

**PROJECT AND FINANCIAL REPORTING  
SYSTEMS REVIEW  
AIFLD and Union-Union Grant  
598-0101**

**FINAL REPORT**

**Prepared for**

**LAC/DP  
Agency for International Development  
Washington, D.C. 20523**

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**By**

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This report is written to comply with the Scope of Work:

- o Review existing Cooperative Agreement and Grant and files
- o In consultation with A.I.D. and AIFLD, determine which reports should be eliminated and where and what other changes would make sense, as well as the types of controls required by a 3-year duration
- o Design streamlined formats and procedures for the new reports, provide samples for A.I.D. and AIFLD experimentation and revise same as required
- o Obtain A.I.D./AIFLD consensus with the new reports
- o Draft a short report describing the overall process and outcome

In my meetings with the A.I.D. Project Manager, it was made very clear that her problem was that she did not have the information she felt necessary to perform her duties and not that reports should be eliminated. A specific example cited was that she had to write a Congressional notification and did not have the information to do so. A review of the project files confirmed that indeed very little information was available. Financial data for instance, were basically limited to Federal Reserve Letters of Credit reports. A review of the Cooperative Agreement revealed that with one exception all reports required from AIFLD were provided to A.I.D. in the formats provided in Exhibit B of the Cooperative Agreement. I was somewhat surprised by this paucity of information because in my conversations with numerous labor institute country directors overseas a consistent

comment, if not complaint, had been the large number of frequent, detailed and time-consuming reports that their Washington office required of them.

During my conversations with the A.I.D. Project Manager, I prepared a list of AIFLD programs about which she had no information. This list included:

- o The union-to-union program
- o Narrative review of activities in each country
- o Reports on headquarters operations
- o George Meany Center activities

After my discussions with the A.I.D. Project Manager and a review of the A.I.D. project files, I met with AIFLD staff members. After a brief discussion of my Scope of Work, I emphasized A.I.D.'s concern about lack of information to monitor properly the AIFLD Cooperative Agreement. There were two major comments in response:

1. The reports required and the formats in which they were to be presented were prepared by A.I.D. over a long period of time and at a considerable expenditure of person hours.
2. AIFLD's position has always been, is and will continue to be to provide A.I.D. any information it requests.

I then began to go through my list of information that was lacking. I started with the "Union-to-Union Program." I asked, "What information do you have available concerning this program?"

Immediately an AIFLD staff member left the conference room and returned within 5 to 10 minutes with a four-page semi-annual report of the Union-to-Union Program plus the voluminous reports from the seven unions from which the report was extracted. He apologized for the delay explaining that AIFLD was moving its offices and their files, records and publications were in sealed moving boxes.

I then inquired about narrative reviews of activities for each country in which AIFLD had a program. Again, after a short delay, I was given a twenty-page semi-annual review of activities in nineteen countries in which AIFLD is involved.

Next, I requested information on home office activities. Within minutes a four-page "Annual Progress Report" was placed in front of me. This report included information on the George Meany Center for Labor Studies, labor leaders trained as labor economists at Loyola University in New Orleans, Georgetown University, Mount Vernon College and Trinity College in Washington, D.C.; education activities conducted overseas; printed materials and publications produced by the Education Department; leadership training statistics for twenty countries; Education Department plans for the coming year; international agrarian union development information for Guatemala, El Salvador, Costa Rica, Honduras, Bolivia, Ecuador and the Dominican Republic; international social projects (housing) for nineteen countries; impact projects; the regional revolving loan fund; the special projects fund; the Caribbean Basin Labor Fund; and international information services.

After my meeting with AIFLD, I met again with A.I.D. officials involved with the AIFLD Cooperative Agreement, including representatives from the Office of Democratic Initiatives, to which this project is to be transferred. I

presented copies of the reports described above. No one, including the Project Manager, had ever seen any of the reports. Upon seeing the Annual Progress Report the A.I.D. Project Manager stated, "This is precisely the kind of information I need."

As a result of my meetings with A.I.D. and AIFLD representatives, I have the following recommendations:

1. A.I.D. should immediately request from AIFLD a three-year plan and begin negotiations with AIFLD to accomplish a new three-year cooperative agreement. The present agreement, for a one-year extension, requires a five-year plan. From the records, there is no indication that AIFLD has ever provided such a plan nor that A.I.D. has ever requested one. It should be recognized, however, that such a plan would be largely illustrative since AIFLD is called upon, by both State and A.I.D., to address urgent targets of opportunity.
2. The new Cooperative Agreement should require at the minimum the following:
  - a. A copy of AIFLD's Annual Progress Report
  - b. A copy of the semi-annual Union-to-Union program
  - c. A copy of the narrative reviews of each country in which AIFLD has a program. At present, these reports provide excellent political and economic analyses of the country in question. They should be modified, to the extent possible, to include results and accomplishments of activities undertaken.

- d. With the imminent transfer of this Cooperative Agreement from LAC/DP to LAC/DI a representative from the Office of Democratic Initiatives, preferably the future project manager, should be included in negotiations involving a new Cooperative Agreement. At the same time, AIFLD should be informed that with such a transfer there will probably be required some additional requirements on indicator reporting which is presently being developed by ODI.
- e. The responsibility for country clearance should be made the responsibility of AIFLD, not A.I.D./W. The A.I.D. Project Manager should be informed of all travel plans, however.
- f. AIFLD is audited annually by an independent auditing firm. It has also been audited by the GAO. While none of these reports has indicated any problems, the new Cooperative Agreement should require that copies of such audits be provided to the A.I.D. Project Manager. Such is not the case now.
- g. Projects involving basic cultural and political change are complex, difficult and long term. The project manager for the new AIFLD Cooperative Agreement should be a senior, experienced employee with particular expertise in dealing with PVO's. It should also be recognized that labor projects are labor intensive and that a significant portion of his or her work time must be devoted to managing this agreement. Such time would be well spent. For almost three decades, AIFLD has been a

valuable asset in furthering U.S. foreign policy interests overseas.

Attached is a suggested simplified reporting format. My conclusion, however, is that AIFLD, for their own internal requirement purposes, has readily available any information that an A.I.D. project manager could possibly require in easily comprehensive formats.

The following individuals were contacted:

Carol Horning	Former A.I.D./AIFLD CA Project Manager. Drafter of scope of work. At time of our meetings she was at FSI in language training.
Jack Francis	Chief, Social Development Division, LAC/DP/SD. Carol Horning's former supervisor and present project manager for AIFLD CA.
Bastian Shouten	Director, LAC/DP
William Shoux	Director, Office of Democratic Initiatives, the Office to which CA is to be transferred.
Peter Sellar	Slotted to be future project manager when CA is transferred to ODI.
Larry Heilman	NSI consultant to LAC/ODI contracted to develop democratic initiatives program indicators.
Beth Paige	A.I.D. Contract Officer for AIFLD CA.
Jesse Freedman	Deputy Director of AIFLD.
Samuel Haddad	Executive Assistant and signer for AIFLD of the CA.
Michael Donovan	Director of Budget and Finance, AIFLD.
Kevin Shaver	Assistant Director of Budget and Finance, AIFLD.
Ana Margarita Rodriguez	Director of Administration and Personnel, AIFLD.
Richard Hough	Head of Agrarian Union Development Program, AIFLD.

**Objective:** To promote the development of a free democratic trade union movement in Country X

**Indicators:**

**Labor Education**

	<b>Planned</b>	<b>Accomplished</b>	<b>\$ Budget for Year</b>	<b>Expen- ditures</b>
a. Seminars				
b. Worked trained (% Women)				

**Trade Union Membership**

- a. No. of unions affiliated with democratic confederations
- b. Changes in numbers of trade union members
- c. Numbers of dues-paying members

Indicators specific to country not included in other reports which will be requested:

- A.
- B.
- C.