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REDSO/ESA ASSESSMENT

TO: Walter G. Bollinger, AA/AFR (Acting)

FROM: Timothy J. Bork, AFR/PD

November 28, 1989

Recent changes in personnel composition and levels at several East and Southern Africa posts, as well as increased concern over dwindling operating expense resources were the major factors motivating the Bureau to undertake this assessment of the role and responsibilities of REDSO/ESA. The conclusions and recommendations which follow are based on interviews with relevant REDSO/ESA, Mission, and AID/W personnel, statistics produced in AID/W and REDSO/ESA and on prior assessments and studies.

Given the relatively modest scope of this assessment, the exercise focussed exclusively on the role of REDSO/ESA and its responsibilities vis a vis client missions in the region. What it did not address, but what is critical in determining the optimal allocation of limited Bureau personnel and operating expense resources in the region, is the question of which countries should be receiving what kinds of A.I.D. assistance. It may well be possible to achieve substantial personnel and operating expense savings by targeting and focussing A.I.D. assistance in fewer countries and in fewer sectors. Given straight-line budgets and personnel constraints, until this issue is resolved, it is my view that REDSO/ESA will remain an integral and essential element of the Bureau's assistance efforts in the region.

Assuming the current diversity and levels of A.I.D. assistance to the countries of the region, the principal conclusions and recommendations are as follows:

1. REDSO/ESA continues to be necessary for effective, accountable delivery of A.I.D. resources in East and Southern Africa.

Over the past several years the number of posts in East and Southern Africa with staff complements adequate to exercise the full range of authorities delegated to Schedule A posts in DOA 551 has increased. The concomitant reduction in the number of Schedule B posts has reduced the demands on REDSO/ESA as a formal review and concurring entity. Nevertheless, as discussed below REDSO/ESA continues to play a vital role in the design, implementation and evaluation of programs in the region. REDSO/ESA plays five different roles which have varying degrees of importance and management intensity: 1) provision of technical services and support to supplement the efforts of

mission personnel; 2) review and concurrence in design and implementation documentation for Schedule E posts; 3) management of regional programs; 4) management of assistance efforts to the Indian Ocean States (IOS) and Djibouti; and 5) a center of regional information and expertise. Each of these roles is discussed briefly below.

A. Service Organization: More posts in the region now have the requisite authorized positions to assume the full range of DOA 551 authorities, but several of the missions are not fully staffed and/or are staffed with relatively junior officers. Even in countries where staffing is considered "adequate" such as Malawi, officers are stretched and REDSO services are highly valued. In other countries where missions are staffing up, such as Mozambique and Madagascar, the pace of new designs and obligations has outstripped actual staff placement and dependence on REDSO continues. Attachment A shows the relationship between staff levels and annual obligations. Even well established missions do not have contracting, commodity, engineering and legal expertise at post. Thus, REDSO personnel, who are relatively nearby and familiar with local issues, play a critical role in the design and implementation of projects and programs in the region. Now that more posts are more fully staffed, the role may be shifting slightly toward evaluation and that function is worth monitoring since one can responsibly argue that most evaluation services can be obtained through other means. (Attachment B shows the history and projections of REDSO services by purpose). While the REDSO role may be shifting more to one of support than of front-line action, it is nevertheless indispensable since few posts could justify their own lawyer, contracting officer, environmental advisor or many of the other highly specialized services provided by REDSO; and when programs are growing or declining (which is a constant in this region), the need for additional economic, PDO or agriculturalist input is manifest.

B. Reviewing entity for Schedule B posts: Under DOA 551 REDSO/ESA serves as the reviewing and concurring entity for four posts in the region (Burundi, Madagascar, Mozambique and Tanzania) which do not meet

the staffing threshold for Schedule A. It is likely that Madagascar and Mozambique will become Schedule A posts in the next six to nine months. This will result in a reduction in REDSO's reviewing and concurring workload. However, as our programs decline in Zambia, Sudan and Somalia, we may have additions to the Schedule B list. Thus it would be short-sighted to conclude that the Schedule B role of REDSO is being eliminated by staffing up of missions. That doesn't mean, however, that it is absolutely necessary to have REDSO oversee the actions of the Schedule B posts. It is my view that with assignment of appropriate senior leadership, this oversight role would be unnecessary. But even eliminating REDSO's oversight role would have only minor staffing impact. While this is an important function, its demands on REDSO time and effort are modest; thus, even assuring a permanent reduction in Schedule B function, substantial personnel savings aren't foreseen.

C. Regional project management: Six regional projects with a total LOP of \$16 million are managed by REDSO/ESA. Altogether the annual management requirements of these projects are estimated to be no more than one person year. Regional projects are managed by the Agriculture and Population/Health divisions. Both divisions make strong arguments for maintaining their management roles; however, this is contrary to the Bollinger assessment (Attachment C) which concluded that regional projects should be managed out of AID/W or directly by participating field missions. REDSO management is also opposed to the regional management role for most of the agriculture projects. The Bollinger report provides that only if there are no alternatives should REDSO be given regional management responsibility. Using this principle, I'm convinced that while the Agriculture office's management load can reasonably be transferred to Washington, there are no good alternatives for the Pop/Health division's project (which is in fact a REDSO project). Thus I recommend the Ag Office responsibilities be transferred to AFR/TR forthwith, with the exception of those projects whose implementing organizations are headquartered in Nairobi. This reduction of REDSO's role will facilitate provision of Ag related services to client missions and make the proposed Ag office staff reduction more feasible. However, reduction of this REDSO role has little effect on personnel levels or the need for REDSO.

Recommendation: That the implementation responsibility for regional agriculture projects be transferred to AID/W (with the exception noted above).

Approve: _____

Disapprove: _____

ACTION: AFR/TR and REDSO/ESA

D. Indian Ocean States and Djibouti program direction: REDSO manages the small and largely self executing programs of Mauritius, the Seychelles, the Comoros, and Djibouti. It is estimated that no more than one-half person year of REDSO/ESA management time is devoted to these programs each year. While conceptually individual countries could be spun off and made the responsibilities of separate missions (e.g. Seychelles to Kenya, Mauritius and Comoros to Madagascar), the fact is that each of these options have separate problems. USAID/Kenya believes it would need another direct hire if it took Seychelles and Mauritius. USAID/ Madagascar will need full staffing and further refinement of its own program before this burden could be added.

Because of the minimal demands on REDSO time, their excellent performance on these programs, and the current difficulties with transferring their function to contiguous missions, I recommend that REDSO continue this function.

Recommendation: That management responsibility for the assistance programs to the three Indian Ocean States and Djibouti be retained by REDSO/ESA.

Approve: _____

Disapprove: _____

ACTION: None

e. Regional Center: The Bollinger assessment recommended that the role of REDSO as a regional center be enhanced. At present the staff of REDSO/ESA have an unmatched wealth of experience and expertise on the problems and prospects of countries in the region. These individuals regularly bring their abilities to bear on individual bilateral project and program designs, evaluations and implementation activities. Likewise, the REDSO library is a valued source of information and documentation on the region and is a valuable and much used resource. But again, it's utility is primarily in addressing individual country issues. Thus neither in the case of the staff or of the library is there evidence that REDSO's capabilities are being utilized to address regional issues. It is my recommendation that, since there is no apparent demand for regional assistance per se, no special effort should be made to develop such expertise beyond what is already available. Especially in a time of OE and personnel limitations, such an investment would not add measurably to the success of our programs in the region.

Recommendation: That no special effort be made to augment REDSO/ESA's capabilities as a regional center.

Approve: _____

Disapprove: _____

ACTION: None

The last three functions, while important in their own right, demand so little management time that no decision on the future of REDSO/ESA should be driven by their current place in REDSO's operations. Given this, and the declining review and concurrence requirements for Schedule B posts, the primary rationale and function of REDSO remains that for which it was created-- technical support to the region's missions. We have reviewed the nature and magnitude of services requested by missions (See Attachment D) and find them to be necessary and relevant. Their technical support role remains critical.

That this is indeed the case is more than borne out by the type and level of REDSO services provided in FY 89, by mission requests for assistance at the most recent scheduling conference in Nairobi and by the reactions of mission personnel to the question of the continuing need for REDSO. As can be seen in Attachment E, REDSO staff are fully booked and this is without taking into account the inevitable time overruns and additional needs identified during the year. In recognition of

this basic reality of A.I.D. assistance in East and Southern Africa, mission representatives questioned on the subject of REDSO's role overwhelmingly supported it's continuation. In light of these reactions, of the level of demand for assistance, and of the relevance and importance of the work being done by REDSO officers, the need for the services provided by REDSO is clearly established.

2. Personnel cuts can be made without diminishing the delivery of essential services to Missions in the region.

Notwithstanding the demonstrated demand for and importance of REDSO's services, some cuts in REDSO staff levels can be safely undertaken by more completely staffing missions, bringing in long-term ADS project-funded personnel to perform program functions in lieu of USDR staff, and making judicious use of contract personnel to undertake certain analytic tasks. The possible position cuts and conditions under which such cuts might reasonably be made are outlined briefly below. It should be noted from the outset that no reductions in the legal, contracting, commodity management and Food for Peace personnel levels are recommended. I recommend that the following five cuts be made.

A. Engineer: One direct hire position could be cut from the current complement of three, provided that the proposed engineering position in Mozambique is filled.

Recommendation: That one engineer position be eliminated, provided that the Mozambique engineer position is filled.

Approve: _____

Disapprove: _____

ACTION: AFR/MGT and REDSO/ESA

B. Supervisory Agricultural Officer: This has been an important position in REDSO, but recently this position has been primarily used for evaluation and management of regional projects. Evaluation expertise is readily available from contract sources and the regional project management functions could be performed in AID/W.

Recommendation: That the agriculture production specialist position be eliminated.

Approve: _____

Disapprove: _____

ACTION: AFR/MGT and REDSO/ESA

C. Executive Assistance to the Director, REDSO/ESA: Large numbers of spouses and other Americans are readily available in Nairobi. Therefore, the need to have a USDH fill this position is not compelling. This position should be filled by a local PSC after the completed tour of incumbent in the summer of 1991. The Director of REDSO believes this position should be considered for elimination but would like this decision to be made by the new management team. I believe that this position is an obvious luxury in view of the availability of spouses for local employment.

Recommendation: That this position be eliminated subject to completion of the tour of duty of the incumbent.

Approve: _____

Disapprove: _____

ACTION: AFR/MGT and REDSO/ESA

D. Project Development Officer: Demand for PDO services continues to be very high, but one position could be deleted provided that the PD position in Burundi is filled and Uganda sorts out its PDO staffing requirements.

Recommendation: That one PDO position be eliminated provided the Burundi position is filled and adequate provision is made in Uganda for PDO services.

Approve: _____

Disapprove: _____

ACTION: AFR/MGT and REDSO/ESA

E. Deputy Director, REDSO/ESA: Assuming REDSO continues to be charged to concentrate on its service function and not expand its role as a regional center (contrary to the recommendation in the Bollinger assessment), the Deputy position becomes less essential. One of the division chiefs could assume this role, part time, as an Assistant Director.

The REDSO Director strongly disagrees with this proposal. His important views are set forth in Attachment G.

Recommendation: That this position be eliminated and replaced by designation of an Assistant Director, provided that there is no addition of regional responsibilities to REDSO's workload.

Approve: _____

Disapprove: _____

ACTION: AFR/MGT and REDSO/ESA

The following additional positions should be seriously considered for elimination in the future.

A. RFMC: Assuming planned increases in placement of country controllers occurs, one position should be available here. A recommendation on the timing of this cut should be sought from RFMC.

B. Economist: The economist function has been extremely important in initiating policy dialogue. However, to carry out this function on an ongoing basis effectively requires a permanent country presence. In order to deal with the country presence issue, DP is developing a contract approach. If this is implemented, two REDSO economist positions could be eliminated. Progress on the contract side should roughly coincide with proposed departure dates for these incumbents.

C. Commodity Management Officer: One position could be eliminated from REDSO if a position is created in Harare.

D. Social Soundness Advisor: The incumbent of this position has been invaluable, but may well not be replaceable from within A.I.D. If an A.I.D. officer with comparable skills cannot be identified to replace him at the end of his tour of duty, the position should be filled on a contract basis.

Recommendation: That active future consideration be given to elimination of the above noted positions.

Approve: _____

Disapprove: _____

ACTION: AFR/MGT and REDSO/ESA

The elimination of the five Direct Hire positions recommended in this report would require REDSO/ESA to fill the following positions with PSCs funded under the Agricultural Development Support (ADS) project because there is substantial demand for their services. This would mean that REDSO would require additional project funds of \$300,000 every year and approval of the AmEmbassy, Nairobi to increase the REDSO ceiling for U.S. PSCs from 6 to 8:

1. Behaviour Science Advisor
2. Agriculture Economist

Recommendation: Your approval to fund the above two positions under the ADS project is requested.

Approve: _____

Disapprove: _____

ACTION: DAA/AFR, AFR/MGT, and REDSO/ESA

The personnel reductions discussed above have been discussed with and concurred in by REDSO management, though as noted above there is some disagreement on the Deputy and Executive Assistant positions.

3. Improved Mission staffing and changes in workloads may make other means of service delivery appropriate.

While the conclusion of this report is that REDSO services should continue to be provided in much the same fashion as at present (but at lower personnel levels), other options were considered and are summarized briefly below.

A. Full staffing of Missions: One approach would be to attempt to staff all missions in the regions fully. This approach would require staffing substantially beyond that required for DOA 551 authorities. However, to staff all missions at the level of Kenya or Senegal would without doubt exceed the personnel ceilings available to the Bureau. Worse, even if all missions could be staffed at this level, there would still remain a need for legal, contracting, commodity management and other specialized services from outside the mission. As long as the Bureau maintains traditional assistance programs in thirty four countries, this option is clearly a non-starter.

B. Assignment of REDSO staff to individual missions: Another approach would be simply to allocate REDSO staff to missions and assign them purely bilateral responsibilities. This approach would fail on a least three counts. First many officers would be underutilized if responsible for only one country. Second, many countries would remain unserved in critical areas, since there aren't enough positions to satisfy each mission's needs. Finally, although there would be fewer USDH A.I.D. personnel in Nairobi, they would all be located elsewhere in the region, thus achieving no cost savings.

C. Placement of REDSO staff in missions throughout the region, but with regional responsibilities. This approach avoids pitfalls one and two above by fully utilizing staff and serving all posts in the region. It has the advantage of bringing specialists closer to client missions. Where it fails in comparison with the current arrangement is that it would provide little or no opportunity for mutual support and exchange of experience among officers with similar responsibilities. It also provides no ready avenue for providing back-up when an officer is sick, on home leave or otherwise unavailable. Finally, this approach would tend to favor host missions which would be in a stronger position to obtain services from the resident specialist.

Notwithstanding the fact that this Option has been rejected repeatedly, largely based upon the perception that the host mission won't share resources and that its impossible to manage the sharing process from AID/W, it is my view that it could work effectively for RLAs, contract officers and commodity officers. Positive examples abound in the other regions. While the the argument that host missions won't share has merit with respect to technical officers whose services can easily be absorbed in mission program management, this should not be so for RLAs, COs and CMOs. For example, the Kenya mission which has immediate access to legal services has used only twenty-five days of legal services per year. While I make no specific recommendations here, I believe there may be better regional service and country specific service by placement of RLAs, COs and CMOs in active missions with good access to international transport (South Africa, Harare (SARP)) rather than by clustering them in a regional center.

D. Creation of a mini-REDSO: The most promising alternative to REDSO would be the creation of mini REDSO's - small clusters of personnel with a narrow regional responsibility. The Swaziland center is an example of this. A similar center was recommended for Harare in a November 1987 study on management of the South African program (Attachment E). Such mini-regional centers have the advantage of easier access to client missions and facilitate a greater sense of responsibility by regional personnel for mission programs. This improved sense of responsibility is most likely to occur if the regional people are not subject to host mission management.

There is currently a need for more focus on SADCC-related projects, especially the numerous capital (transportation) projects. Current obligations for ongoing capital projects total \$144,100,000. For the foreseeable future we expect approximately \$40 million in new capital project obligations each year. Provided we continue to cluster a regional design staff in Harare, it would be logical to add legal, contracting, commodity procurement and engineering services to insure a team approach to design and implementation of capital projects.

While this approach is the most promising from a service delivery standpoint, the cost savings would be minimal.

Recommendation: That serious consideration be given to establishment of a mini-REDSO in Harare.

Approve: _____

Disapprove: _____

ACTION: DAA/AFR, AFR/SA, AFR/MGT, REDSO/ESA

E. AID/W Service Delivery: A final alternative would be to provide REDSO services from AID/W. While it would seem that such an approach would be cost saving, close analysis completed in 1985 (Attachment F) revealed that due primarily to the additional travel expenses and more costly support staff requirements in Washington, the costs would be virtually identical. Arguing in favor of retaining the function in Africa is the greater knowledge, awareness and understanding developed by staff living close to the problems and programs they are addressing and serving and the quick response possible with only 2-3 hours flying time and virtually no time change involved. In recognition of these factors, individuals interviewed were unanimous in their rejection of the AID/W alternative and support to maintaining the operation in Africa. This was also the conclusion of the 1980 Committee on Government Operations which investigated the relocation issue in depth.

5. Use of a buy-in system for REDSO services. As noted in section 2 above, demand for and utilization of REDSO services are very high. However, this fact may not be a true measure of the value of those services to client missions. This is because the services are essentially free to the missions whereas a contractor requires the use of program funds for salary, travel and per diem, and even support from AID/W normally requires a mission contribution of increasingly scarce OE travel funds. One way to obtain a better measure of the value of REDSO services (as suggested by Roger Carlson) would be to require that REDSO travel be funded from mission travel budgets (which would of course need to be increased to accommodate this requirement). This "market" solution to measurement of REDSO's value would provide another means by which to test the continuing relevance of and need for REDSO. To be sure, some additional accounting burden would be placed on both the missions and on REDSO, but when the existence of an

organization as important as REDSO apparently is at stake, it's probably worth it, at least on a trial basis. A mini study to determine the feasibility of testing this system is currently being undertaken. A recommendation to you on this subject awaits the findings of the mini-study.

6. Opportunities for saving OE now: After careful scrutiny of REDSO's operations, the opportunities for saving OE costs would appear to be only two. The first and only major of these are the staff cuts discussed above. Dramatic savings in REDSO's OE budget could clearly result from the elimination of several positions. However, several missions in the region are now clearly understaffed when compared with their program responsibilities. Any reductions in REDSO personnel levels can and should be offset by increases in the levels of these understaffed posts at no net loss to personnel levels in the region overall.

The only other possibility would appear to be the elimination of the annual scheduling conference, to be replaced by cabled exchanges. While this is probably doable, it has the disadvantage of eliminating the annual opportunity to discuss programs, policies and procedures which normally accompanies the conferences. A reduced and more focussed version of the conference limited to one program and one project officer from each mission (and country reps for smaller programs) could probably achieve close to the same results. Washington participation would of course also be limited. I believe this is worth trying on an experimental basis this fiscal year.

Recommendation: That on an experimental basis this fiscal year (1) the scheduling conference be eliminated and replaced by cabled exchanges and (2) that a two day program and project officer conference be held in Nairobi at the end of the FY.

Approve: _____

Disapprove: _____

ACTION: AFR/PD, AFR/Desks and REDSO/ESA

Final Note: My observations during the course of the assessment compel the conclusion that AFR field posts remain understaffed in spite of recent personnel increases. Understaffing is a chronic Bureau problem which will be with us as long as the OE budget remains tight and we continue to operate in nearly forty countries. Historically, we have dealt with the reality by supplementing sparse staffs with regional services. REDSO has undertaken this service and "safety net" function efficiently.

Accordingly, there is little reason for dramatic changes in REDSO's role and responsibilities under our current program organization. I believe this conclusion is strongly confirmed by this assessment.