self-help and initiative.

Dr. Adams responded by saying that the overall beauty of OIC lies in its spirit of mobilizing people and its success in Africa lies largely in how this spirit catches on with Africans and that he would not want the program perverted to a skill training program only. He acknowledged the appropriateness of Rev. Sullivan's vision of multiplying OIC's and expressed the view that growing African support and self-help in doing so, as well as success with the initial pilot projects, should be a major determinant of such expansion.

Rev. Sullivan replied that the true concept of OIC was to bring hope to people and that the success of OIC is indicated 75% by how much the spirit of self-help is instilled and only 25% in the skill training imparted.

At Dr. Adams' request Miss Johnson outlined the levels of the Ghana program as viewed in relation to the overall A.I.D. program in Ghana. After discussion, Rev. Sullivan agreed to the following.

1. Increase the level of American position from the current six to a total of ten.
2. The program content will be at the discretion of OICI.
3. A.I.D. financing for local personnel costs would be extended to cover 22 positions for 12 months from date of hire.
4. OIC would initiate discussions with the Ghana Board regarding assumption of local costs.
5. Provision of commodities will be adjusted to the program decided upon.

Miss Douris then presented the Nigeria desk proposals: The following points of agreement were reached after discussion:

1. Increase the number of U.S. staff from 8 to 10.
2. 23 local positions to be paid for 12 months from date of hire.
3. The program content will be at the discretion of OICI.
4. The provision of commodities will be adjusted to the program decided upon.
5. \$50,000 will be provided for renting a temporary shop building.

Mr. Diallo submitted a flow chart indicating a five year participation in the Ghana and Nigeria projects with sharp reduction in costs after the third year. While otherwise taking no exception, A.I.D. people present commented that some of the early phase-out planned might be over-optimistic.

In regard to the intial work in Kenya and Ethiopia, it was agreed that the full eight positions requested for the planning operations would be approved and funded for twelve months with Rev. Sullivan's assurance that he would seek local support for the salaries of African staff for the later part of the period.

In light of the agreed reductions in the staffs requested for Ghana and Nigeria, Dr. Adams pointed out that the request for nineteen positions for the Central Office might be excessive and suggested that it remain at the fourteen already authorized with the understanding that central office staff requirements would again be assessed after a decision had been made on the pilot project proposals for Kenya and Ethiopia, now anticipated in 6-12 months. Rev. Sullivan conceded that this general approach was reasonable. Mr. Diallo pressed for some increase in Central Office staff and after some discussion it was agreed that the number of positions in Philadelphia would be increased to fifteen and that OICI would be authorized to reorganize and retitle positions within the number approved.

It was agreed that the level of support provided to the Kenya and Ethiopia projects when they develop will be determined by the situations which develop in each country but would not exceed the magnitude of the Ghana and Nigeria programs as now determined.

Clearance:  
AA/AFR, SAdams, Jr. 

UNITED STATES GOVERNMENT

# Memorandum

- *Hastings*  
- *J. Wilson*  
*Dris (Info)*

TO : AA/AFR, Dr. Samuel C. Adams, Jr.

DATE: September 27, 1971

FROM : AFR/TAC, Princeton Lyman 

SUBJECT: Visit to OIC in Philadelphia

Sheldon Cole, Ed Martin, John Dietrich and I spent Thursday, September 23 visiting OIC operations and headquarters in Philadelphia. It was a most valuable visit, giving us insight into the domestic program and those aspects of it that inspired the development of the overseas program. Several points that came out of the visit are these:

1. Continued Dialogue. The visit offered an opportunity for an informal discussion of a number of matters and, done on OIC's home ground, there was more a sense of mutual exchange than of a formal "review." There is need for a regular dialogue of this kind with OIC, covering issues raised by the field Missions and A.I.D./W as well as those of concern to OIC. I suggest we use OIC's quarterly reports as the occasion for regular, but still basically informal discussions between A.I.D./W and OIC and that these be held alternately in Washington and Philadelphia to maintain the sense of mutual collaboration. AFR/TAC (which will coordinate) and the geographic offices where OIC programs pertain should participate, with DP and PPC participating as they desire.
2. Non-formal education. The visit brought home the fact that OIC's value lies not in skills training, per se, but in its approach to meeting the problems of functional education for the less privileged. It is OIC's adaptability and experimentation in this regard that is so valuable, as well as perhaps its specific achievements in such areas as accelerated math and counseling. We might keep OIC in mind for collaborative and advisory services in assessing specific non-formal education proposals of other institutions and for participant observation.
3. Entrepreneurial development. One of the most interesting and exciting of OIC's programs is its investors programs, utilizing cooperative small savings to build up an entrepreneurial base. It is similar to the successful effort in a rural setting of the Comilla program in East Pakistan where farmers moved from cooperative efforts in agriculture to ownership of agri-business and industry. To date this aspect of OIC's program has not been emphasized overseas. Yet given the limited



Industrial base and job market in some of the African countries, this aspect of the program might be appropriate at an early stage. The evaluation report on OIC by Community Services, Inc. made the same point. OIC is interested in introducing this part of its program overseas. We should make this a subject of one of our forthcoming joint meetings with OIC, discussing timing, locale, nature of adaptation, etc.

cc:

AA/AFR, Mr. Cole  
✓ AFR/CWA, Mr. Christmas  
AFR/CWA, Mrs. Johnson  
AFR/EAF, Mr. Knoll

UNITED STATES GOVERNMENT

# Memorandum

OIC

610-802

DATE: December 8, 1971

TO : AFR/TAC, Ed Martin

FROM : AFR/CWA, Mariadene Johnson - Ghana Desk

*Mariadene Johnson*

SUBJECT: Review of O.I.C. Guidelines - Meeting held Tuesday December 7, 1971

After further reflection, I am still seriously concerned over the issues which surfaced ~~in the discussions~~ in the discussions with OIC/I - Philadelphia representatives concerning the appropriate organizational structure and programming procedures for the OIC/I projects overseas.

Without having a complete copy of all changes proposed by OIC/I, and apparently accepted by AFR/TAC, I am disturbed by two significant differences which were brought out during the meeting.

1. OIC/I proposed changes in the draft guidelines section, p.9, dealing with project design and planning to eliminate any reference to participation by the local OIC/Board of Directors or local staff.

2. OIC/I proposed changes in the draft guidelines section, p.10, relating to the requirement that the OIC/I staff develop a written agreement similar to a ProAg with the local Board which would provide a clear statement of the local Board's assumption of responsibility for local costs and local staff salaries within a given time frame. The OIC/I proposal deletes reference to a written agreement.

These two proposals, which I gathered at the meeting were regarded by AFR/TAC as non-substantive, primarily semantic, changes, would if agreed to by the Bureau completely reverse decisions agreed to by Dr. Adams and Dr. Sullivan in July 1971 and the main thrust of the October meeting on management of existing and proposed OIC projects.

During the July budget sessions the idea of a written agreement on local support and the time-frame for assuming that responsibility was agreed to by Dr. Sullivan of OIC. He requested, and we agreed, that funding for FY 72 would not be delayed until its receipt but that we would provide FY 72 funds on the understanding that OIC would initiate such discussions with the Boards and would during the year develop a written delineation of the support available from local sources.



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

The projections of local support submitted by the OIC/I staff are not acceptable since the primary purpose was to impress upon the local Board its responsibility for assuming local costs within an agreed upon time frame.

The changes in who should participate in project design and planning, and, more important, the reversal of the previously agreed upon decision that the focal point of negotiations on budgets, manpower, project design, implementation, et., should be in the country rather than in AID/W is a more serious change.

The OIC/I position, if I interpreted the statements at the meeting correctly, is that in order to emphasize the "private" nature of an OIC approach, the USAID staff should not participate in substantive planning discussions between the OIC/US staff and the local Board. Instead the OIC/US staff would act as a conduit for all USAID inputs and would retain the final decision as to what should be then conveyed to the local Board.

Specifically OIC/I stated that they saw a contractual relationship between AID and OIC. Because of this, OIC stated project proposals should be developed by OIC/US and OIC/local people. The proposal would be sent to OIC/I in Philadelphia which would revise and put in final form. OIC/I would then transmit a copy to AID/W and a copy to the OIC/US staff for presentation to the USAID.

It is obvious that this types of procedure eliminates the USAID from having any substantive or effective input in the development of a project. The local OIC/US staff cannot even be contacted for serious discussion since final decisions have been made in Philadelphia. This means, once again, that the substantive negotiations take place between Philadelphia and AID/W and we are left with the same unresolved problems discussed at the October meeting.

Unless I totally misunderstood the October session, it was agreed that the OIC field projects were not to be "Washington-managed" projects. The goal was to develop an agreed upon set of guidelines which would (1) allow OIC the flexibility it requires; (2) enable the USAID to play a full partnership role in developing the local project parameters; and (3) hopefully result in full Mission support and encouragement of better planning, implementation and effectiveness.

The changes proposed by OIC leave the situation as it has been in the past, i.e., the Mission is expected to fulfill its management responsibility and prepare normal project documents, (PROP, PIP, PAR), but the documents are either (1) prepared in a vacuum with no relationship to what the OIC/US and OIC/Board are planning or (2) become

rubber stamps of documents worked out by the OIC/US and OIC/Board and edited by OIC/Philadelphia with little if any analytical input from the USAID.

The most serious point I would like to make is that there is little if any agreement between OIC and AID on the nature of AID inputs other than financial inputs. OIC has a valid concern that the key to their success rests in the private voluntary citizen action approach. My own feeling is that this essential spirit is not destroyed or compromised by having full USAID participation. (In reality, I think that having an AID representative make this approach to the local Board is more effective as a way emphasizing the responsibility of the Board that trying to filter such a statement through OIC/US staff.) If however we cannot reach a mutually acceptable formula for substantive USAID participation, then the OIC field projects will continue to be "Washington-manager" projects. In that case, I suggest we re-examine the Ghana proposal (Ingram/Adams letter of August 16th) of recognizing that normal Mission management should be replaced by a grant to OIC/I with AID/W taking overt responsibility for management.

I think some of these points could have been made earlier if discussions with OIC/I on field relationships and management had been deferred by AFR/TAC until Desk representatives were present. The above issues need to be resolved here in the Bureau before we proceed further with the guidelines or request PROJ's from USAID's.

  
AFR/CWA:HJohnson:jh:12/8/71

cc:SGChristmas  
WINorth, USAID/Accra  
EHogan  
PLYmond  
PBirnbaum

~~Mr. Baron:~~

Following are comments relative to Lyman's memo of 11 January, attached, as requested:

1. Purpose of the Lyman/Cole meeting with OICI principally was to try and resolve differences which arose here after OICI agreed to the draft guidelines in December. The differences involved three major areas;
  - a. Failure to resolve the OIC local/Mission/OICI relationship;
  - b. Apparent expansion of activity and lack of limits on AID support of OIC/local requirements and,
  - c. Lack of concurrence between AID and OIC on what constituted program progress.
2. Lyman/Cole were evidently able to resolve item a., above, and insure Mission/OIC local involvement for planning/evaluation purposes. Item b. poses more of a problem since what were initially exceptions for Nigeria have now become ceilings for OIC local operations in Africa. These included local staff support and training facility rental, if necessary, which were originally viewed as OIC local responsibilities, not AID's. OICI wants no limits in these areas to AID support and Lyman feels the lesser of the evils is to put a limit on such assistance and, even though the staff figure for Nigeria was an exception, to put ceilings in the guidelines on a country by country basis would not be satisfactory. Lyman/Cole did not explore item c., above, at any length and this area of the guidelines is still weak, although the hope that OIC might participate in an evaluation seminar is encouraging.
3. The other areas Lyman/Cole discussed, namely OICI support and AID funding of small entrepreneurial projects are extremely important and from the memo it appears they have been laid to rest.

Jess Snyder

*Memorandum*

TO : AA/AFR, Mr. Philip Birnbaum

DATE: January 20, 1972

FROM : AFR/TAC, Princeton Lyman *PL*

SUBJECT: Meeting with OICI Director, January 11

Sheldon Cole and I met with Mr. Diallo, Director of OICI, and members of his staff in Philadelphia. We reached agreement with OICI on a number of matters including:

1. Guidelines on future support to OICI Headquarters under Task Order No.1.
2. The role of USAIDs in program development, review and evaluation of individual country programs.
3. The transfer of Task Order No.4 to EAF for backstopping and responsibility.
4. Services which AID might provide to OICI.

These points and others will be incorporated in the Guidelines on OIC which are to be issued jointly by OICI and AID.

The principal issues in the discussion were (a) the future level of support for OICI under Task Order No.1, (b) the ceilings on AID support for field programs, (c) the role of the USAID, especially USAID contact with the local OIC. These and the other matters covered in the meeting are discussed below.

Task Order No.1: Support for OICI Headquarters

We pointed out the difficulties AID is currently facing in technical assistance funding and our assessment that this was not a transient problem. We stressed our feeling that no private organization should become heavily dependent on AID for its base support, and that AID in turn did not want to create false hopes in such organizations about our capacity for such support over time. Specifically, we proposed that the FY 72 funding level under Task Order No.1 be considered the peak level of support for OICI Headquarters. OICI could choose to maintain, reduce, or expand the size of OICI thereafter as befitted its worldwide program, but AFR support would be related to the support requirements for only the AFR-supported field projects. We suggested that OICI look to foundations or, depending on location of activity, even such sources of AID for some of its base support.

Mr. Diallo said this proposal surprised him. He had understood the in-and-out phasing of AID support for the field programs, but he thought that the understanding between Dr. Adams and Reverend Sullivan had been for longer support for OICI Headquarters. He agreed however with the principle of not being too dependent on AID and indicated that OICI was already seeking other sources of support. After some discussion, it was agreed that FY 72 would represent the peak level of support for OICI. We did not discuss the current figure for FY 72 (which is \$323,000) nor the specific formula for AID support thereafter.

Action Required (TAC): Develop specific proposals for relating future year support to the scope of AFR-supported programs in the field.

#### Ceilings on AID Support

In the December discussions on the proposed joint guidelines, OICI had questioned fixing flat limitations on U.S. personnel and on payment of local salaries. We indicated that almost all AID planning documents had estimated ceilings of U.S. manpower; the limitation being proposed in this case (no more than 10 U.S. personnel in-country at any one time) was very generous by AID standards, and we hoped it would not always be reached. Finally, the proposed wording allowed for individual country negotiations of any special needs. On local salaries, we stressed that AID did not normally pay local salaries at all; the proposed limitation which used the Nigerian high figure of 24 persons for 24 months should itself be couched as an exception. Mr. Diallo in turn stressed the need for flexibility and for individual country planning. We agreed upon wording that maintained the above limits with appropriate leeway for country by country planning of specifics.

There was also agreement on a normal time of 6 years for AID support of country projects, with support of up to 2 advisors for 2 more years if circumstances warrant development of a country-wide network of local OICs.

#### USAID Responsibilities

We reviewed the normal role of USAIDs in project planning and supervision and indicated that departures from this procedure in the early days of OIC had probably caused misunderstandings in the field and created problems. We suggested that we avoid this in the future by assuming that the USAIDs perform a direct role in project submission, budget estimates, review and evaluation. In the case of Kenya and Ethiopia, this meant that AID/W would await submission of a PROP from each Mission and in all four countries would not act on any program proposals transmitted directly to AID/W through OICI. This would place a premium on CIO staff staffs being able to discuss their proposals with the USAIDs and for the proposals with them.



OICI's Mr. Murphy asked about sources of help in feasibility studies. We suggested OPIC again (where U.S. investment was a possibility), and the UNDP. OICI was in touch with both, and we agreed to put Mr. Murphy in touch with those in AID knowledgeable about small business, private investment and feasibility studies. (Action: AFR/TAC in conjunction with CWA).

## 2. Ethiopia and Kenya

Mr. Diallo indicated that OICI hoped that operations might begin in FY 72. We said that no project funds had been planned before FY 73. It would be up to the Missions to propose any FY 72 activities. Adding funds to Task Order No.4 for this purpose was not a good prospect, but any savings that OICI could make from the present level of funding in T.O. #4 might be applied to activities in FY 72 if consistent with USAID recommendations.

Mr. Diallo indicated that OICI was reviewing in detail the vouchers from the first team to Ethiopia, which has been withdrawn, and was holding up final payment to them until all the records had been checked.

*Jesse, I meant to  
give you these materials  
last night.  
5/18/72  
Safe journey.  
J. Kirk*

MEMORANDUM

TO : SEE DISTRIBUTION

FROM : Frederick E. Gilbert, Acting Chief, PRM/O

5/18/72

SUBJECT: Follow-up of OIC Evaluation Review Meeting of May 10.

During the subject evaluation review the list of actions on the front page of the PAR were accepted in principle by those present including Mr. Hummon. In addition to these however, three other matters arose which were not brought out in the evaluation document.

The first of these was the question of the scope of the OIC/L operations budget and the extent of OIC/I contributions to it. Mr. Wesley Kirk pointed out that the local operations budget does not provide for site rental or for equipment and building maintenance and depreciation. Also, it was never clear, at least to me, whether local staff salaries, which OIC/I is funding for an initial period of two years, are nonetheless included in the local operations budget. They should be because they will eventually have to be assumed by local funding sources. Mr. Hummon asked to have a table prepared projecting the local operations budget and the OIC/I contributions to it. He also indicated that the PAR should include a statement on the adequacy of the financial planning practices by the OIC/L group.

The second question concerned the statement in Section IV. B 6 of the PAR regarding the OIC cost per job-ready trainee as compared to the cost of alternative training methods. It was decided the statement that the costs of alternative methods should be documented. This can be accomplished by preparing an Appendix to the PAR which summarizes and briefly discusses the evidence pulled together by Miss Wilson and Mr. Norton.

Thirdly, just as we were all agreeing that it made sense to extend the evaluation aspect of the project by one year in order that a more substantial volume of evidence would be available for the final year evaluation of the OIC pilot project, Mr. Wesley Kirk raised a point which I thought had been considered during the earlier evaluation discussions and found to pose no problem. Specifically, he indicated that several of the OIC/I field team positions would have to be continued beyond their current phase out dates because Nigerian counterparts have not developed as rapidly as expected and one or two local staff positions have not been filled. This matter must be resolved through a reexamination of the OIC/L counterpart recruitment and training situation and amendment of the PAR if appropriate.

Mr. Wesley Kirk indicated to me after the Wednesday meeting that he is interested in holding discussions as early as possible to resolve the first and third matters discussed above.

Over the next few weeks I see the following steps as being required:

1. Send a cable to AID/W indicating the general outcome of the evaluation and requesting AID/W concurrence in authorizing OIC to proceed as rapidly as possible to assign a records management and reporting officer to the OIC/I field team and to recruit a consulting firm or body to plan and carry out the recommended survey of the performance of OIC/I trained personnel as compared to others in the job market.
2. Complete the PAR once the remaining outstanding issues have been resolved.
3. Revise the PROOP to reflect the logical framework developed in the course of the present evaluation and to incorporate the new decisions arrived at through the evaluation process.
4. We will execute a PIO/T to increase OIC's funding as soon as our allotment position permits. It would be helpful if we could have AID/W's response to our cable by then. If not, we will incorporate the new position and the consulting firm arrangement in a subsequent PIO/T revision.
5. Anticipating AID/W's concurrence, we should survey the local scene for a consulting group capable of handling the field survey. Mr. Martins suggested a group at UNIFE which has been cooperating with "the rural employment survey".

Concurrence:

D/DIR:JHunnon \_\_\_\_\_

DISTRIBUTION

Mr. Ford, DIR  
Mr. Hunnon, D/DIR  
Dr. Kirk, EDU  
Mr. Norton, EDU  
Mr. Anderson, PRM/E  
Mrs. Lyon, PRM/OS

AD/PRM/O:PEGilbert:5/16/72:mab

file OIC

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D. C. 20523

MEMORANDUM OF CONVERSATION

DATE OF MEETING: 5 December 1972

SUBJECT: OIC African Programs

TIME: 10:00 a.m.

PARTICIPANTS: (See attached list)

COPIES TO: AA/AFR; NARA; CWA-2; ESA-2; SER/ROD/AFR; PHA/PUC; USAIDs -  
Nairobi-2; Lagos-2; Addis-2; Accra-2.

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Note: Reverend Sullivan did not arrive until 11:15 a.m.

Dr. Adams opened the meeting by asking that all present be open and candid although he hoped that there would be no need for anyone to be defensive or for accusations to be made. He then set the stage for the meeting by stating that originally he had viewed OIC involvement with AID as an opportunity to determine if the OIC domestic experience was at all transferable to LDC's. This remains an AID interest; however the current fact of AID's position vis-a-vis budgetary and programmatic constraints must be recognized.

Dr. Adams listed the following as the current climate for AID:

1. There are limited grant funds.
2. There is a need to review all of AID's involvements because of these budgetary constraints.
3. The style of AID has changed.
4. AID must review its programmatic involvement and evaluate the extent to which it wants to commit resources to specific projects - (more specifically does AID want to commit \$12 <sup>1</sup>/<sub>million</sub> to an OIC experiment)?

1/ The \$12 million figure includes estimated life-of-project costs for the Ghana and Nigeria OIC programs, support to OIC Philadelphia, and estimated costs for Kenya and Ethiopia if projected on the Ghana/Nigeria model.

DRAFTING OFFICER: Jay P. Johnson, AFR/ESA *J.P.J.*  
6 December 1972

DATE OF PREPARATION: \_\_\_\_\_

UNCLASSIFIED

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- 2 -

On the latter question Dr. Adams stated that to commit resources of \$12 million to OIC under present and foreseeable conditions is totally out of the question, especially when there is the possibility that other agencies might be able to perform training activities as well as OIC.

Mr. V. Diallo thanked Dr. Adams for arranging the meeting and acknowledged the fact that conditions do change and that if OIC were only involved in a traditional vocational training exercise then he would agree that there are many other agencies equipped to do the job. However, Mr. Diallo pointed out that the involvement of OIC is much more than just vocational training and as such arbitrarily reducing OIC's technical assistance to meet budget limitations must be done in the light of reduced program effectiveness.

Mr. Diallo stated that he understands climatic changes and budget limitations and that to him, the key issue is to determine precisely what that limitation is so that OIC can determine where it stands and revise its planning accordingly.

Mr. Diallo made several points that he considered critical:

1. AID and OIC should agree on a framework for demonstration of OIC effectiveness.
2. Adequate time should be allowed for demonstration and evaluation.
3. OIC/I sees each local OIC as being eventually self-sufficient (free of U.S. support) with private and individual government support even though initial costs appear high.

At this point a general discussion ensued on the subject of the OIC concept of self-help and the problems of measuring success of an "OIC" approach without counting trainees and placements.

Dr. Adams stated that as he sees the situation, the following course of action is the best one available under the circumstances:

For NY 73:

1. Continue the Nigeria and Ghana programs at the current funding levels. No expansions in scope or geographic locations can be financed by AID.
2. Move the Ethiopia and Kenya projects from the planning to program operating phase with a total of \$200 thousand available for both programs (not each) and with one man in each country to work for the local boards in an operational capacity. OIC programs in Kenya and Ethiopia could not be undertaken on the Nigeria/Ghana model.

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- 3 -

For FY 74:

No promises but the outlook is such that funding will continue to be tight.

The meeting was interrupted by Reverend Sullivan's arrival. Dr. Adams reviewed the progress of the meeting and related the position he was taking (as outlined above).

Reverend Sullivan stated that he was concerned with having projects in both East and West Africa in terms of his ability to be helpful to AID in his testimony in Congress; that if Nigeria and Ghana could continue at current levels for now, this would suffice; that he agreed the Kenya program had real problems and that he will consider suspending OIC/I operations there (privately trying to at least keep the OIC/K Board intact) and using the \$200,000 to move the OIC/E into an operating status in early 1973. In reply to an OIC question, Mr. Knoll indicated that he did not know whether residual funds in T.C. 4 could be made available for the new program activities.

Reverend Sullivan went on to describe other sources of support he is investigating and his interest in AID Loan funding. He concluded by stating that he was sure that if OIC/E could operate for one year, it would demonstrate its viability. Later, Reverend Sullivan announced that although he will be spending more time on Ethiopia, he will not visit there until June 1973.

The meeting ended with the following general understanding:

1. Nigeria and Ghana continue operating during FY 73 at current levels. Normal review procedures will be used to determine FY 74 levels but additional funding above current levels was doubtful.
2. AID will write to OIC in the next few days elaborating on Dr. Adams' proposal.
3. OIC will write to AID within the next two weeks in response to the AID proposal, including a decision on whether to suspend activity in Kenya and to use all of the proposed funding for the Ethiopia program.
4. The OIC program would not be regarded as part of bilateral US aid to Ethiopia and the problem of IEG - Planning Commission review and its disposition toward not approving the OIC/E program if it is part of the Mission Assistance program remains to be worked out by the local OIC/E Board.

The meeting was adjourned at 12:15 p.m.

Attachment  
a/s

Clearance:  
AA/AFR:SCAdams AA/AFR

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ATTACHMENT

PARTICIPANTS

ORGANIZATION

Reverend Leon Sullivan	Director - OIC
Mr. Valfoulaye Diallo	OICI
Mr. Douglas McQuillan	OIC/E
Dr. Samuel C. Adams, Jr.	AA/AFR
Mr. Ullmont L. James	AFR/NARA
Mr. Donald Atwell	AFR/NARA
Mr. Athol H. Ellis	AFR/CWA
Mr. John D. Wilson	Nigeria Desk
Mr. Jess Snyder	Nigeria Desk
Ms. Hariadene Johnson	Ghana Desk
Mr. Normanno A. Caticchio	ROD/AFR (Contracts)
Mr. Peter Sellar	PHA/PVC
Mr. Jerry Knoll	AFR/ESA
Mr. Jay P. Johnson	AFR/ESA
Mr. Curtis Farrar	Urban Institute

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UNITED STATES GOVERNMENT

# Memorandum

TO : Mr. Don Atwell, AFR/NARA, Rm 4727, NS  
THRU : SER/FM/AC/RSD, Francis L. McElroy  
FROM : SER/FM/RSD, Bruce M. Berry

DATE: 25 SEP 1973

SUBJECT: Report on trip to the Philadelphia Offices of Opportunities.

On September 13, 1973, Messrs. McElroy and Berry met with OIC and Touche, Ross and Company staff in the Philadelphia office of OIC. Attending the meeting were four auditors from Touche, Ross and Company including one of their resident partners; three members of the OIC staff; and the two of us from AID. The agenda was established by AID who requested that audit recommendations resulting from prior Touche, Ross audits of OIC be discussed prior to any discussion of the Touche, Ross proposal for an improved financial management system for OIC.

Each audit recommendation contained in the Touche, Ross report as of December 31, 1971 was discussed specifically as to whether it had been cleared or not. The Touche, Ross staff members were very cautious about stating that the recommendations had been fully implemented even though their latest audit, as of December 31, 1972 was performed during April, 1973; however it was mentioned by the AID representative that the audit recommendations were material since the accounting system was severely criticized and the status should have been noted in a post audit comment; however Touche, Ross would only concur that the recommendations were either cleared or in the process of being cleared.

The Touche, Ross proposal to improve the system was then brought up with AID stating at the outset that it was not interested in financing a highly sophisticated or machine oriented financial management system because the OIC operations did not warrant such an approach. The Touche, Ross representatives agreed that was not what they had in mind. They were only interested in improving, refining, and building on the existing system. Touche, Ross stated that their fee should run about \$6,000 plus not more than \$500 for out of pocket expense. It was made known that AID would like to see the cost kept within the \$6,000 figure and wanted to be kept informed on the progress on the system changes and its implementation. AID was assured by OIC and Touche, Ross that they would keep AID fully informed. After lunch the AID representatives and OIC met to discuss the records and books of OIC. An error on one of OIC's previous vouchers was pointed out and OIC said they would check it out and make the necessary correction. The AID representatives asked to see OIC's July and August bank statement reconciliations and verified the balances to the General Ledger figures. It was noted that OIC had a General Journal posted currently and Journal Vouchers to support the entries were being prepared by the bookkeeper and approved by the Chief



Accountant. It was noted that a Voucher Register or Expense Ledger was maintained for each Task Order and this was the basis for vouchers submitted to AID for reimbursement. The Check Register was the basis for postings to the Voucher Registers.

The audit finding of poor inventory controls was discussed. It was determined that the field offices are submitting monthly reports which seemed to be adequate. Although we were unable to fully check it out, the inventory control problem appeared to be mainly a matter of reconciling the items in transit which are not being recorded by the field office until the commodity is received. We were told that even though the asset may have been paid for and a bill of lading issued, the field office records the asset only at the time the asset has been actually delivered in country and has cleared customs.

No attempt was made to perform an audit of the books and records of OIC nor was the draft AG audit report mentioned. The AID representatives did not feel that they should even consider doing anything approaching an audit since a recognized independent accounting firm and AG have completed recent audits. Furthermore we felt it would not be in the best interest of the Agency to discuss any of the AG disallowances or findings which are a matter for the auditors and contract office to resolve. However, we do think we should follow up on the Touche, Ross system analysis since we have committed ourselves to help in any feasible way.

OIC was very cooperative and appeared willing to work with AID in any manner to assure the success of their project.

IN SUMMARY

1. There is a valid contract, i.e. the exchange of letters between OIC and Touche, Ross for the financial management system. Therefore, A.I.D. is not in a position to abrogate the arrangement. A.I.D. is in a position, however, to see that the system devised by Touche, Ross is compatible with the capabilities of OIC to maintain it.
2. OIC appears to be sincere in its efforts to improve its accounting and administration, and appears to be more than willing to cooperate with A.I.D. toward achieving this objective. As a Touche, Ross representative mentioned, the A.I.D. Contracts were a new approach for OIC and in the past couple of years there was much trial and error, but there has been noticeable improvement both in the staff and the administration of the organization.
3. From what was said by Touche, Ross and OIC and from our limited review of the operations, the audit recommendations made by Touche, Ross appear to have been implemented, or are in the process of being implemented.
4. Even though Touche, Ross came up with a real winner of a financial management system, and it is fully installed and operating, it cannot be considered a panacea for all the financial problems of OIC. The structure of OIC, considered strictly from a financial standpoint, is weakly capitalized with 91.7% of its assets as of December 31, 1972, in the form contract obligations with A.I.D. and less than 1% of its capital accounts derived from sources other than A.I.D. The OIC is, for all practical purposes, totally dependent upon A.I.D. for its financing and, therefore, unless funding from other sources is forthcoming, OIC can expect to encounter funding difficulties from time to time.

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BACKGROUND

As a result of the growth and expansion of the organization's responsibilities and activities, the management of OIC International has recognized the need for a comprehensive management information system which will provide accurate, timely information on fiscal and program operations at both the local field operations and central agency level.

In response to this need, OIC International is considering a project to develop a management information system and has requested proposals for assistance.

OBJECTIVE

The primary overall objective is to develop a comprehensive information system embodying both fiscal and statistical reporting which will provide OIC International management with the information needed to monitor and measure operational performance at all organizational levels.

The specific objective of the assistance contemplated in this proposal is to initiate the development of compatible financial and statistical reporting systems by:

1. Defining the system requirements including report contents, timing and distribution and documentation standards.
2. Developing an action plan for accomplishing the design and implementation of the comprehensive information system.

Completing the immediate objective described in the preceding paragraph will provide, a solid foundation for the subsequent design and implementation of the information system necessary to meet OIC International's requirement. In addition, after the system requirements have been identified, we would be in a better position to define the specific tasks and level of effort required to accomplish the detailed design and development to achieve the overall objective.

*(Simple to understand)  
(easy to carry out)  
(easy to collaborate)*

## SCOPE AND APPROACH

In accomplishing the immediate objective, we would undertake the following activities:

1. Analyze current fiscal and statistical systems and procedures.

This would include reviewing and analyzing the accounting system, current fiscal and operational reporting and departmental responsibilities and functions. In addition to reviewing available materials and observing operations; we would conduct interviews with key personnel to assess responsibilities, job requirements and priorities.

2. Determine reporting requirements.

This would include reviewing organizational duties and responsibilities to identify information requirements of each functional area and its key management personnel as well as determining external reporting requirements under existing funding agreements.

3. Review existing systems and procedures which have been developed by and for OIC's of America, Inc. to determine which materials can be modified to meet the individual and specialized needs of OIC International.

4. Recommend interim modifications to present systems and assist OIC International personnel to implement these.

In critical areas such as reporting and accounting for expenditures where immediate action is warranted as well as in those instances in which minor modifications are identified which could lead to improved performance, we will develop the modifications necessary and assist OIC International personnel in its implementation. We would also assist your personnel in implementing recommendations described in the letters of recommendation submitted to you at the conclusion of our audit engagement.

Develop an action plan for the detailed design and implementation of the comprehensive management information system.

Based on the results of the action steps defined above, a detailed action plan would be developed. This plan will define specific activities, staffing resources needed, timing considerations and the related costs required to develop and implement the comprehensive management information system needed by your organization.

The scope of our work would include the operations of all departments located in the OIC International offices in Philadelphia and the operational reports of the field offices located abroad.

With respect to the overseas offices, we feel that by utilizing members of our staff who have been involved in our work with OIC's of America, Inc. and who are familiar with the operational environment in local and national OIC programs in the United States in conjunction with members of your staff, we will be able to complete the preliminary objectives defined above.

At the completion of the project, we would prepare and present a comprehensive oral report of our findings and recommendations. Visuals used in the oral presentation as well as other related materials and copies of work papers would be provided in support of the presentation. We would also summarize our presentation in a management letter. The presentation documents and management letter would provide a mechanism for executing and controlling subsequent systems design and implementation efforts.

Throughout the entire project activities we would conduct briefings and conferences with Mr. Valfoulaye Diallo, International Director, and such other management personnel as he shall designate to review progress and to obtain approval of planned tasks and direction.

ORGANIZATION AND STAFFING

Success in achieving the stated objectives of any project is largely dependent on the capabilities and experience of the team assembled to perform it. In this regard, Touche Ross is uniquely qualified by virtue of our long association with the organization and other social action programs. The team which will be assembled to assist your organization will not only be capable of developing and implementing management information systems, but will know OIC - its philosophy and objectives. In addition, several of the consultants participated in the development of the Operating Statistical Unit (OSU) Information System for OIC's of America, Inc. and will thereby be in a position to utilize this experience and exposure to the fullest advantage.

Touche Ross & Co. would be responsible for the project subject to the guidance of Mr. Valfoulaye Diallo, International Director.

Mr. Stevan Simich, partner, Director of Management Services Operations, Philadelphia, and Mr. Benjamin S. Bennett, as general services partner, would provide overall partnership direction to the project. Mr. Simich would have project responsibilities and Mr. Bennett would provide guidance and review.

Both men are uniquely qualified for the responsibilities in this project. Mr. Simich has an extensive national background in consulting to a variety of government and industrial clients, and has directed several major projects for OIC's of America, Inc. In addition to servicing commercial and nonprofit organizations, Mr. Bennett has extensive experience in many public social programs and has been intimately involved in providing and servicing the special needs of OIC's during the past decade.

Mr. John Grigsby, a consultant in our Philadelphia office, would be Project Manager and have responsibility for the day to day project activities. Mr. Grigsby has had significant experience with OIC having participated in:

1. Developing the OIC's of America, Inc. Fiscal Manual.
2. Designing and implementing the OSU Information System.
3. Performing an operations review of both the regional and national components of OIC's of America, Inc.

During the review of the fiscal operation and the accounting system, the team would be assisted by Mr. Sherwin Burman, a manager who has major responsibility for the OIC International audit and Mr. Craig Toll who has performed much of the audit field work.

Additional consultants would be assigned to the engagement as required.

To increase the efficiency and effectiveness with which the project objectives are accomplished, we recommend that at least one person from your staff be assigned to the project team on a full time basis if possible.

The assignment of a member of your staff would:

1. Provide coordination with OIC International personnel and provide day-to-day liason with the project team.
2. Decrease the project cost by reducing the consultant staffing required.
3. Assure in-house capacity to implement and monitor interim modifications.
4. Provide enhanced capacity to accomplish subsequent detailed system design and implementation.

#### FEES AND SCHEDULE

Touche Ross & Co. bills its clients monthly for actual time charges, based on the level of personnel assigned plus reimbursement for out-of-pocket expenses.

**SUBJECT TO REVISION**

November 1, 1973

ADD. Discussion  
Paper

Mr. Valfoulaye Diallo  
Executive Director  
OIC International, Inc.  
240 W. Tulpehocken Street  
Philadelphia, Pa. 19144

Dear Mr. Diallo:

This letter contains a summary of the oral activities and results of our engagement to assist OIC International, Inc. (OIC/I) to develop a management information system.

#### OBJECTIVE AND SCOPE

As originally agreed, the specific objective of the assistance was to initiate the development of compatible financial and statistical reporting systems by:

1. Defining the system requirements including report contents, timing and distribution and documentation standards.
2. Developing an action plan for accomplishing the design and implementation of the management information system.

The scope of our engagement included the operations of all departments located in the OIC/I offices in Philadelphia and the operational reports of the field offices located abroad.

#### APPROACH

The work tasks performed during the engagement included the following activities:

1. Identifying unique characteristics of OIC/I.

To accomplish this, we reviewed the objectives, history and current operations of OIC/I.

2. Analyzing fiscal and statistical systems and procedures.

We reviewed and analyzed the accounting system, current fiscal and operational reporting and

departmental responsibilities and functions. In addition to reviewing available materials and observing operations; we conducted interviews with key personnel and assessed responsibilities and job requirements.

3. Reviewing implementation of fiscal recommendations.

We reviewed the implementation status of the recommendations described in the letters of recommendation submitted at the conclusion of our audit engagements.

4. Determining reporting requirements.

This included reviewing organizational duties and responsibilities to identify information requirements of each functional area and its key management personnel as well as determining external reporting requirements under existing funding agreements.

5. Reviewing existing systems.

A review was conducted of existing systems and procedures which have been developed by and for OICs of America, Inc. to determine which material could be modified to meet the individual and specialized needs of OIC/I.

6. Preparing action plan.

Based on the results of the action steps defined above, a detailed action plan was developed. This plan defines specific activities, staffing resources needed, timing considerations and the related costs required to develop and implement the comprehensive management information system needed by your organization.

FINDINGS - FISCAL

We reviewed OIC/I fiscal and statistical activities and determined that the fiscal operations have been significantly improved and that the recommendations enumerated in our letters of December 27 and May 16 have been substantially implemented as documented in Mr. Benjamin Bennett's letter of October 26, 1973

## RECOMMENDATIONS - FISCAL

There are five basic recommendations in the fiscal area. These are:

1. Require monthly reports on receipts and expenditures of local funds.
2. Develop and implement a property management system.
3. Develop monthly budgets and report budgeted versus actual results on a monthly basis.
4. Prepare component cost reports.
5. Develop fiscal manual for local OIC programs.

## FINDINGS - PERFORMANCE REPORTING

OIC/I is responsible for developing and nurturing local OIC programs. There is a need for performance evaluation of three aspects of the development of a local OIC. These are:

1. Establishing program structure and operations.

This involves monitoring the organizational activities such as, organizing formal Board of Directors, arranging funding, hiring local staff, obtaining training center, defining curriculum and initiating classes.

2. Measuring quality of program operational performance. This involves measuring the program's performance in terms of the number of trainees, training completions and placements.

3. Developing local funding.

This involves monitoring the development of local funding sources and the shift from OIC/I funds to local support.

There currently exists a lack of definitive procedures and mechanisms for program evaluations. These evaluations are currently made more difficult to perform due to the variety of forms and procedures, lack of definition, inadequate documentation and inaccurate data currently available.

The OIC/I staff demonstrated an understanding of these problem areas as well as the corrective action needed. However, staff manpower is not sufficient to effect solutions.

#### RECOMMENDATIONS - REPORTING SYSTEM

The following are the recommendations for performance reporting:

1. Develop mechanisms for monitoring achievement of contract objectives including:
  - a. Visual presentation of major activities and their sequence.
  - b. Time schedule for initiating and completing each major activity.
  - c. Schedule of detailed work tasks for each major activity showing end product, individual responsible and planned start and completion dates.
2. Develop mechanisms and formal procedures for evaluating the performance of individual members of Technical Assistance Team including:
  - a. Schedule of assigned work tasks showing end product and planned start and completion dates.
  - b. Semiannual performance evaluations by Program Advisor.
  - c. Semiannual performance evaluations by local Executive Director.
3. In the local OIC's, develop and implement a statistical system for measuring and recording operating data. This system would be used for documenting actual local OIC performance and reporting this performance.

Local OIC performance should be measured in terms of the number and types of trainees served, trainee completions, and placements.

In designing and developing the statistical and reporting systems, the following criteria should be used:

- a. Reports designed from the Executive Director's and Program Advisor's perspective.

Reports should be designed to be useful to the Executive Director in exercising management control of a local OIC. Central Office reporting requirements can be met as a by-product of local reporting as the information needs are similar.

- b. Accountability established at the functional component level.

Reports should be generated where the information is developed and used. This is done for economy since it eliminates maintaining duplicate files and records. It is also done to improve quality control, since such reports are designed as tools for supervising as well as for reporting up the organizational chain of command.

- c. Data collected must be accurate, timely and cost effective.

If data cannot be accurately collected on a timely basis, and at a reasonable cost with respect to the need for the information; then it should not be included in the system.

- d. Reports designed for Management Action.

Data collection purely for informational purposes should be minimized. The question must frequently be asked - how would it be used, and what actions might be taken based on the information provided.

- e. Statistical system designed for flexibility.

OIC/I programs vary in funding, staffing, operating style, and in many other ways. The system should accommodate this diversity. It should be comprehensive, but not all aspects of it must be operated in all local programs. If warranted, the written procedures should provide for a variety of options.

- f. Statistical system designed with operational control points.

Results should be reported at key points in the program so that causes for exceptional performance can be identified.

- g. User input solicited to help insure user-confidence in the system.

The system should be developed and tested in local OIC/I programs. It should not be an "ivory tower," idealistic system, but one which incorporates the best of many ideas suggested or tested by operating level personnel.

- h. Unified data base developed to support the reporting system.

The data needed at each level of reporting should be uniformly provided by the level below--forms should be designed to supply data for worksheets, worksheets designed for local reports, and local reports for Central Office reports.

- i. Data maintained to facilitate both internal and external audit reviews.

Data should be available to facilitate staff pursuit of an audit trail.

To provide a framework for measuring and reporting local OIC performance, the following components should be used to group the services provided by the local and the activities related to these services:

- a. Intake/Orientation
- b. Feeder
- c. Vocational Training
- d. Counseling
- e. Job Development/Placement
- f. Program Administration

The statistical system should be designed to be an integral part of local operations and to facilitate the preparation of all required reports. The data to be generated by the statistical system must include:

- a. Trainee movement between components
- b. Staff performance

The following forms and worksheets should be used to document performance and accumulate the required statistical data.

- a. Applicant Information Record should be used to record basic personal, educational and occupational information for each trainee.
- b. OIC Trainee Record should be used to record the chronological movement of a trainee through the local OIC program.
- c. Status Change Notice should be used to document a change in trainee's status, his movement between components or his movement within a training component.
- d. Attendance Roster should be used by instructors to record class/course attendance.
- e. Job Order Form should be used to document specific job openings and to record job referral activity related to each job opening.
- f. Placement and Follow-up Form should be used to document job placements, record the job characteristics and document the follow-up activity relating to the placement.
- g. Individual Termination Record should be used to document a trainee's termination form, the program and to provide a summary record of his participation.
- h. Counselor's Activity Worksheet should be used to record the day-to-day activities of each individual counselor as well as the services performed for each of his trainees. When summarized at month-end, the data recorded on this worksheet is used to prepare the Counselor's Activity Report.

- i. OIC Characteristics Worksheet should be used to accumulate statistical data on enrollee characteristics and trainee characteristics as reported on the Applicant Information Record.

Copies of the Applicant Information Record, Component/Course Status Change Notice, Individual-Termination Record and OIC Trainee Record should be submitted to the Central Office together with the monthly reports.

The reporting system must be designed with the capability and flexibility to generate routine internal and external reports required by management on a regular basis as well as to generate special reports and support analysis as needed.

The following reports should be prepared on a monthly basis:

- a. Intake/Orientation Activity Report should be an internal local OIC report prepared monthly by Intake/Orientation. The movement of applicants into and out of Intake/Orientation during the month would be summarized in this report.
- b. Counselor's Activity Report should be an internal local OIC report prepared monthly by Counseling. The counseling activities for the month by individual counselor would be summarized in this report.
- c. Training Progress Report should be an internal management report prepared monthly by Training. The enrollments and training completions for the month for Feeder and for Vocational Training would be summarized in this report. The Vocational Training enrollments and completions are detailed by skill training course. The report also contains cumulative enrollments and training plan completions for the contract period to date.
- d. Attendance Analysis Report should be an internal management report prepared monthly by Training. The report contains data on course capacity, average daily enrollment, average daily attendance, utilization of capacity rate and attendance rate for each Feeder and Vocational Training course.
- e. Job Development Activity Report should be an internal local OIC report prepared monthly by Job Development/Placement. This report contains a

summary of the job development activities for the month identified by individual job development specialists. The information reported would include the number of firms contacted, number of jobs developed, the number of placements by type and the number of follow-up contacts made.

- f. Statistical Summary Report should be a monthly report prepared for local OIC management and for submission to the Central Office. The report contains a summary of period to date performance for such performance measures as:
  - 1. Applied
  - 2. Placed on waiting list
  - 3. Completed Feeder
  - 4. Completed Vocational Training
  - 5. Placed
  - 6. Funds expended
  - 7. Cost per placement
- g. Program Activity Summary should be a monthly report prepared for use by local OIC management and submission to the Central Office. This report contains a summary of all enrollments and terminations for the month, all trainee movement between program components and cumulative enrollments and terminations by type for the contract period to date.
- h. Summary of Enrollee Characteristics should be an external monthly report. This report contains a statistical summary of the characteristics of the individuals enrolled in and terminated from the local OIC program for the period to date.
- i. Summary of Placement Characteristics should be a monthly report containing statistical information, job retention data, trainee wages before and after OIC training and classification of placement wage rates which the local OIC has made.

## ACTION PLAN

Based on the results of our engagement to assist OIC/I to develop an information system, the action plan described in Exhibit 1 was developed.

This plan includes the specific activities, staffing resources needed and timing considerations to develop and implement the information system needed by OIC/I.

## CONCLUSION

The completion of this project represents another significant step for OIC International in its continuing efforts to improve its management and operating capabilities along with its continuing growth and success.

With development and implementation of the information system, the management of OIC/I would be provided with a new set of tools which contrasted with what is currently available, would facilitate an improved management operating style and effectiveness.

Should there be any questions on this letter, please telephone Mr. Benjamin Bennett or Mr. Stevan Simich at (215) 561-2727.

Very truly yours,

BEST AVAILABLE COPY

ACTION PLAN

EXHIBIT I

Task Number	Task Description	Output	Personnel Involved	Man Days		Immediate, Short, Long Range	Estimated Time For Completion
				Touche Ross	OIC/I		
1	Develop overall project control mechanism for monitoring the development of the local OIC's.	Diagram showing sequence of activities List of major developmental activities Supporting schedules of detailed work tasks Implementation	Director Asst. Admin. Adm. Svs. Officer Trng. Mgr.	10-12	3-5	Immediate	2-3 weeks
2	Develop the mechanisms and formal procedures for evaluating the performance of Technical Assistance Team personnel.	Policy Organizational responsibilities Written procedures Forms Implementation	Asst. Admin. Adm. Svs. Officer	2-3	1-2	Immediate	1-2 weeks
3	Develop a statistical system for measuring and recording data which document local OIC performance.	Flow charts Written procedures Forms, worksheets and other documents	Adm. Svs. Officer Trng. Mgr. Econ. Dev. Mgr. Specialists Field Staff	25-30	7-10	Immediate	3-4 weeks
4	Design a reporting system for implementation in local OIC's to provide performance reports to both local management and the Central Office.	Flowcharts Report formats, schedule and distribution Written instructions	Director Asst. Admin. Adm. Svs. Officer Trng. Mgr. Econ. Dev. Mgr. Field Staff	10-15	5-7	Immediate	2-3 weeks
5	Prepare for implementation of statistical and reporting systems in local OIC's.	Orientation training course Procedure manuals Forms and reports Implementation workplan and schedule	Adm. Svs. Officer Trng. Mgr. Econ. Dev. Mgr. Procurement Off.	8-12	4-6	Immediate	1-2 weeks

ACTION PLAN (Con't.)

EXHIBIT 1 (Con't.)

Task Number	Task Description	Output	Personnel Involved	Man Days		Immediate, Short, Long Range	Estimated Time For Completion
				Touche Ross	OIC/I		
6	Implement statistical and reporting system in local OIC's.	Implementation	Asst. Admin. Adm. Svs. Officer Trng. Mgr. Field Staff	40-45	40-45	Immediate	3-5 weeks
7	Develop and implement property management system.	Policy Equipment classifications Written procedures Forms Implementation	Adm. Svs. Officer Accountant	3-5	1-2	Short range	1-2 weeks
8	Revise task order budgets to reflect estimated monthly expenditures and modify financial reports to provide comparison of planned and actual expenditures.	Revised budgets Modified report formats Implementation	Adm. Svs. Officer Accountant	0	1-2	Immediate	1 week
12 9	Develop monthly reports of component costs for each local program.	Description of component costs Written procedures Report formats Implementation	Adm. Svs. Officer Accountant	2-3	2-3	Short range	Ongoing
10	Require monthly reports on expenditure of local program funds.	Reporting policy Written procedures Report format timing and distribution Implementation	Director Asst. Admin. Adm. Svs. Officer Accountant	0	1-2	In-process	Ongoing
11	Develop and distribute a fiscal manual for use by local OIC fiscal personnel.	Fiscal manual	Asst. Admin. Adm. Svs. Officer Accountant	30-35	10-15	Long range	8-10 weeks

3/8/74

A. Ellis, AFR/CWA

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

*[Handwritten signature]*

MEMORANDUM OF CONVERSATION

Date of Meeting: February 22, 1974  
12:30 P.M.

SUBJECT: Opportunities Industrialization Centers International (O.I.C.I.)  
Meeting with Reverend Leon H. Sullivan, Founder and Chairman of  
the Board

PARTICIPANTS: Donald S. Brown, AA/AFR J. Knoll, AFR/ESA  
A. Ellis, AFR/CWA J. Kraus, AFR/NARA  
V. Diallo, O.I.C.I. Mr. Menya, O.I.C. Kenya, Board Chairman  
U. James, AFR/NARA Rev. L. Sullivan, O.I.C.I., Founder,  
Board Chairman

COPIES TO: Messrs. Brown, Ellis, James and Knoll

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In his opening comments, Mr. Brown stated that Dr. Adams, in response to Audit Report No. 74-159, Recommendation No. 1, requested that Mr. Brown discuss with Reverend Sullivan the effectiveness and viability of the O.I.C.I. programs in Africa. He said that if the O.I.C.s can lead to self-sustaining ongoing efforts, then both O.I.C.I. and A.I.D. will have accomplished their mutual objectives. Conversely, if individual programs are unable to attract sufficient local support to become self-sustaining, then it is important for alternative courses of action to be reviewed. He suggested that the target date for complete phase-in of local support for all O.I.C.s should be no later than June 30, 1976.

Mr. Menya stated that O.I.C. Kenya had attracted funds from the private sector, through Government auspices, and that some employers were purchasing training directly.

Reverend Sullivan said, however, that it was important to be realistic; that the programs do have difficulties. He said that he was far more optimistic earlier, and that it has taken several years for the program to get started and for local people to understand the concept. He went on to say that the African citizenry doesn't have sufficient funds to support the program -- it's not the same as in the United States. A program involving this particular kind of self-help had to be sold. Now, for the first time, we can look optimistically at the reports. For example, in Ghana the program has made considerable impact and is beginning to influence institutional change. We can reach our objectives in Ghana and the program can run on its own resources. As for developing a plan for self-sufficiency by June 1976, he wasn't sure. It will need Government support, business alone can't do it. In the United States, 80 percent of O.I.C. funds come from the Government.

Memorandum of Conversation

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SUBJECT: Opportunities Industrialization Centers International (O.I.C.I.)  
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Mr. Brown replied that phase-in of local support requires the establishment of benchmarks against which to measure progress.

Reverend Sullivan said that phase-in of local support for the Ghana program might not be 100 percent by June 1976, but that it would be at least 75 percent -- the Ghana program will be a "flagship" in a year or two. The problem in Nigeria, he continued, is complementing community support with adequate funding from the Government. The Government has endorsed the project but has not as yet provided funds.

In reply, Mr. Brown stated that the Nigerian Government has substantial funds with which to assume responsibility for the program and that A.I.D. will face difficult problems with the Congress if actual need for U.S. funding can't be demonstrated. He went on to say that he was not familiar with the Nigerian perception of the O.I.C. program: How does O.I.C. relate to training programs funded and implemented through the Government? Perhaps the Government may wish to adapt O.I.C. techniques to Government training programs; also, perhaps the O.I.C. should associate with programs as defined by the Nigerian Government rather than continue on an independent basis.

Mr. Diallo said that he did not agree with combining the programs; that it would be preferable for the O.I.C. Board to work with the Nigerian Government to determine how the programs can best be coordinated. He said that the Nigerian Government will fund the O.I.C. but that the funding level had not as yet been determined.

In reply, Mr. Brown said that substantial Nigerian support was needed rapidly or A.I.D. would have considerable difficulty justifying the program to Congress. A.I.D. has no objection to the O.I.C. continuing as an entity, but O.I.C. should be prepared to adapt its present methodology if necessary.

Reverend Sullivan said that as he looked at the plans in Nigeria, he has given himself 1976 as the "lifeline" of the O.I.C.I./A.I.D. agreement. He went on to say that there is a question regarding the extent to which the O.I.C. can demonstrate a measurable phase-in of local support. For example, the program will not attain 50 percent by June 1974, but there will be improvement. He then asked Mr. Diallo for a realistic estimate.

Mr. Diallo replied that Government support can be achieved before June 1976. In sum, Reverend Sullivan stated that the Nigerian O.I.C. had done well.

While Mr. Brown agreed with Reverend Sullivan that much had been accomplished in Nigeria, nevertheless he stressed that the program must become self-supporting. There should be an understanding with the Government that U.S. support will be withdrawn if local support is not forthcoming.

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**SUBJECT:** Opportunities Industrialization Centers International (O.I.C.I.)  
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In regard to establishment of benchmarks, Mr. Diallo said that his staff had examined the audit, and that they had some questions. There is no problem in setting benchmarks. We've talked about doing this jointly. We set up benchmarks in 1972. We must work together; we have a contract. We have no problem in arriving at benchmarks; my paper will show this, it parallels the PROP. If benchmarks are set and the targets can't be met then do we terminate the program. If so, we must do this together.

Mr. Brown said, in reply to Mr. Diallo, we need to set targets and be "hard-nosed" about not slipping the targets.

Reverend Sullivan replied that O.I.C.I. and A.I.D. had adopted a cooperative relationship and that A.I.D. personnel should work with Mr. Diallo in establishing benchmarks.

Mr. Ellis then specifically asked Mr. Diallo what the FY 1974 target was for phase-in of local support in Nigeria. Mr. Diallo said that they might reach 33 percent by June.

Mr. Brown commented that in Nigeria, once a breakthrough is made, Government support should exceed 50 percent.

Mr. James said that June 1976 should be the guide for all programs. Mr. Brown replied that it must be the guide.

The discussion then changed to Kenya.

Mr. Menya said that the O.I.C. had not yet started to discuss total local support with the Government. He said, however, that he is working with elements of business and Government concerning such support. When the Government recognizes the value of O.I.C. oriented training, then they will be in a better position to adopt the program. But they must see it in operation first. Generally, we need to consider the totality of our objectives before selling the Government. We could use more funds for extensions of our current operations.

Mr. Knoll replied that start-up in Kenya was slow and that there was very little feedback regarding Government interest. Had we gone to the Government initially, we never would have gotten started.

In reply to Mr. Knoll, Mr. Menya said that Minister Kibaki said he was interested in the O.I.C. concept but that the O.I.C. had to be registered as a private company, and as such did not qualify for tax exemptions.

Memorandum of Conversation

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**SUBJECT:** Opportunities Industrialization Centers International (O.I.C.I.)  
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Reverend Sullivan suggested that we watch progress in Kenya, and suggested further that we begin to think about percentages and target dates for local support phase-in for all O.I.C. programs.

Mr. Brown said that local support for Nigeria should be at least at 50 percent by the end of calendar year 1974.

Reverend Sullivan said that he was going "up-on-the-hill" soon and that he had to deal with the Congress and the White House on these general matters. He said that A.I.D. had been cooperative with O.I.C.I., within their constraints, and that he would ask the Congress for more funds for Africa, whether for his programs or not.

Mr. Brown provided Reverend Sullivan with a copy of the A.I.D. "O.I.C.I./ Staff Position Paper" and asked that O.I.C.I. review the percentage amounts related to the phase-in of local support. Since Mr. Diallo had been delegated this responsibility by Reverend Sullivan, Mr. Brown asked that Messrs. Diallo, Ellis and Knoll negotiate acceptable time-frames and percentages and have the agreement confirmed in writing between Reverend Sullivan and Dr. Adams.

The meeting ended at 1:45 P.M.

Drafting Officer: James D. Kraus:jes

Date of Preparation: 3/8/74

802

*AFR/DA*

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D. C. 20523

*D. Brown*

*W. Murphy*

*F. Phillips*

OFFICE OF  
THE ADMINISTRATOR

AUG 1 1974

Honorable Hubert H. Humphrey  
United States Senate  
Washington, D.C. 20510

Dear Senator Humphrey:

I have been informed of your recent meeting with Rev. Leon Sullivan and Dr. Samuel Adams to discuss the increased role of Opportunities Industrialization Centers International (OICI) in A.I.D. programs. I am also aware of your strong interest in seeing that the Agency's program is directed toward the neediest peoples, and your view that OICI can effectively assist the Agency in achieving that objective. You have requested us to consider support for OICI programs at a level of \$3 million a year for a period of five or six years.

I share your view that OICI has distinguished itself in Philadelphia and elsewhere in the United States. The Agency has been working with OICI, as you know, in an attempt to apply the OICI approach to employment problems in urban areas of four African countries. The projects financed by A.I.D. in Ethiopia, Ghana, Kenya, and Nigeria have had mixed results thus far; and A.I.D. has been discussing with OICI the phase-out of A.I.D. assistance. The phase-out plans are in consonance with the original concept that these undertakings were limited in time and based on achieving local support to sustain local African OIC institutions. In fact, in the cases of Ghana and Nigeria, the Agency had reached agreement with OICI to end A.I.D. financing this fiscal year while final efforts are made to obtain adequate local support. However, OICI now appears interested in continuing these projects as well as expanding its operations to Latin American and Asia.

The Agency has recently received proposals from OICI, in response to our initiative to solicit increased participation of private voluntary organizations in development, for five new projects in Africa and Latin America. These proposals are being reviewed and the Agency will be discussing them with OICI as soon as their Director is available. (He is currently in Africa.) We will also continue our discussions with OICI concerning the existing projects in Africa.

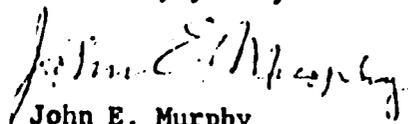
A.I.D. is prepared to commit substantially increased funding for OICI projects, and will work with OICI in a variety of ways to reach agreement on a viable program level of \$3 million a year. To do this, A.I.D. will make every effort to assist OICI in an effective expansion of their activities and improvement of their organization and management. I will make certain A.I.D. staff helps identify potential opportunities for OICI involvement as well as explore ways for their participation in existing programs. Since we are particularly interested in seeing OICI adapt its approach to meet host country priority needs in Africa and elsewhere, we are prepared to provide funds to plan and develop proposals as well as strengthen their management capacity. This endeavor by A.I.D., however, requires a similar effort by OICI to develop sound, new thrusts and create an effective management capability for an expanded range of responsibilities in the international sphere.

I will keep you informed of our progress in expanding OICI's operations overseas and alert you to any difficulties hampering achievement of a \$3 million program level. In this regard, despite our efforts, there may be practical restraints in building up to a \$3 million level rapidly this fiscal year. Funding the existing OICI projects, including a major increase in Kenya and Ethiopia, and approving the five new activities, within the countries proposed or in alternate countries, would provide a program level of about \$1.6 million. Conceivably more OICI proposals may be received and acted upon which could bring us near the \$3 million mark. However, such a rapid build-up may present an OICI recruitment challenge that is unrealistic this fiscal year. At this stage, therefore, it appears reasonable not to plan for any higher annual target until we are confident that OICI's absorption and management capacity, as well as its unique services, in competition with other private voluntary agencies, suggest the desirability of going to a higher level.

In conclusion I suggest that there be no specific authorization in the foreign assistance legislation for the OICI programs. I believe A.I.D. and OICI can maintain an effective relationship without such a provision. I also think that such a provision may well encourage other private voluntary organizations to seek a similar privilege in the legislation and thereby set a difficult precedent. The Agency has publicly committed itself to provide \$11 million in FY 1975 to support programs of private voluntary organizations such as OICI. The funds will be available; the bigger challenge is to develop sound, rational projects.

If you desire to discuss this matter further, Dr. Adams or I would be pleased to meet with you.

Sincerely yours,



John E. Murphy  
Deputy Administrator

**ACTION MEMORANDUM FOR THE DEPUTY ADMINISTRATOR**

**THRU: EXSEC**

**FROM: AA/APR, Samuel C. Adams, Jr. *SCA***

**Problem:** Senator Humphrey seeks a commitment from the Agency to increase funding for Opportunities Industrialization Centers International (OICI) projects to an annual level of \$3 million or more.

**Discussion:** On behalf of OICI, Senator Humphrey has requested from A.I.D. a substantial increase in funding for OICI programs. Prior to the Senator's request, OICI had presented proposals to the Agency totalling \$265,000 for new activities in Africa and Latin America. However, Rev. Sullivan also prepared a proposal for members of Congress and A.I.D. requesting a major expansion in OICI activities. (TAB A) Subsequently, Senator Humphrey met with Rev. Sullivan and me to discuss the proposal. At the meeting, the Senator made it clear he supported OICI's proposal and requested the Agency to support OICI's efforts at a level of \$3 million a year. Senator Humphrey's legislative aid, Daniel Spiegel, has asked that the Agency indicate its willingness to respond to the request through a letter from you to the Senator. If the Agency will not assume such a commitment, the Senator has indicated he may introduce a provision in the legislation earmarking funds for OICI at a level of \$3 or even \$4 million. If, on the other hand, the Agency commits itself to fund OICI at \$3 million, the proposal to earmark funds may be dropped.

Given the difficulties experienced with OICI projects thus far, we are reluctant to concur in the proposal. However, the Senator strongly supports the OICI request, and a willingness to make an effort on our part may at least eliminate the specific earmarking legislation. Hopefully, if there is no earmarking, we will be able to discuss the issue further and eventually work out a more reasonable approach to expanding OICI programs. At a minimum, we should alert the Senator to the practical difficulties of reaching a \$3 million level this fiscal year.

The Senator has requested an Agency response prior to the beginning of SFRC mark-up sessions which are now scheduled to begin on Monday, August 5.

**Recommendation:** I recommend that you sign the attached letter indicating the Agency's willingness to increase OICI funding to a level of \$3 million a year.

Approved: *Samuel C. Adams, Jr.*

Disapproved: \_\_\_\_\_

Date: 8/1/74

AFR/DP: *AG* Govan:kg:7/31/74  
Clearances: LEG/LPCS:CRussell(phone)  
GC:AZGardiner *(initials)*

~~D. Griffith~~  
~~SEA/TWA~~  
~~Chapman~~  
Chapman  
Log  
D. Griffith

**DEPARTMENT OF STATE**  
**AGENCY FOR INTERNATIONAL DEVELOPMENT**  
WASHINGTON, D.C. 20523

MEMORANDUM OF CONVERSATION

Date of Meeting: August 21, 1974  
10:30 A.M.

Place: Philadelphia, Pennsylvania

**SUBJECT:** Opportunities Industrialization Centers International (OICI) -- Meeting with OICI Staff and Representatives from Touche-Ross and Co. (T-R) concerning Installation of a Management Information System for Local OICs

**PARTICIPANTS:**

P. Bullock, CM/ROD/AFR	F. Poellnitz, T-R
M. Vahey, SER/FM	D. Green, OICI
J. Kraus, AFR/NARA	C. Taylor, OICI
J. Gribbsby, T-R	J. Carstarphen, OICI
B. Bennett, T-R	B. Diallo, OICI

**COPIES TO:** DAA/AFR, D. Brown      AFR/ESA, J. Knoll      AFR/DS, S. Cole  
AFR/NARA, E.D. Conroy      AFR/CWR, D. Shear  
AFR/CWA, D. Griffith      AFR/DP, R. Huesmann

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Summary

Representatives from A.I.D. traveled to Philadelphia, Pennsylvania, to review with OICI and T-R a management information system which will be implemented on a pilot basis at OIC Ghana during the first three weeks of September 1974. The system, which is composed of both program and fiscal elements, will provide the OICs and OICI with timely management information used to monitor intake, training, placement, and local fund raising.

A.I.D. was given assurances that the system could be implemented by local personnel. After a trial period it will be used world-wide.

Background

During July/August 1973 it became increasingly apparent, after a number of A.I.D. audits, that OICI management practices needed improvement, particularly if the organization was to become viable. Accordingly, discussions were initiated among A.I.D., OICI and Touche-Ross (OICI's Auditor) to determine the feasibility of implementing a total Management Information System (MIS) which would provide OICI with timely information on project status and would also regularize fiscal transactions.

After a series of exchanges a proposal was presented by Touche-Ross which, with certain modifications, was viewed favorably by OICI and A.I.D. Accordingly, in June 1974 A.I.D. provided OICI with \$40,000 to procure the services of Touche-Ross for the following purpose:

"F. Under subcontract arrangements ... a comprehensive management information system (MIS) is to be designed, implemented, and tested on the fiscal and program elements of Contractor's activities. It is expected that installation of this program, beginning in August 1974, will take approximately 18 weeks..."

Subsequent to the AID/OICI contract amendment, a subcontract was signed between OICI and Touche-Ross for implementation of the system.

The meeting of August 21, 1974 was for the purpose of reviewing the system prior to implementation at OIC Ghana.

#### The Meeting

The meeting was held at the offices of Touche-Ross and Co. and was chaired by Mr. John Grigsby, T-R. He explained what T-R believed to be the basis of OICI's management problems; namely, difficulties in establishing a structure for both program and operational elements, problems in determining the quantity and quality of performance as related to fulfilling host country training needs, and difficulties in developing local funding sources which can assume continuation of local OIC branches.

Currently, Mr. Grigsby stated, individual OICs are using a variety of procedures and forms, have no standard definitions, produce inadequate documentation, and provide OICI with inaccurate data. Regarding fiscal matters: a property management system is needed, there is a lack of adequate monthly budgeting, there are no definitive fiscal procedures for local OICs, and there are no comprehensive reports on local fund raising efforts -- including information on how the funds are used.

To assist OICI to correct these deficiencies T-R will do the following: (1) design a mechanism to monitor local OIC development; (2) design a statistical information system; (3) design a reporting system; (4) review OICI efforts to establish local OIC fiscal procedures, including property management, accounting procedures, and financial reporting; (5) assist OICI to conduct a pilot field test in Ghana; and (6) with OICI, finalize the total system and prepare OICI for full implementation. OICI will then implement the system on a world-wide basis.

The MIS is based on a series of flow charts, action plans, and reporting forms related to intake, training, placement, and local funding. These documents, in turn, interface with a set of fiscal and accounting procedures which together provide a total picture of project status.

Commenting on the system, A.I.D. representatives cautioned that the procedures and forms should be kept as rudimentary as possible, and not too numerous. Both OICI and T-R responded that indeed this was the case. While we had viewed twenty different forms, in fact many of them were completed only monthly and then by a variety of personnel. Further, T-R assured us that the system was almost "fool proof". It would be difficult to plug-in erroneous training figures because such could be cross checked against other reports not directly related to training (e.g., intake and placement reports).

Regarding the fiscal aspects, A.I.D. representatives commented that they hoped T-R's review of the fiscal procedures would be sufficiently broad as to leave no question that it interfaces with the total MIS. T-R personnel commented that they would not approve finalization of the total system unless such was the case.

#### Comments

The total package appears comprehensive and capable of providing OICI with appropriate and timely management information. While we have some concern about the ability of local groups to use the materials on an ongoing basis, we do believe it would be difficult to simplify the system much further. T-R assures us that changes can be made as needed. Concerning fiscal procedures, we intend to monitor these quite closely.

We had the distinct impression that OICI was planning to expand, perhaps adding chapters in other parts of the world.

As stated by OICI staff, local OICs will improve as they begin to compete with one another.

Finally, we concluded that the success of any management system is directly related to capability of the users.

DRAFTING OFFICER: AFR/NARA:JKraus:gea

DATE OF PREPARATION: 8/23/74

Return to  
Anderson  
PIA/PVC  
3731

JUL 2 1975

MEMORANDUM TO: Mr. Richard Collins  
Senate Appropriations Committee

FROM: LEG/LPCS, Andrew Westwood *AW*

SUBJECT: OICI

At the meeting in your office June 30, it was agreed that A.I.D. would supply additional information on OICI's past and proposed future activities for the Senate Appropriations Committee. This memorandum addresses that specific request.

IGA Recommendations

Recommendation #1

The Bureau for Africa assessed the amount of local financial support that could be reasonably expected for each OICI project in Africa and determined the following:

Ghana: Financial support expected from Ghanaian sources was reached through collaborative effort of OICI and the A.I.D. Africa Bureau in approximately June 1974. The local funding input was scheduled to increase in biannual increments to 75% of total costs by December 31, 1976 and 100% thereafter. The target set for the first tranche ending December 1974 was 25%. As of that date the Ghana contribution was 24%. A.I.D. believes that to be an acceptable accomplishment. At the time, there was and still is local enthusiasm for the OICI project in Ghana. Given the substantial performance in providing local financial support, the Africa Bureau did not concur in the IGA recommendation to phase out the Ghana project immediately. A.I.D. is awaiting information from the Ghana Mission about OICI's compliance with the June 30, 1975 target.

Nigeria: In June 1974 OICI and the Africa Bureau agreed that local financial support for Nigeria would be provided on a yearly incremental basis starting with a first tranche target of 37% by December 31, 1974. As of the target date, Nigeria had reached only 9%. However, OICI is negotiating with the Industrial Training Fund of Nigeria, a quasi-governmental agency with assets of \$10,000,000 for direct assistance. A.I.D. is awaiting information from the Nigeria A.I.D. Mission about the outcome of the OICI negotiations and OICI target compliance for the period ending June 30, 1975. Although targets set for local funding contribution in Nigeria may have been somewhat ambitious, A.I.D. believes that termination only on the basis of failure to meet financial targets would nullify the progress and the substantial investments made to date. In consequence, Africa Bureau did not concur with the IGA recommendation of immediate phase out. A.I.D. will continue to monitor progress in both Ghana and Nigeria and will make program adjustments that reflect sound program policies whenever needed.

Kenya: The current project will be terminated July 31, 1975. However, A.I.D. expects a proposal from OICI for a new project in Kenya. A.I.D. concurrence in this expected proposal will depend solely upon whether or not OICI can produce adequate plans and personnel to mount this project successfully.

Ethiopia: The project in its present form was terminated as of June 30, 1975. However, A.I.D. has agreed to continue financial support for one OICI advisor in Ethiopia for a year to assist the Ethiopian OICI Board of Directors complete certain tasks which it undertook during OICI's tenure there.

Recommendation #2:

With regard to filling key overseas positions commented on in Recommendation #2 of the IGA Report, A.I.D. now requires that no OICI overseas activity commence until appropriate personnel has been recruited. In monitoring OICI headquarters operations, which includes hiring of OICI personnel for overseas positions, A.I.D. will strive to limit vacancies to not more than 30 days.

Recommendation #3:

This recommendation concerns the disproportionate level of staffing in the Philadelphia office. In this connection, A.I.D. has already contracted, with the agreement of OICI, for the services of a professional management consultant team to review current operations and staffing requirements and make recommendations as to necessary improvements in OICI's staffing and management. Further, A.I.D. does not intend to release funds for prospective OICI activities until all preliminary aspects of project planning are thoroughly worked out. We will continue to confer regularly with the respective regional bureaus as project planning and implementation proceeds.

Recommendation #4:

This recommendation primarily concerns the Senate Committee on Foreign Relations but with implications for A.I.D. Prior to the IGA Report A.I.D. had already reached agreement with OICI which specifically set individual project funding ceilings totalling \$860,000, substantially less than the \$3 million recommended by the Senate Foreign Relations Committee.

The estimated budget through FY 1975 for each current overseas project is as follows:

Nigeria	\$ 279,000
Ghana	322,000
Kenya	139,000
Ethiopia	<u>120,000</u> pla
<b>Total</b>	<b>\$ 860,000</b>

Obligations against these proposed overall budgets are determined through negotiation of each OICI country program, detailed justification from OICI and agreement of the A.I.D. Mission concerned. For example, it was on this basis that the need for an additional \$81,000 contained in the notification letter of June 10 for Nigeria was determined. Similarly additional obligations were processed for Ghana within the proposed cumulative funding limit.

New Proposals:

The proposed obligation of \$850,000 is in addition to funds already obligated for country projects and within the \$3 million suggested by the Senate Foreign Relations Committee. This amount will fund OICI headquarters operations for a six month period starting July 1, 1975 and was based on two factors. First, under new A.I.D. imposed management procedures, a period of six months will allow reasonable time for the needed reform of OICI project management. Second, feasibility studies of prospective projects in Togo, The Gambia, Botswana and Zambia are now underway. The start up costs of these projects (July 1, 1975 through December 31, 1975), in addition to continuing support costs and phase out costs in Ethiopia, are estimated as follows:

<u>Project Location</u>	<u>Estimated Costs</u>
General Support Costs	\$ 180,000
Togo	200,000
The Gambia	175,000
Ethiopia	50,000
Botswana	135,000
Zambia	<u>110,000</u>
<b>Total</b>	<b>\$ 850,000</b>

As concerns new projects, OICI is now required to present feasibility studies for all proposed projects. In addition, A.I.D. will provide guidelines for personnel recruitment, program planning, and will help the Headquarters Office refine its activities so that it can better serve its field personnel.

Consolidation of Monitoring Responsibility

Finally, primary responsibility for OICI program monitoring is now consolidated within the Bureau for Population and Humanitarian Assistance, Office of Private and Voluntary Cooperation (PHA/PVC).

PVC is charged with assuring necessary improvement in OICI's planning, programming, staffing and management. Further A.I.D. does not intend to release funds to OICI for any activity until all preliminary aspects of project planning are thoroughly worked out and jointly agreed upon within A.I.D. and with OICI. Project selection, review and approval will remain with the regional bureaus but there will be frequent contact between PVO and the regional bureaus on all aspects of OICI activities to avoid the prospect of future problems.

Clearances:

PHA/PVC: CFShook CF  
           JAULinski Jr. AW  
 AFR/DP: RHuesmann AW  
           JHill JH  
 AAA/PHA: ARFurman AR  
 DAA/PHA: HHendler HH  
 AA/PHA: HSCrowley HC

*v.b.a.*  
PHA/PVC/OPNS: VCAnderson: 1f: 7/2/75

3/17/76

OICI - Evaluations

AID Discussion Paper

(70)

### Evaluation of OICI Capabilities

OICI -- Who in A.I.D. conducted the "Major evaluation of all the OICI capabilities"? What were the recommendations? Status of the implementation?

1. The Personnel and Management analysis of OICI's central office, by Wolf and Company, New York, was conducted at the request of A.I.D. in order to:
  - a. Acquire an impartial assessment of the technical background and experience of OICI's professional office.
  - b. Assess the nature and relevance of specific jobs performed at the central office.
  - c. Analyze the flow of work responsibility, authority, and general organizational interrelationships at OICI/Central.
  - d. Appraise the relationship between OICI's Board of Directors, the headquarters unit and each with its overseas operational centers.
2. Rather than specific recommendations, the Wolf report, issued June 12, 1975 contained suggestions for one modifications of management activities. We list these suggested modifications followed by statements of action taken by OICI in response.
  - a. According to the team's assessment, OICI appears to lack definitive policy to determine cost effectiveness. Consequently, consideration as to whether the development of overseas activities should be extensive or intensive is not readily known.
    1. In December 1975, OICI hired as its Assistant Director, Finance, a person who had work experience as a financial consultant to a private corporation. He possess an MBA from the Wharton School, University of Pennsylvania, and at the time he was hired by OICI he was a full-time lecturer, Department of Finance, Temple University. It is his responsibility now to determine cost effectiveness and to establish policy determinations for all OICI's overseas operations.

- b. OICI/Central has lacked effective policy guidance and system input from the Board and there has been limited interaction between the Board of Directors and the International Director. In part this dis-jointed relationship explains the absence of clear rationale in both organizational structure and specific country programs. It also permits short-falls in technical expertise and application for program development and evaluation.
  - b. 1. Prior to November, 1975, the OICI Board of Directors could be probably best defined as a knowledgeable group but unfortunately passive. Subsequent to November, 1975, the Board has become a fully constituted unit with regularly scheduled meetings. The Board now has defined standing committees which critically review and conscientiously evaluate the proposed actions of the OICI operations team. In December, the Board ratified a procedural policy which we believe strengthens the interaction between the governors of OICI and the operational team, thus precluding the irregular application of stated policy. The Board has assumed a guidance role commensurate with their collective capabilities.
- c. The survey team recommended that OICI enhance its international reporting through use of the Management Information System (MIS) designed by Touche Ross. This should improve factual accuracy on the part of OICI. (The report states that this system has already been presented to OIC Ghana and Nigeria missions).
  - c. 1. The newly devised Management Information System (MIS) has been introduced to all OICI units and is in full implementation. Not only has this improved factual accuracy but also has its use provided uniformity in OICI's reporting system.
- d. Wolf and Company recommended that OICI design a logical framework or facsimile acceptable to A.I.D. as its mechanism for program proposal and use for each discrete project. Not only would such a document serve as a submission mechanism to A.I.D. and other donors but also as an evaluative tool.
  - d. 1. For the period February 2, 1976, through February 6, 1976, the OICI Assistant Director of Planning and Evaluation, attended the in-service Program Development and Evaluation

## OICI FACT SHEET

Dr. Pinkham:

In addition to the attached briefing paper prepared for the meeting between Secretary Kissinger and Dr. Sullivan, OICI, the following facts might be useful for your meeting with Dr. Sullivan scheduled for 2 P.M., Friday, August 6, 1976:

1. There are on-going OICI projects in the following countries; Ghana, Nigeria, and Ethiopia. Projects for Zambia and Togo have recently been approved and funded. A project for Sierra Leone has been approved by the Mission but not yet funded.
2. A proposal for Lesotho is under review.
3. A.I.D. expects to receive proposals for the Gambia, Botswana and probably Haiti some time in FY 1977.
4. The Africa Bureau is considering asking OICI to undertake a project in Liberia for which the Monrovia Mission has submitted a P.I.D. (Note: OICI is not aware of this.)
5. The project in Kenya was fully terminated in FY 1975.
6. Since its inception, OICI has trained at least 3,662 persons as of May 1976. Incomplete records indicate that a minimum of 1,035 of these are still fully employed. Unfortunately, record keeping has not been uniform among all OICI projects and knowledge of the continued employment or the total number of trainees who have finished their courses is incomplete. This, of course, is being corrected. Auditors comment, however, that there is close to 98% job retention.
7. OICI has a letter of invitation from Belize to investigate the possibility of a full scale project there. OICI started a project there without A.I.D.'s concurrence or funding. Because sufficient funds are lacking, this project is floundering. No official request has come to A.I.D. yet about a full fledged program there.
8. The international programs (OICI) are practically totally funded by A.I.D. Host country inputs of cash and kind have amounted to approximately \$354,000 since inception through FY 76, and are expected to reach at least \$723,000 in FY 1977. A.I.D. is encouraging OICI to begin fund raising to reduce its dependency upon A.I.D. The domestic program (OIC) is a separate entity for which A.I.D. has no responsibility.
9. PHA has obligated the total amount authorized in the original Project Paper (2.1 million) and an amendment for additional funds for program continuance is under preparation.

*William L. G. Anderson*

cc: Allan R. Furman

Clearance: John A. Uliniski, Jr. *Uliniski*